

**STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL**

**Cabinet**

**11 February 2025**

<b>TITLE:</b>	<b>Business Rates Reliefs and Council Tax Reduction and Premiums</b>
<b>PORTFOLIO HOLDER:</b>	<b>Councillor Wood - Portfolio Holder for Finance</b>
<b>CONTACT OFFICERS:</b>	<b>Martin Owen – Executive Director (Resources) Joanne Wheeldon - Head of Revenues and Benefits</b>
<b>WARDS INVOLVED:</b>	<b>N/A</b>

**Appendices Attached**

**Appendix A – Business Rates Relief Policy**

**Appendix B – Empty and Second Home Premium and Exception Policy**

- 1. Reason for the Report**
  - 1.1 The purpose of this report is to update the above existing policies with changes made by Government, and to confirm that there will be no changes made to the Local Council Tax Reduction Scheme for the financial year 2025/26.
- 2. Recommendation**
  - 2.1 The Cabinet recommend to Full Council that the updated policies are approved.
- 3. Executive Summary**
  - 3.1 At the Autumn Budget on 30 October 2024, the Chancellor announced a package of measures to reform business rates and support the high street. There have been changes made to certain reliefs for Business Rates which will take effect from 1 April 2025. In addition, following the powers given to local authorities to introduce a premium on second homes, the government have introduced regulations, which set out mandatory exceptions to the premiums for second homes, and empty and unoccupied properties. The

policies attached to this report have therefore been updated to reflect these changes and will provide guidance to staff and customers.  
 Also, following a review of the Local Council Tax Reduction Scheme, no changes will be made for the financial year 2025/26.

**4. How this report links to Corporate Priorities**

4.1 **Aim 2:** Use resources effectively and provide value for money.

**5. Alternative Options**

5.1 None. The Council must adhere to legislative requirements.

**6. Implications**

6.1	<u>Community safety, including safeguarding and prevention of terrorism</u> None
6.2	<u>Workforce</u> None
6.3	<u>Equality and Diversity/Equality Impact Assessment</u> The report has been prepared in accordance with the Council's Diversity and Equality Policy.
6.4	<u>Financial Considerations</u> The establishment of the correct reliefs and the recovery of debt is an important factor in balancing the Council's finances.
6.5	<u>Legal</u> Local Government Finance Act 1992 section – schedule 1, sections 11A,11B, 13A. Local Government Finance 1988 Sect 44a, 43, 45, 47, 49 Section 80 of the Levelling Up and Regeneration Act 2023
6.6	<u>Climate Change and Sustainability</u> None
6.7	<u>Conservation and Enhancement of Biodiversity</u> None
6.8	<u>Consultation</u> None

6.9	<b>Risk Assessment</b> The granting of discretionary relief and discounts will, in the main involve a cost to the Council.
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Martin Owen  
**Executive Director (Resources)**

**Web Links and  
Background Papers**

<https://www.gov.uk/government/publications/council-tax-information-letter-52024-exceptions-to-council-tax-premiums>

<https://www.gov.uk/government/publications/42024-autumn-budget-2024-business-rates-measures/42024-autumn-budget-2024-business-rates-measures>

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## 7. Detail

- 7.1 Following the Autumn Budget on 30 October 2024, the following changes will take place for Business Rates from 1 April 2025.
- The Retail, Hospitality and Leisure (RHL) relief scheme, will be extended for one year for 2025/26, retaining the existing eligibility criteria, but reducing the level of relief to 40%, up to a cap of £110,000 per business.
  - Primary legislation has introduced on the 13 November 2024, to amend the Local Government Finance Act 1988, to end charity rate relief eligibility for private schools. This change is intended to take effect from April 2025.
- 7.2 Local authorities will be expected to use their discretionary relief powers (under section 47 of the Local Government Finance Act 1988) to grant Retail, Hospitality and Leisure relief in line with the relevant eligibility criteria. Authorities will be compensated for the cost of granting these reliefs via a section 31 grant from the government. No new legislation will be required to deliver this scheme.
- 7.3 Government have asked local authorities to ensure that their systems are updated, including the implementation of any necessary software changes related to the change in the value of RHL relief, and that bills issued for the 2025/26 tax year reflect the changes announced at the Autumn Statement, including identifying those school properties affected by the removal of charity rate relief ahead of annual billing in 2025/26.
- 7.4 Council Tax (Prescribed Classes of Dwellings and Consequential Amendments) (England) Regulations 2024 (the 'regulations') set out mandatory exceptions to the long-term empty homes premium and the second homes premium. These regulations came into force from 1 November 2024 and take effect from 1 April 2025, in line with when councils will have the power to charge the second homes premium. The exceptions provided for in the regulations mirror those which were published in the consultation document, and the information letter to local authorities published in March 2024.
- 7.5 Staffordshire Moorlands District Council approved proposals for a council tax premium on second homes under the new flexibilities for councils provided in the Levelling Up and Regeneration Bill, which received Royal Assent on 26 October 2023. This decision was approved by Full Council on 28 February 2024.
- 7.6 The introduction of the 100% council tax premium on second homes will come into effect on 1 April 2025, making a total council tax charge of 200%. There are 237 properties across Staffordshire Moorlands that are registered as second homes and will become liable to pay the premium from 1 April 2025. The Council has already exercised its powers to introduce all the available premiums on empty and unoccupied properties, but the new regulations

provide for a number of mandatory exceptions for both empty and unoccupied properties and second homes. The attached policy has, therefore, been updated to reflect these mandated exceptions.

- 7.7 As there have been no major changes in Government Policy, we are not proposing any local changes to the Council Tax Reduction Scheme for 2025/25, except for the up rating of amounts within the income grid.