



**New Forest District Council**

**Solent Freeport  
Business Rate Relief Scheme**

## Contents

Definitions.....	3
1. Purpose of the Scheme and background.....	4
2. Legislation and Funding.....	4
3. Eligibility principles – which properties will benefit from the relief .....	4
4. Principles for awarding freeport relief for businesses .....	5
5. Principles for establishing the value of the freeport business rate relief .....	6
6. Sequence of reliefs .....	6
7. How will rate relief be provided to businesses .....	6
8. Subsidy control limits .....	7
9. Scheme delegation.....	7
10. Notification of decisions .....	7
11. Reviews of decisions .....	7
12. Complaints.....	8
13. Managing the risk of fraud .....	8
14. Recovery of amounts incorrectly paid .....	8
15. Data Protection and use of data. ....	8

## Definitions

The following definitions are used within this document:

'Commencement Date' means the date on which the Tax Site receives a Tax Site Designation.

"Displacement" means a business moving into a Freeport tax site from a non-Freeport area, to gain tax benefits where there is no real growth or additionality.

"Eligible Premises" means commercial premises on the Land, the owners the developers and occupants of which are eligible for certain tax benefits as a result of the Tax Site Designation.

'Hereditament(s); means the assessment defined within Section 64 of the Local Government Finance Act 1988.

'Local rating list'; means the list as defined by Section 41 of the Local Government Finance Act 1988 compiled and maintained by the Valuation Office Agency

'Rateable value' means the rateable value for the hereditament shown in the local rating list on the effective date.

'Ratepayer'; means the person who according to the Council's records, was liable for occupied rates in respect of the hereditament on the effective date and the person eligible to receive the relief.

## **1. Purpose of the Scheme and background**

- 1.1 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.
- 1.2 Full business rates relief will be available for a period of 5 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.
- 1.3 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.
- 1.4 The purpose of this document is to determine eligibility for rate relief under the Council's Solent Freeport Business Rate Relief scheme. This scheme is effective from 1 April 2022 to 30 September 2026.

## **2. Legislation and Funding**

- 2.1 The Government is not changing the legislation. Instead, the Government will, in line with the eligibility criteria for the relief, reimburse billing authorities that use their discretionary relief powers under Section 47 of the Local Government Finance Act 1988, as amended, to grant the relief. It will be for individual local authorities, which administer the freeports business rates relief, to adopt a local scheme and determine in each individual case when, having regard to this guidance, to grant relief under section 47.
- 2.2 Central Government will reimburse local authorities for the local share of the relief Scheme (using a grant under section 31 of the Local Government Act 2003).

## **3. Eligibility principles - which properties will benefit from relief?**

- 3.1 The Freeport objectives are to support public and private initiatives that:
  - establish the Solent Freeport as a hub for global trade and investment
  - promote productivity, regeneration, and job creation
  - create hotbeds of innovation and skills, pioneer approaches to climate change adaption and decarbonisation and accelerate the transition to a “Net Zero” economy
- 3.2 Businesses should use their best endeavors to meet at least one of the above objectives.
- 3.3 Freeports business rates relief is available to new businesses moving into the freeport site after the date on which the relevant freeport tax site has been formally designated (and on or before 30 September 2026) and occupying both existing and new or expanded hereditaments on the rating list.

- 3.4 Freeports business 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 on which the relevant freeport tax site has been formally designated (and on or before 30 September 2026).
- 3.5 New businesses which expand after moving into the freeport site (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 Freeport tax site.
- 3.6 In considering what is a new business, we will consider groups of companies to be single businesses.

#### **4. Principles for awarding freeport relief for businesses**

- 4.1 Subject to meeting the eligibility principles, and 4.3 to 4.7 below, full relief is available on a hereditament where a business has occupied the property comprising that hereditament for the first time on or after the date on which the relevant Freeport tax site is designated (and on or before 30 September 2026). This, for example, would include existing businesses expanding into a further property.
- 4.2 Subject to meeting the eligibility principles, and 4.3 to 4.7 below, partial relief is available on a hereditament where a business has occupied a room or similar within a hereditament for the first time on or after the date the relevant freeport tax site is designated (and on or before 30 September 2026). 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.
- 4.3 Ratepayers cannot generally claim freeport relief merely by expanding their use of an existing room or similar within a hereditament. However, partial relief is available to a business in respect of part of a hereditament on which they were already the occupier or owner prior to the date on which the relevant freeport 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 freeport tax site is designated (and on or before 30 September 2026). E.g., installation of a mezzanine or access/fire control improvements to bring an existing space into use.
- 4.4 Improvements to space already or previously in use by the business prior to the date on which the relevant Freeport tax site is designated, are not eligible for freeport relief (e.g., general refurbishment or improved services such as heating and aircon).
- 4.5 The Council may refuse to award Freeport Rates Relief where the increase in rates bills attributable to these factors is not reasonably ascertainable.
- 4.6 Local authorities have discretion to apply additional tests for freeport rates relief to avoid or not incentivise displacement of business activity from within the freeport or the surrounding area. This may include
  - a) 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 Freeport or surrounding area unless they can demonstrate a net gain in terms of jobs and new business floorspace, or wider economic, environmental or social benefit,

or there are exceptional circumstances for the relocation which benefits the Freeport area or the surrounding area.

- 4.7 The freeports business 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 Freeport tax site has been formally designated (and on or before 30 September 2026).

## **5. Principles for establishing the value of the freeports business rates relief**

- 5.1 Subject to 4.6, the value of full relief for hereditaments falling within 4.1 above is 100% of the net chargeable amount.
- 5.2 Subject to 4.6, the value of partial relief should be 100% of that part of the rates bill attributable to the part of the hereditament falling within 4.2 and 4.3 above where that increase is reasonably ascertainable. In establishing the part of the rates bill attributable to the part of the hereditament falling within 4.2 and 4.3 above, authorities 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 4.2 and 4.3 above.
  - iii. any other information the authority deems appropriate to determine the extent of the parts of the hereditament falling within 4.2 and 4.3 above.
- 5.3 Local authorities may withhold or reduce the Freeports Rates Relief in cases of displacement.

## **6. Sequence of reliefs**

- 6.1 The relief shall be applied after mandatory reliefs and other discretionary reliefs have been applied, excluding those where local authorities have used their wider discretionary relief powers introduced by the Localism Act 2011.

## **7. How will rate relief be provided to Businesses?**

- 7.1 The Council is fully aware of the importance of this scheme to assist businesses and support the local economy. The Freeport rate relief will be paid onto the ratepayer's business rate account in respect of each day of eligibility.
- 7.2 In all cases businesses will be required to confirm that they are eligible to receive the relief and must complete an electronic application form on the Council's website.
- 7.3 The Council reserves the right to request any supplementary information from businesses.
- 7.4 An application for the rate relief is deemed to have been made when a duly completed application form is received via the Council's online procedure, along with any supplementary information.

## **8. Subsidy control limits**

- 8.1 As outlined in the bidding prospectus, the freeports business rates relief is subject to the UK's domestic and international subsidy control obligations. Businesses located in designated tax sites will need to fulfil any requirements in place to ensure compliance with those obligations in advance of, during, and after claiming relief. See the [BEIS guidance for public authorities](#) which explains the subsidies chapter of the TCA (Trade and Cooperation Agreement) World Trade Organisation rules on subsidies, and other international subsidy control commitments.

## **9. Scheme of Delegation**

- 9.1 The Council has implemented this scheme in line with Government guidance and has been approved by the Council.
- 9.2 Officers of the Council will administer the scheme and the Service Manager – Revenue and Benefits reserves the right to make minor changes to this scheme as necessary in consultation with the Portfolio Holder for Finance, Investment and Corporate Service to ensure it meets the criteria set by the Council and, in line with updated Government guidance.

## **10. Notification of Decisions**

- 10.1 Applications will be considered on behalf of the Council by the Revenues and Benefits Service.
- 10.2 All decisions made by the Council shall be notified to the applicant either in writing or by email and a revised business rate notice will be issued. A decision shall be made as soon as practicable after receiving an application form and any supporting information.

## **11. Reviews of Decisions**

- 11.1 The Council will operate an internal review process and will accept an applicant's request for an appeal of its decision.
- 11.2 All such requests must be made in writing or by email to the Council within 28 days of the Council's decision and should state the reasons why the applicant is aggrieved with the decision of the Council. New information may be submitted at this stage to support the applicant's appeal.
- 11.3 The application will be reconsidered by Service Manager – Revenue and Benefits, as soon as practicable and the applicant informed in writing or by email of the decision. This decision is final.

## **12. Complaints**

- 12.1 The Council's 'Complaints Procedure' (available on the Councils website) will be applied in the event of any complaint received about this scheme.

### **13. Managing the risk of fraud**

- 13.1 Neither the Council, nor the Government will accept deliberate manipulation of the scheme or fraud. Any applicant caught falsifying information to gain Freeport rate relief will face prosecution and any relief awarded will be recovered from them. The council will actively participate in any exercises to detect and prevent fraud and will report to and work with the National Investigation Service and the National Anti-Fraud Network.
- 13.2 Applicants should note that, where a relief is awarded by the Council, details of each individual relief may be passed to Government.

### **14. Recovery of amounts incorrectly paid**

- 14.1 If it is established that any award has been made incorrectly due to error, misrepresentation or incorrect information provided to the Council by an applicant or their representative(s), the Council will look to recover the amount in full.

### **15. Data Protection and use of data**

- 15.1 All information and data provided by applicants shall be dealt with in accordance with the Council's Data Protection policy and Privacy Notices which are available on the Council's website. Business will need to give their consent as part of the application process for information to be shared between the four rating authorities in the Solent Freeport area.