

# East Suffolk Council

## LOCAL DISCRETIONARY RATE RELIEF POLICY

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| <b>1.</b>  | <b>Introduction</b>  |
| <b>1.1</b> | <p>Under the 2011 Localism Act, local authorities can award business rate relief to any type of organisation within their boundary, 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).</p> <p>This policy applies to the administrative area of East Suffolk Council (ESC) only.</p>   |
| <b>2.</b>  | <b>Aims and Objectives</b>   |
| <b>2.1</b> | <p>The aim of the LDRR policy and guidance is to support potential inward investors locating within the district, as well as encourage businesses seeking to expand and remain.</p> <p>LDRR provides an additional tool that supports and incentivises businesses, complementing existing mandatory and discretionary business rate reliefs including the tax and customs site incentives offered by Freeport East.</p> <p>Together, these support the vision and the Thriving Economy Theme of the Council’s Strategic Plan – Our Direction 2028, as well as supporting specific actions relating to business support and training.</p> |
| <b>2.2</b> | <p>These proposals also support the Council’s financial sustainability objectives through sustainably growing the district’s business base and in the medium to long-term this will increase overall business rate receipts.</p>   |
| <b>3.</b>  | <b>Criteria</b>  |
| <b>3.1</b> | <p>The key criteria for awarding LDRR is that it should be applied where a business relocation/ growth decision supports ESC’s Thriving Economy objectives. The strategic context for these objectives is set out in the Strategic Plan (Our Direction 2028) and also within the East Suffolk Economic Strategy (ESES).</p>  |
| <b>3.2</b> | <p>The following will be considered when determining an award for LDRR:</p>  |
| <i>a.</i>  | <p><i>Does the investment benefit local people and/or the local economy?</i></p>   |
|            | <p>Any application received will be considered favourably where a business can provide significant employment opportunities, benefit the local supply chain and align with the districts key economic sectors identified within the ESES:</p> <ul style="list-style-type: none"> <li>• Clean Energy</li> <li>• Tourism</li> <li>• Ports &amp; Logistics</li> <li>• ICT and digital creative</li> </ul>   |

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|            | <ul style="list-style-type: none"> <li>• Manufacturing and engineering</li> <li>• Marine and maritime</li> <li>• Visitor economy and culture</li> </ul> <p>The Council is particularly keen to encourage investment from businesses with a low/ zero carbon focus and/ or engaged in substantial environmentally positive activities. Businesses actively engaged in the oil and gas sector will not be eligible for rate relief.</p> <p>Additional 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. Further consideration will also be given to applicants who propose to locate in one of east Suffolk’s strategic employment sites e.g. the Power park in Lowestoft where the Council is encouraging investment from the clean energy sector.</p> |
| b.         | <i>Does the business create or support opportunities for education or training?</i>  |
|            | <p>A core objective of both the Strategic Plan and ESES 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 and supports ESC’s inclusive growth agenda. For a business investment decision to be considered under these criteria it should demonstrate a commitment to upskilling its current and future workforce.</p>   |
| c.         | <i>Will the premises be occupied?</i>  |
|            | <p>No relief will be granted for premises where there is no intention for them to be occupied immediately.</p>   |
| d.         | <i>Is the ratepayer eligible for any other mandatory or discretionary relief?</i>  |
|            | <p>LDRR is unlikely to be granted other than in exceptional circumstances if the ratepayers entitled to other mandatory or discretionary rate relief.</p>  |
| <b>3.3</b> | <p>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 awarded should relate to the extent to which the above criteria are met. In addition to demonstrating how the above criteria will be met any application for LDRR will need to be accompanied by:</p> <ul style="list-style-type: none"> <li>• Business plan with a 12 month financial forecast</li> <li>• Last 2 years audited accounts</li> </ul>   |

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|  | <ul style="list-style-type: none"><li>• Purpose and use of the property</li><li>• Details of the nature of the business</li><li>• What steps have been taken to meet or mitigate their Business Rates liability (i.e. any other discounts or reductions awarded)</li><li>• Evidence of other reliefs, grants, benefits etc which may be deemed as state aid within the current and previous two financial years</li></ul> |
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| <b>4.0</b> | <b>Process</b>  |
| <b>4.1</b> | Any business wishing to apply for LDRR should contact the Economic Development team to discuss their requirements in the first instance:<br><a href="mailto:economicdevelopment@eastsoffolk.gov.uk">economicdevelopment@eastsoffolk.gov.uk</a> .  |
| <b>4.2</b> | Applications will be determined by a panel 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.  |
| <b>4.3</b> | <p>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:</p> <ul style="list-style-type: none"> <li>• An applicant who disagrees with a decision may ask for the decision to be reviewed.</li> <li>• The request must be made in writing within one calendar month of the original decision.</li> <li>• Where possible the Council will resolve the matter and provide reasons of the decision to the applicant either verbally or in writing.</li> </ul> |

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| <b>5.0</b> | <b>Roles and Responsibilities</b>  |
| <b>5.1</b> | <p>A panel of Cabinet members and senior officers will determine applications for LDRR. This will include:</p> <ul style="list-style-type: none"> <li>• Cabinet member for Economic Development and Transport</li> <li>• Cabinet member for Resources and Value for Money</li> <li>• Strategic Director with responsibility for Economic Development</li> <li>• Head of Economic Development and Regeneration</li> <li>• Chief Financial Officer</li> </ul>  |
| <b>6.0</b> | <b>Communication</b>   |
| <b>6.1</b> | The applicant will be notified of the outcome of their application within 14 working days with full written reasons for the decision.  |
| <b>6.2</b> | 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.  |
| <b>7.0</b> | <b>External Considerations</b>   |
| <b>7.1</b> | <p><b>Subsidy</b></p> <p>Please be aware that all applicants for LDRR are expected to complete a subsidy declaration within the application process.</p> <p>The EU State aid rules no longer apply to subsidies granted in the UK following the end of the transition period, which ended on 31 December 2020. This does not impact the limited circumstances in which State aid rules still apply under the Withdrawal Agreement, specifically Article 10 of the Northern Ireland Protocol. The United Kingdom remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU.</p> <p>East Suffolk Council will be providing LDRR to the applicant business or organisation as a Minimum Financial Assistance (MFA) subsidy under the Subsidy Control Act (2022).</p> <p>MFA subsidy limit is £315,000 over a three-year period (including your current financial year and the previous two financial years).</p> |

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| <b>8.0</b> | <b>Related Documents</b>  |
| <b>8.1</b> | <p>Any application received for LDDR will need to demonstrate clear linkages to the aims, objectives, priority locations and sectors contained within the following key East Suffolk Council documents:</p> <ul style="list-style-type: none"><li data-bbox="263 448 790 488">i. <a href="#">Strategic Plan 'Our Direction 2028'</a></li><li data-bbox="263 504 890 544">ii. <a href="#">East Suffolk Economic Strategy 2022-2027</a></li></ul> |