



**Warwick District Council**

**Policy for the granting of Discretionary  
Non-Domestic Rate Relief**

**Investment Zones**

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## **1.0 Purpose of the Policy**

- 1.1 The purpose of this policy is to determine the level of discretionary rate relief to be granted to certain defined ratepayers within the Council's Investment Zone tax sites. The policy includes the criteria for granting the relief from the establishment of the Investment Zone areas.

### **The Investment Zone Tax Sites**

- 1.2 The Coventry-Warwick Giga Park incorporating the Coventry airfield site as well as the neighbouring Segro Park and Whitley South are sites where bespoke funding and incentives could be made available for businesses choosing to set up there.
- 1.3 Having joined the West Midlands Combined Authority (WMCA) as a non-constituent member, Warwick District Council (the Council) is central to plans for developing these three sites. Coventry Airport has been earmarked for the creation of a gigafactory for battery production, further enhancing the green energy sector.
- 1.4 The eligible geographical area will be provided alongside this policy.

### **Government's approach to relief**

- 1.5 Central Government is not changing the legislation relating to the reliefs available to businesses and has produced guidance for all local authorities that use their discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended), to grant relief to those ratepayers who are eligible. This policy follows the principles within government guidance.
- 1.6 Where relief is granted correctly, the Council will be reimbursed for any grants made under section 31 of the Local Government Act 2003.
- 1.7 This document outlines the following areas:
- Eligibility principles - which properties will benefit from relief including:
    - Principles for the application of discretionary rates relief to new businesses;
    - Principles for awarding Investment Zone discretionary rates relief for existing businesses; and
    - Principles for establishing the value of the Investment Zones discretionary rates relief.
  - The Council's policy for granting the relief;
  - Guidance on granting and administering the relief;

- Subsidy requirements including provisions for Subsidy Controls; and
- The Council's Scheme of Delegation.

1.8 This policy covers all aspects of the relief.

1.9 Where businesses apply for the relief, they will be granted (or not granted) relief in line with the following policy. It should be noted that all applications for relief shall be considered taking into account the objectives of the West Midlands Investment Zone.

## **2.0 Discretionary Relief – Legislative Background**

2.1 The original purpose of discretionary relief was to provide assistance where the property does not qualify for mandatory relief, or to 'top' up cases where ratepayers already receive mandatory relief.

2.2 Over recent years and particularly since 2011, the discretionary relief provisions, as defined by section 47 of the Local Government Finance Act 1988, have been used by government to provide assistance to certain specified categories of business ratepayers without the need to change the legislation. However, whilst government provides general guidance, it is for the Council to ensure that all relief is granted strictly in line with the primary legislation as amended by the Non-Domestic Rating Act 2023.

2.3 Unlike mandatory relief, ratepayers are obliged to make a written application to the Council. The Council is obliged to carefully consider every application on its merits, taking into account the guidance provided by government.

2.4 There is no statutory appeal process against any decision made by the Council although as with any decision of a public authority, decisions can be reviewed by Judicial Review.

2.5 The decision to grant or not to grant relief is a matter purely for the Council.

## **3.0 Discretionary Relief – Investment Zone tax sites**

### **General Principles**

3.1 Full discretionary rates relief (100%) is available to eligible businesses in these Investment Zone tax sites in England, once designated. Relief will be available to all newly occupied businesses, and certain existing businesses where they expand in Investment Zone tax sites, until 30 September 2034.

- 3.2 Relief will apply for 5 years from the point at which each ratepayer first receives relief. This means that if a business first received relief on 30 September 2025, the relief may be applied up to 29 September 2029.

### **New businesses locating to the Investment Zone tax sites – eligibility for relief**

- 3.3 Investment Zones discretionary rates relief is available to new businesses moving into the Investment Zone tax site after the date on which the relevant Investment Zone tax site has been formally designated (and on or before 30 September 2034) and occupying both existing and new hereditaments on the rating list.
- 3.4 Investment Zones discretionary rates relief is available for 5 years from the date it is first claimed.
- 3.5 New businesses which expand after moving into the Investment Zone (whether into new or existing buildings) will, in addition to any existing relief, be eligible for relief on any additional hereditaments they occupy in the relevant Investment Zone tax site.
- 3.6 In considering what is a new business, the Council will make such enquiries as are appropriate. This will include lifting the corporate veil and considering groups or subsidiaries of companies to be single businesses.
- 3.7 The Council will use its discretion and apply additional tests for discretionary rate relief in order to avoid or not incentivise displacement of business activity from the surrounding area, or in order to further the objectives of the Investment Zone.

### **Existing businesses within Investment Zone Tax site – eligibility for relief**

- 3.8 Subject to 3.9 to 3.14 below, full relief is available on a hereditament where a ratepayer has occupied the property comprising that hereditament for the first time on or after the date on which the relevant Investment Zone tax site is designated (and on or before 30 September 2034). This, for example, would include existing businesses expanding into a further property.
- 3.9 Subject to 3.10 to 3.14 below, partial relief is available on a hereditament where a ratepayer has occupied a room or similar within a hereditament for the first time on or after the date the relevant Investment Zone tax site is designated (and on or before 30 September 2034). For example, where an existing business builds an extension or takes on new rooms or floors in their building leading to an expansion of the hereditament.

- 3.10 Ratepayers cannot generally claim Investment Zone discretionary rates relief merely by expanding their use of an existing room or similar within a hereditament. However, partial relief is available to a ratepayer in respect of part of a hereditament on which they were already the occupier or owner prior to the date on which the relevant Investment Zone tax site is designated, provided that the space is within an existing room of a building and has become useable for the first time following development commenced on or after the date on which the relevant Investment Zone tax site is designated (and on or before 30 September 2034) e.g. installation of a mezzanine or access/fire control improvements to bring an existing space into use.
- 3.11 Improvements to space already or previously in use by the ratepayer prior to the date on which the relevant Investment Zone tax site is designated, are not eligible for Investment Zone relief (e.g. general refurbishment or improved services such as heating and air-conditioning).
- 3.12 The Council may refuse to award Investment Zone discretionary rates relief where the increase in rates bills attributable to these factors is not reasonably ascertainable by the Council.
- 3.13 The Council has discretion to apply additional tests for Investment Zone discretionary rates relief in order to avoid or not incentivise displacement of business activity from within the Investment Zone or the surrounding area, or in order to further the objectives of the Investment Zone. This may include reducing the award of relief in cases where a ratepayer's occupation of a space arises in whole or in part from them vacating another space in the Investment Zone or surrounding area.
- 3.14 Investment Zone discretionary rates relief is available for 5 years from the date it is first claimed. Businesses will be able to claim the relief, where eligible, from the date the relevant Investment Zone tax site has been formally designated (and on or before 30 September 2034) until 29 September 2039 (where a business first received relief on 30 September 2034).

### **Establishing the value of the discretionary relief - Principles for establishing the value of the Investment Zones business rates relief**

- 3.15 Subject to 3.17 below, the value of full relief for hereditaments falling within 3.8 above is 100% of the bill.
- 3.16 Subject to 3.17 below, the value of partial relief should be 100% of that part of the rates bill attributable to the part of the hereditament falling within 3.9 and 3.10 above where that increase is reasonably ascertainable. In establishing

the part of the rates bill attributable to the part of the hereditament falling within 3.9 and 3.10 above, the Council may have regard to:

- (i) the survey and rating valuation of the hereditament provided by the ratepayer if available (e.g., for hereditaments valued by area on the rental comparison basis);
- (ii) a change to the rateable value where it is clear that the change is solely due to the addition to the valuation of the parts of the hereditament falling within 3.9 and 3.10 above; and/or
- (iii) any other information the authority deems appropriate to determine the extent of the parts of the hereditament falling within 3.9 and 3.10 above.

3.18 The Council shall determine the best method to determine that value.

3.19 The Council may withhold or reduce the Investment Zones discretionary rates relief in cases of displacement.

### **Order of reliefs**

3.20 The relief will be applied after mandatory reliefs and other discretionary reliefs have been applied, excluding those where the Council has used its wider discretionary relief powers introduced by the Localism Act 2011.

3.21 A hereditament shall not be entitled to receive both Enterprise Zone discretionary rates relief and Investment Zone rates relief. If such a case occurs, the Council will notify the business of the fact and the business will be required to notify the Council as to which relief should apply.

## **4.0 Effect on the Council's Finances**

4.1 The granting of discretionary relief will, normally, involve a cost to the Council. However, where Government leads an initiative such as this, grants are often available through section 31 of the Local Government Act 2003. This is not automatic and Central Government will look to the Council to adopt the recommended approach when granting in these areas.

4.2 Central Government has indicated that any relief granted for businesses in the Investment Zone area may be funded in full. The Council, whilst being keen to support as many businesses as possible, will ensure that relief is **only** granted strictly in line with guidance in order to maximise grants from government.



## **5.0 Discretionary Relief – Subsidy Control**

- 5.1 Investment Zone discretionary rate relief awards are likely to amount to subsidies. The government has created a subsidy scheme under the Subsidy Control Act 2022 for the [English Investment Zone programme](#) (“the Scheme”) and the Council will utilise this when making business rates relief awards in accordance with this guidance. The Scheme was made on 25 April 2024. Most of the UK’s domestic and international subsidy control obligations apply at scheme level (see the [UK subsidy control regime page](#) which contains guidance and information on the UK subsidy control regime).
- 5.2 Under the Scheme, any discretionary rates relief awards made in accordance with this guidance are judged to be consistent with the subsidy control principles. This means that local authorities who satisfy themselves that an award complies with this guidance are not required to conduct their own assessment of the award against the subsidy control principles. It also means that a subsidy awarded under the scheme that complies with this guidance is insulated from legal challenge under the Subsidy Control Act. There is no cap to the value of a business rates relief award that can be made under the Scheme. For the avoidance of doubt, subsidies awarded under the Scheme do not constitute nor contribute to Minimum Financial Assistance.
- 5.3 The Council will award Investment Zone discretionary rates relief in accordance with the guidance and will look to recover relief where it becomes necessary to do so.
- 5.4 The Council has an obligation to report individual subsidies awarded under the scheme. Subsidies above £100,000, including those awarded under the English Investment Zones subsidy scheme, are subject to transparency requirements. This is not cumulated per beneficiary but applies per subsidy award. This means that for every individual subsidy provided of more than £100,000, the Council will be required to include details of the subsidy on the subsidy control database and link that award to the English Investment Zones subsidy scheme.

## **6.0 Administration of Discretionary Relief**

- 6.1 The following section outlines the procedures followed by officers in granting, amending, or cancelling discretionary relief.

### **Applications and Evidence**

- 6.2 Relief must be applied for in writing by the ratepayer. Application forms are produced within the Council and issued to all ratepayers requesting the relief.

The relevant application form for the relief is available on the Council's website.

- 6.3 Organisations are required to provide a completed application form plus any such evidence, documents, accounts, financial statements etc. necessary to allow the Council to make a determination. Where insufficient information is provided, then no relief will be granted.
- 6.4 Applications should initially be made to the Business Rates Section and will be determined in accordance with this policy.
- 6.5 The Council will provide this service and any guidance free of charge. Ratepayers are encouraged to approach the Council direct and NOT pay for such services through third parties.

### **Granting of relief**

- 6.6 In all cases, the Council will notify the ratepayer of decisions made.
- 6.7 Discretionary relief is to be granted from the date of the qualifying event.

### **Variation of a decision**

- 6.8 Variations in any decision will be notified to ratepayers as soon as practicable.
- 6.10 A decision may be revoked at any time as determined by the Council.

## **7.0 Scheme of Delegation**

### **Granting, Varying, Reviewing and Revocation of Relief**

- 7.1 All powers in relation to reliefs are given under the Local Government Finance Act 1988, the Local Government and Rating Act 1997, the Local Government Act 2003 and the Localism Act 2011. However, section 223 of the Local Government Act 1992 allows for delegation of decisions by the Council to Cabinet, Committees, Sub-Committees or Officers.
- 7.2 The Council's scheme of delegation allows for the Head of Finance to delegate matters in relation to the awarding, revision or revoking of any discretionary relief applications to the Exchequer Manager.
- 7.3 Applications that are refused will, on request, be reconsidered if additional supporting information is provided or the refusal is subsequently considered to be based on a misinterpretation of the application.

## **Reviews**

- 7.4 The policy for granting relief will be reviewed annually or where there is a substantial change to the legislation or funding rules. The Council's Head of Finance has been delegated powers which enable changes to this scheme to either meet the Council's requirements of changes in legislation.

## **Appeals**

- 7.5 Whilst ultimately the appeal against any decision to grant or not grant relief is by Judicial Review to the High Court, where the Council receives an appeal from the ratepayer regarding the granting, non-granting or the amount of any discretionary relief, the case will be reviewed by the Head of Finance. Where a decision is revised then the ratepayer shall be informed, likewise if the original decision is upheld.

## **8.0 Reporting changes in circumstances**

- 8.1 Where any award is granted to a ratepayer, the Council will require any changes in circumstances which may affect the relief to be reported as soon as possible and, in any event, not more than 21 days from the happening of the event.
- 8.2 This will be important where the change would result in the amount of the award being reduced or cancelled e.g., where the premises comes unoccupied or is used for a purpose other than that determined by the Council as eligible for relief.
- 8.3 Where a change of circumstances is reported, the relief will, if appropriate be revised or cancelled. Where any award is to be reduced, the Council will look to recover the amount from the date the change of circumstances occurred.

## **9.0 Fraud**

- 9.1 Where a ratepayer falsely applies for any relief, or where the ratepayer provides false information, makes false representation, or deliberately withholds information in order to gain relief, prosecutions will be considered under the Fraud Act 2006.