

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards South and West Lynn	Discretionary	Be entirely within Cabinet's powers to decide	NO	
		Need to be recommendations to Council	YES	
		Is it a Key Decision	NO	
Lead Member: E-mail: Cllr Brian Long Cllr.brian.long@west-norfolk.gov.uk		Other Cabinet Members consulted:		
		Other Members consulted: Corporate Performance Panel		
Lead Officer: Jo Stanton, Revenues and Benefits Manager E-mail: joanne.stanton@west-norfolk.gov.uk Direct Dial:01553 616349		Other Officers consulted: Ray Harding, Chief Executive Lorraine Gore, Asst Director and s151 Officer Ostap Paparega, Regeneration and Economic Development Manager		
Financial Implications YES	Policy/Personnel Implications NO	Statutory Implications NO	Equal Impact Assessment YES If YES: Pre-screening only	Risk Management Implications NO

Date of meeting: 25 October 2016

NORA ENTERPRISE ZONE DISCRETIONARY BUSINESS RATES DISCOUNT

Summary

The Council has the discretion to award a business rates discount to properties located within an Enterprise Zone. This report details the recommendations for these discounts.

Recommendation

Cabinet are asked to recommend that full Council agree the following discretionary business rates discounts for properties within the NORA Enterprise Zone from 1 April 2016:

- A 100% discount for up to five years for occupied properties,
- A maximum nine month discount for unoccupied properties, rising to 12 months if the property is classed as industrial, and
- A 100% discount for up to five years for both occupied and unoccupied properties within the KLIC building

Reason for Decision

To ensure the discretionary business rates discounts are agreed for properties within the Enterprise Zone.

1. Background

- 1.1. In 2015 the New Anglia Local Enterprise Partnership (NALEP) made a bid to central government to designate a number of sites across East Anglia as Enterprise Zones (EZs). One of these sites was the NORA site at South Lynn. The Cabinet Report of 9 September 2015 contains the full details of this process. The NALEP bid was successful and the NORA site was awarded Enterprise Zone (EZ) status from April 2016.
- 1.2. An EZ allows businesses located within the zone to benefit from reduced burdens including lower tax levels, planning, regulatory and other administrative burdens. To help reduce the tax burden on businesses within the EZ the Council can choose to award a business rates discount of up to 100% of the business rates bill for a maximum of five years (subject to State Aid limits – see Appendix B).
- 1.3. Central government will fully reimburse the cost of any discretionary business rates discount awarded within these parameters.
- 1.4. The business rates discount is discretionary and the Council is free to decide what amount of discount to award, any specific categories of business or types of occupation to award the discount to, and for what length of time.
- 1.5. All the other business rates reductions and reliefs apply as usual including Small Business Rate Relief, Mandatory Relief and the three month exemption period for unoccupied properties (six months for industrial properties). Any EZ discretionary discount is awarded after all other relevant reliefs have been applied. Businesses can also still apply for Hardship Relief.
- 1.6. Under the Business Rate Retention scheme, any business rates growth within the EZ is accounted for separately and outside the Business Rates pool. It is fully retained and not subject to any levy payment. It is then split between the Borough Council, the County Council and NALEP for investment in infrastructure in the EZ and priorities in the Strategic Economic Plan.

2. Occupied and Unoccupied Property Discounts

- 2.1. The purpose of the discount is to reduce the tax burden for business within the EZ. A 100% discount is recommended for occupied properties to encourage businesses to locate within the EZ and to free up resources so they can grow.
- 2.2. Those liable for business rates for unoccupied properties outside the EZ normally receive the statutory three month exemption from payment of business rates, rising to six months if the property is classed as industrial. After this the full business rates are payable again.
- 2.3. Awarding a 100% discount for unoccupied properties within the EZ makes it more beneficial for the owner to have an unoccupied property within the EZ than outside it. However a six month extension of the

statutory exemption period is recommended to encourage businesses to locate to the EZ and remove some of the risk of having an empty, or partly empty, property as they become established. This means an empty property would receive a maximum exemption of nine months, rising to 12 months for industrial properties.

- 2.4. The King's Lynn Innovation Centre (KLIC) offers an 'Easy In, Easy Out' approach to encourage new businesses. This may mean more time when the offices are unoccupied. It is recommended that a 100% business rates discount is awarded on all business rates bills for KLIC.
- 2.5. All business rates discounts are subject to a maximum time limit of five years, and are subject to the rules on State Aid, limiting the amount of discretionary relief any one business can receive to approximately £275,000 over five years.
- 2.6. The discounts detailed above have been considered and recommended by the Corporate Performance Panel.

3. Policy Implications

- 3.1. The EZ discretionary discount will be a new policy and will be added to the Business Rates Discretionary Relief policy.

4. Financial Implications

- 4.1. The cost of awarding the EZ relief for up to five years is fully funded by central government through the Business Rate Retention Scheme.
- 4.2. Growth and income from the EZ is accounted for outside of the Business Rates Retention Scheme for the next 25 years. The growth can be used to support future borrowing and investment in the EZ.

5. Equality Impact Assessment (EIA)

- 5.1 A Pre-screening report is attached at Appendix A. A full Equality Impact Assessment is not required.

6. Declarations of Interest / Dispensations Granted

- 6.1 None

7. Background Papers

- 7.1 None

Pre-Screening Equality Impact Assessment

Borough Council of
**King's Lynn &
West Norfolk**



Name of policy	Business Rates Discretionary Discounts for Enterprise Zones				
Is this a new or existing policy/ service/function?	New				
Brief summary/description of the main aims of the policy/service/function being screened. Please state if this policy/service rigidly constrained by statutory obligations	The Council can award a discretionary discount to ratepayers within an Enterprise Zone and the cost is fully funded by central government. The rules for awarding the discount are at the discretion of the Council.				
Question	Answer				
<p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups according to their different protected characteristic, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p>		Positive	Negative	Neutral	Unsure
	Age			✓	
	Disability			✓	
	Gender			✓	
	Gender Re-assignment			✓	
	Marriage/civil partnership			✓	
	Pregnancy & maternity			✓	
	Race			✓	
	Religion or belief			✓	
	Sexual orientation			✓	
	Other (eg low income)			✓	
Question	Answer	Comments			
2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?	No				
3. Could this policy/service be perceived as impacting on communities differently?	No				
4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?	No				
<p>5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions?</p> <p>If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section</p>	N/A	Actions:			
		<p>Actions agreed by EWG member:</p> <p>.....</p>			
Assessment completed by: Name Jo Stanton					
Job title Revenues and Benefits Manager	Date 12 September 2016				

Please Note: If there are any positive or negative impacts identified in question 1, or there any 'yes' responses to questions 2 – 4 a full impact assessment will be required.

Appendix B: State Aid

Any relief from taxes, including non-domestic rates, can constitute State Aid. This includes discretionary relief for properties in an Enterprise Zone, as well as other non-domestic rates discounts.

There is a de-minimus limit of €200,000 for any one business over a three year period. This equates to around £55,000 a year per business, so over the five year period the maximum amount of discretionary discount any one business can receive is £275,000.