

## Report of the Interim Deputy Chief Executive

**BUSINESS RATES – NEW RETAIL DISCOUNT RATES RELIEF**1. Purpose of report

Following consideration by the Policy and Performance Committee on 6 February 2019 and the consequent recommendation to Council, it is requested that Council adopt the proposed new business retail discount rates relief scheme for the 2019/20 and 2020/21 financial years. If the Council adopts the Government's Retail Discount guidelines it will be eligible for 100% reimbursement.

2. Background

The Government announced in the Autumn Budget on 29 October 2018 that it will provide business rates relief of up to 1/3rd to all occupied retail properties with a rateable value of £51,000 or less in each of the years 2019-20 and 2020-21.

As this is a measure for 2019-20 and 2020-21 only, the Government will not change the legislation around the reliefs available to properties. Instead the Government will, in line with the eligibility criteria set out guidance, reimburse local authorities that use their discretionary relief powers, introduced by the Localism Act (under section 47 of the Local Government Finance Act 1988, as amended) to grant relief.

It will be for individual local billing authorities to adopt a local scheme, based on Central Government guidelines, and decide in each individual case when to grant the relevant relief. Appendix 1 details the scheme guidelines set out by Central Government. The Council intends to adopt the central government guidelines for the new Retail Discount Rates Relief in order to qualify for full reimbursement of the relief granted. As this scheme will be based on central government guidelines there will be no appeal rights.

3. Financial Implications

Central government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003). The Government expects local government to grant relief to qualifying ratepayers.

**Recommendation**

**Council is asked to RESOLVE that:**

- 1. The New Retail Discount Scheme for financial years 2019-20 and 2020-21 be adopted.**
- 2. The Head of Revenues, Benefits and Customer Services applies the discount to all eligible businesses and informs businesses of their revised Business Rates.**

Background papers

Nil

APPENDIX 1



Broxtowe  
Borough  
COUNCIL

Positive People - Positive Leadership - Positive Partnerships

**Business Rates – Retail  
Discount Relief Scheme 2019/20  
& 2020/21**

**Date:** April 2019

**Prepared by:** Phil Sudlow - Head of  
Revenues, Benefits and  
Customer Services

## **Discretionary Retail Rate Relief 2019/20 & 2020/21**

The Government announced in the Autumn Budget on 29<sup>th</sup> October 2018 that it will provide business rates relief of up to 1/3rd to all occupied retail properties with a rateable value of £51,000 or less in each of the years 2019-20 and 2020-21.

As this is a measure for 2019-20 and 2020-21 only, the Government will not change the legislation around the reliefs available to properties. Instead the Government will, in line with the eligibility criteria set out guidance, reimburse local authorities that use their discretionary relief powers, introduced by the Localism Act (under section 47 of the Local Government Finance Act 1988, as amended) to grant relief.

It will be for individual local billing authorities to adopt a local scheme and decide in each individual case when to grant relief.

Central government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003). The Government expects local government to grant relief to qualifying ratepayers.

### **1. Proposed Retail Rate Relief Scheme**

#### **Which properties will benefit from relief?**

Properties that are occupied with a rateable value of £51,000 or less, that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments. Therefore, properties which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

The following are considered to be shops, restaurants, cafes and drinking establishments for the purposes of this scheme:

#### **Properties that are being used for the sale of goods to visiting members of the public including:**

Shops (such as: florist, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets, etc)

Charity shops

Opticians

Post offices

Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)

Car/ caravan show rooms

Second hand car lots

Markets

Petrol stations

Garden centres

Art galleries (where art is for sale/hire)

**Properties that are being used for the provision of the following services to visiting members of the public:**

Hair and beauty services (such as: hair dressers, nail bars, beauty salons, tanning shops, etc)  
Shoe repairs/ key cutting  
Travel agents  
Ticket offices e.g. for theatre  
Dry cleaners  
Launderettes  
PC/ TV/ domestic appliance repair  
Funeral directors  
Photo processing  
DVD/ video rentals  
Tool hire  
Car hire

**Properties that are being used for the sale of food and/ or drink to visiting members of the public:**

Restaurants  
Takeaways  
Sandwich shops  
Coffee shops  
Pubs  
Bars

The list set out above is not intended to be exhaustive, properties not listed that are broadly similar in nature to those above should be considered as eligible for the relief.

**Which properties will not benefit from relief?**

The types of uses set out in the list below are not considered to be retail use for the purpose of this relief. Properties that are similar in nature to those below are also not considered to be eligible for the relief under this scheme.

**Properties that are being used for the provision of the following services to visiting members of the public:**

Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, betting shops, pawn brokers)  
Other services (e.g. estate agents, letting agents, employment agencies)  
Medical services (e.g. dentists, doctors, osteopaths, chiropractors)  
Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors)  
Post office sorting office

Eligibility for the relief and the relief itself will be assessed and calculated on a daily basis.

The relief will be applied against the net bill after all other reliefs have been applied.

## **2. State Aid**

The state aid provisions that govern this relief come under Section 69 of the Localism Act which amended Section 47 Local Government Finance Act 1988.

The support offered under this policy is given under the State Aid Regulations (1407/2013). This allows an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous years).

There will be a requirement for ratepayers receiving support to confirm that they have not received any other State Aid that, together, exceeds in total €200,000, in accordance with the above.