

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Rural Settlement List – Business Rates

Meeting/Date: Overview and Scrutiny (Performance and Growth) – 4
December 2018
Cabinet – 13 December 2018

Executive Portfolio: Councillor Gray – Executive Councillor for Resources

Report by: Revenues and Benefits Manager

Ward(s) affected: Hemingford Grey

Executive Summary:

The Local Government and Rating Act 1997 requires that each rating authority must compile and maintain a Rural Settlement List comprising settlements with a population of less than 3,000.

The intention of the Rural Settlement List is to allow the Council to grant rate relief from paying business rates to qualifying post offices, village shops, public houses and petrol stations.

Data from the County Council indicates that the population of the parish of Hemingford Grey now exceeds 3,000.

However, settlement areas do not need to be based solely on ward or parish boundaries. It is possible to define an area which would allow rural rate relief to be awarded to qualifying businesses.

Recommendation(s):

Cabinet is recommended to classify Hemingford Grey as a defined area for the purposes of the Rural Settlement List that would enable rural rate relief to be awarded beyond 1 April 2019.

1. PURPOSE OF THE REPORT

- 1.1 Rural rate relief is applied to village shops, post offices, public houses and petrol stations in rural areas with a population of less than 3,000. A Rural Settlement List must identify the boundary of each settlement whether by defining the boundaries (for example, ward or parish boundaries) or referring to boundaries in a map or other document. This means that the Council can define the boundary of a rural settlement by reference to maps rather than accepting ward or parish boundaries to be the boundary of the settlement.
- 1.2 Population data compiled by Cambridgeshire County Council is used to determine the size of the rural settlements within the Huntingdonshire area. Latest population figures indicate that the population of the parish of Hemingford Grey now exceeds 3,000. This would mean that rural rate relief could no longer be applied to qualifying businesses if the parish as a whole was considered to be a rural settlement. However, by classifying the area within Hemingford Grey as two defined areas based on geographical features, the population would remain under 3,000 and rural rate relief could be awarded.

2. BACKGROUND

- 2.1 The towns and parishes within Huntingdonshire are all designated as one of three types of settlement:

Urban settlements – population above 3,000

Rural settlements – population below 3,000

Defined settlements – population above 3,000 but the parish has been designated as a rural settlement by defining areas within the parish.

Defined settlements already established within Huntingdonshire are Offord Cluny and Offord D'Arcy, Fenstanton, Ramsey Forty Foot, Ramsey Mereside, Ramsey Heights, Ramsey St Mary's and Farcet and a number of businesses benefit from the award of rural rate relief as a result.

- 2.2 Rural rate relief is applied to businesses in rural settlements with a population of less than 3,000. It applies where the only village shop or post office has a rateable value of up to 8,500 or the only public house or petrol station has a rateable value of up to £12,500. Qualifying businesses are entitled to 50% mandatory relief. The Government proposed to increase this to 100% in the 2016 Autumn Statement but to date the legislation has not been amended. However, they have indicated that local authorities should use their powers to award 50% discretionary relief which is then re-imbursed through a Section 31 grant which in effects grants 100% relief.

3. OPTIONS CONSIDERED/ANALYSIS

- 3.1 With a population of over 3,000, Hemingford Grey could be designated as an urban settlement and mirror the other major towns and villages within the district. This change of status would mean that any businesses that currently receive mandatory or rural rate relief would lose this relief from 1 April 2019.
- 3.2 A decision could be made to classify the parish of Hemingford Grey into two defined areas. The parish lends itself to adopting this approach as there is a clear geographical divide between the main village and the new development based on London Road. This would mean that the population in the two defined areas would be less than 3,000 and rural rate relief would apply.

- 3.3 A similar approach was taken when determining that the neighbouring parish of Fenstanton should be made up of two defined areas.

4. COMMENTS OF OVERVIEW & SCRUTINY

- 4.1 The Rural Settlement List – Business Rates report was presented to the Overview and Scrutiny Panel (Performance and Growth) at their meeting on 4 December 2018.
- 4.2 Following a comment from a Member on why rural rate relief was not more widely applied, the principles, aims and practicalities of rural rate relief was explained to the Panel.
- 4.3 The Panel agreed that Cabinet should classify Hemingford Grey as a defined area for the purposes of the Rural Settlement List that would enable rural rate relief to be awarded beyond 1st April 2019.

5. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

- 5.1 If agreed, rural rate relief will be applied to qualifying businesses in Hemingford Grey from April 2019.

6. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND / OR CORPORATE OBJECTIVES

- 6.1 This supports the corporate vision of accelerating business growth and investment by supporting economic growth in market towns and rural areas.

7. RESOURCE IMPLICATIONS

- 7.1 There is no direct cost to HDC of awarding rural rate relief. Funding for both the mandatory and discretionary elements is received from the Ministry of Housing, Communities and Local Government.
- 7.2 Members must be cognisant to the fact that as Parishes grow, there may be further settlements where populations exceed the 3,000 threshold and could be considered appropriate for designating as defined areas.

8. REASONS FOR THE RECOMMENDED DECISIONS

- 8.1 It is recommended that the parish of Hemingford Grey is classified as having two defined areas to allow rural rates relief to be awarded to qualifying businesses.

9. LIST OF APPENDICES INCLUDED

Appendix 1 – Proposed rural settlement list

Appendix 2 - Map of proposed rural settlements

Appendix 3 – Map showing proposed defined areas within Hemingford Grey

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