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NON-EXEMPT

# HAVANT BOROUGH COUNCIL

CABINET

13<sup>th</sup> July 2022

## Business Rates – Freeport – Discretionary Rate Relief Scheme

### FOR DECISION

Portfolio Holder: Cllr Tony Denton

Key Decision: No

Report Number: HBC/062/2022

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#### 1. Purpose

1.1. This paper is submitted to Cabinet

For policy decision

#### 2. Recommendation

2.1. Members are requested to approve

2.2. The introduction of the Freeport Discretionary Rate Relief Scheme

#### 3. Executive Summary

3.1. This report is introducing a new scheme, which will enable the granting of discretionary rate relief to qualifying businesses within the new Freeport area of Dunsbury Way.

3.2. This new scheme supports the Corporate Strategy in enabling one of the key benefits for new businesses moving to the Freeport tax site.

3.3. There are no additional resources implications.

3.4. Appendix A contains the new Freeport Discretionary Rate Relief Scheme

#### **4. Additional Budgetary Implications**

4.1. None

#### **5. Background and relationship to Corporate Strategy and/or Business Plans**

5.1. At the Budget on 3 March 2021, the government committed to creating new freeports sites in England, where businesses would benefit from more generous tax reliefs, including business rates relief. The announcement confirmed that the Solent Freeport site in England was successful in the bidding process.

5.2. Full business rates relief will be available for a period of five years to an eligible business in a freeport tax sites in England, once designated. Relief will be available to all new businesses, and certain existing businesses where they expand, provided occupation commences before 30 September 2026.

5.3. Relief will apply for five years from the point at which each beneficiary first receives relief. This means that if a business first received relief on 30 September 2026, the relief may be applied up to 29 September 2031.

5.4. The introduction of this scheme supports the Corporate Strategy as the scheme is an important element of the delivery of the Freeport Tax site.

#### **6. Options considered**

6.1. The Council is required by the Government to introduce a local discretionary rate relief scheme to enable eligible businesses to claim Freeport Rate Relief.

#### **7. Resource Implications**

7.1. Where Freeport Rate Relief is granted, this will be compensated by the Government in the form of Section 31 grants.

7.2. There is a one-off cost for software of £2,500 and an annual software maintenance cost of £500 to administer the scheme within the Business Rates system, however, this can be claimed back from the Freeport Board.

**Section 151 Officer comments**

*There are no financial implications – Malcolm Coe – S151*

Date: 21<sup>st</sup> June 2022

7.3. Human Resources Implications

7.4. There are no Human Resources implications.

7.5. Information Governance Implications

7.6. There are no Information Governance implications

7.7. Other resource implications

7.8. None

**8. Legal Implications**

8.1. None.

**Monitoring Officer comments**

*There are no legal implications – Mark Watkins – Interim Monitoring Officer*

Date: 21<sup>st</sup> June 2022

**9. Risks**

9.1. None

**10. Consultation**

10.1. The scheme has been drafted in consultation with the other three Rating Authorities within the Solent Freeport area. This was to ensure a consistent approach to the granting of any rate relief.

**11. Communication**

- 11.1. Key stakeholders will be informed of the new scheme and the Council's website etc will be updated

**12. Appendices**

- 12.1. Appendix A – Freeport Discretionary Rate Relief Scheme

**13. Background papers**

- 13.1. None

Agreed and signed off by:

Portfolio Holder: Cllr Tony Denton – 18<sup>th</sup> March 2022

Executive Head: Chris Bradley – 5<sup>th</sup> July 2022

Monitoring Officer: Mark Watkins – 21<sup>st</sup> June 2022

Section 151 Officer: Malcom Coe – 21<sup>st</sup> June 2022

**Contact Officer**

Name: Brian Wood

Job Title: Head of Customer Services

Telephone: 01730 234150

E-mail: [brian.wood@easthants.gov.uk](mailto:brian.wood@easthants.gov.uk)