

East Suffolk Council

LOCAL DISCRETIONARY RATE RELIEF POLICY

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1. Introduction

- 1.1** As a result of the 2011 Localism Act, local authorities are able to award business rate relief to any type of organisation rather than a nationally pre-defined, relatively narrow range of organisations as was the case prior to this Act. This is known as Local Discretionary Rate Relief (LDRR).

This policy applies to the administrative area of East Suffolk Council (ESC) only.

2. Aims and Objectives

- 2.1** The aim of the LDRR policy and guidance is to support potential inward investors locating within the district and Lowestoft in particular, as well as encourage businesses seeking to expand and remain.

In turn, this supports the vision and the economic strategy element of the Council's East Suffolk Business Plan (ESBP) as well supports specific actions relating to business support and training.

- 2.2** These proposals also support the Financial Self-Sufficiency objective of the ESBP since the aim is to grow the district's business base and in the medium to long-term this will increase overall business rate receipts.

3. Criteria

- 3.1** The criteria for the LDRR is that it should be applied where a business relocation decision supports ESC's economic growth ambitions and objectives. The strategic context for these objectives is set out in the ESBP and also within the East Suffolk Growth Plan (ESGP) as economic growth is central to the Council's strategic objectives and forms one of the 3 pillars which underpin the ESBP.

- 3.2** There are two forms of rate relief that can be applied under the LDRR policy and are determined by the geographic location. If the premise resides within an enterprise zone, a unique set of parameters can be applied. Details can be found in section 4.4 (Process).

- 3.2** The following will be considered when determining an award for LDRR:

☐ *Does the investment benefit local people and/or the local economy?*

Any application received will be considered favourably where a business can provide significant employment opportunities, benefit the local supply chain and align with the key growth sectors identified within the ESGP of Energy, Tourism, Ports & Logistics and ICT.

Additional consideration will be given to applications which propose locating in

Lowestoft and in particular within the strategic sites within the Lake Lothing and Outer Harbour Area Action Plan area.

Consideration will also be given to businesses that can demonstrate that their presence would act as an anchor for attracting similar businesses. This may be related to their size, status and the particular sector they are operating within.

☐ *Does the business create or support opportunities for education or training?*

A core element of both the ESBP and ESGP is to improve the level of workforce skills in the district since a highly skilled local workforce is a foundation of a successful local economy. In order for a business investment decision to be considered under this criteria it should demonstrate a commitment to upskilling its current and future workforce.

☐ *Will the premises be occupied?*

No relief will be granted for premises where there is no intention for them to be occupied immediately.

☐ *Is the ratepayer eligible for any other mandatory or discretionary relief?*

LDRR is unlikely to be granted other than in exceptional circumstances if the ratepayer is entitled to other mandatory or discretionary rate relief.

It is important to note that meeting the above criteria does not automatically mean that LDRR will be awarded. Furthermore if a decision to award LDRR is made the level of relief should relate to the extent to which the above criteria are met.

4.0 Process

4.1 Each application for LDRR will need to be submitted on a formal application form which can be found on the Council's website at the following link:

www.eastsuffolk.gov.uk/business/business-incentives/waveneyldrr

4.2 Applications will be determined by a panel (see section 5, unless the applicant is within an Enterprise Zone in which case see section 4.4) with reference to the above criteria and The Council will notify the applicant in writing of the outcome of their request. Where the application is unsuccessful, the Council will explain the reasons why the decision was made.

4.3 Under Section 47 of the Local Government Finance Act 1988 through which awards are administered, awards are not subject to a statutory appeals process. Appeals will therefore be decided by the Council and the Council operate the following policy

for dealing with appeals:

- An applicant who disagrees with a decision may ask for the decision to be reviewed.
- The request must be made in writing within one calendar month of the original decision.
- Where possible the Council will resolve the matter and provide reasons of the decision to the applicant either verbally or in writing.

4.4 Enterprise Zone Discretionary Rate Relief (EZDRR) qualifies businesses to 3 years relief up to a maximum of £55,000 per annum. To access EZDRR, the applicant is required to be in occupation of one of the four designated sites within Lowestoft by the end of March 2019. Please note that EZDRR can only be applied once per organisation.

5.0 Roles and Responsibilities

5.1 It is proposed that a panel of Cabinet Members and officers will determine applications for LDRR.

This will include the Cabinet Members for Economic Development and Resources and the relevant Strategic Director, in consultation with the Head of Economic Development and Regeneration and Chief Financial Officer

6.0 Communication

6.1 The applicant will be notified of the outcome of their application within 14 working days with full written reasons for the decision.

6.2 The officers from the Economic Development and Regeneration Team will be responsible for ensuring that any prospective applicants are fully aware of the scheme and its guidelines during any business engagement activity.

7.0 External Considerations

7.1 EU state aid rules generally prohibit government subsidies to businesses and providing discretionary relief to ratepayers can in some cases be deemed to be State Aid. There is, however, a general exception to the state aid rule where the aid is below a “de minimis” level. The De Minimis Regulations allow a business to currently receive up to €200,000 of De Minimis aid (€100,000 in the road freight transport sector) in a rolling three year period (consisting of the current financial year and the two previous financial years). The De Minimis Regulation and limit is subject to update and changes in legislation.

To administer De Minimis it is necessary for the Council to establish that the award of aid will not result in the business having received more than €200,000 of De Minimis aid. The Council will ensure compliance with the legal requirements and any

permitted exemptions. Each case will be considered based on the organisation's individual circumstances in full consideration of the state aid rules.

8.0 Related Documents

- 8.1** Any application received for LDDR will be considered favourably when a business can provide clear links to the objectives contained within the [ESBP](#) as well as align with the key growth locations and sectors identified within the [ESGP](#).

Additional consideration will be given to applications which propose locating in Lowestoft and in particular within the strategic sites within the [Lake Lothing and Outer Harbour Area Action Plan](#) area as well as [Enterprise Zones sites](#)