

## **RETAIL RATE RELIEF POLICY**

### **1 BACKGROUND**

- 1.1 The retail sector is changing, particularly due to internet shopping, and many town centres and High Streets are experiencing challenges as they look to adapt to changing consumer preferences in how people shop. The Government wishes to support town centres in their response by providing particular support to retailers
- 1.2 The Government announced in the Autumn Budget on 29 October 2018 that it will provide a relief to all occupied retail properties with a rateable value of less than £51,000 in each of the years 2019-20 and 2020-21 only.

### **2 INTRODUCTION**

- 2.1 Section 69 of the Localism Act 2011 amends Section 47 of the Local Government Finance Act 1988. The changes came into effect from 1<sup>st</sup> April 2012 and they extend the provision relating to the granting of discretionary rate relief.
- 2.2 The Local Government Finance Act 1988 gives Local Authorities the power to grant a discretionary retail relief to properties that are occupied with a rateable value of less than £51,000, that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments.

### **3 AVAILABLE RELIEF**

- 3.1 The value of the relief shall be one third of the rates liability, and shall be applied to the net rates bill after mandatory reliefs, discretionary rate relief, and all other discretionary reliefs funded by grants under Section 31 of the Local Government Act 2003. Any grant of Hardship relief is to be applied after the award of retail relief.
- 3.2 There is no relief available under this policy for properties with a rateable value of £51,000 or more.
- 3.3 The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis.
- 3.4 Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties, subject to State Aid de-minimis limits.

## 4 AWARDING RELIEF

4.1 Properties that will benefit from the retail rate relief will be occupied hereditaments with a rateable value of less than £51,000, that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments.

4.2 We consider shops, restaurants, cafes and drinking establishments to mean:

(i) Hereditaments that are being used for the sale of goods to visiting members of the public:

- Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off-licences, 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)

(ii) Hereditaments 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
- Tool hire
- Car hire

(iii) Hereditaments 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

4.3 To qualify for relief the hereditament must be wholly or mainly used as a shop, restaurant, cafe or drinking establishment and this is a test of use, rather than occupation. Therefore hereditaments which are occupied but are not wholly or mainly used for the qualifying purpose will not qualify for the discount.

4.4 The list set out above is not intended to be exhaustive as it would be impossible to list the many and varied retail uses that exist. There will also be mixed uses. However, it is intended to be a guide as to the types of uses that the Council considers to be retail for the purpose of this policy.

4.5 As a guide, the list below sets out the types of uses that the Council does not consider to be retail for the purpose of this policy:

(i) Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Financial services (such as banks, building societies, cash points, bureau de change, payday lenders, betting shops, pawn brokers, etc.)
- Other services (such as estate agents, letting agents, employment agencies, etc.)
- Medical services (such as vets, dentists, doctors, osteopaths, chiropractors, etc.)
- Professional services (such as solicitors, accountants, insurance agents, financial advisors, tutors, etc.)
- Post office sorting offices

(ii) Hereditaments that are not reasonably accessible to visiting members of the public.

4.7 Generally, the Council does not consider assembly or leisure use beyond that listed at 4.2 to be retail use for the purposes of this policy. For example, cinemas, theatres, and museums are outside

the scope of this policy, as are nightclubs and music venues which are not similar in nature to those hereditaments described at 4.2(iii). Hereditaments used for sport or recreation (e.g. gyms) are also outside the scope of this policy.

## **5 ADMINISTRATION OF APPLICATIONS FOR RELIEF**

- 5.1 The Councils Revenues & Benefits service will identify those premises that meet the eligibility criteria detailed in this policy and award relief, and all recipients will be notified of relief that has been awarded. A declaration of De Minimis State Aid Laws will be issued to all recipients to ensure compliance.
- 5.2 Where there is doubt as to eligibility, an application, including a declaration of any other De Minimis State Aid received, will be required, together with any evidence deemed necessary by the Council to assist in making a decision.
- 5.3 The Council's Revenues & Benefits Service will administer all awards and any applications for retail relief and determine the amount of discretionary retail relief to be awarded.
- 5.4 Decisions regarding applications for discretionary retail rate relief will be notified to the ratepayer in writing within 28 days of the decision, or as soon as reasonably practicable. Unsuccessful applicants will be given reasons for any refusal to award relief.

## **6 DURATION OF AWARDS**

- 6.1 The award of discretionary retail rate relief will be made for a fixed period ending on 31<sup>st</sup> March 2020 and 31 March 2021 respectively. The only exception is where the business rates liability of a retail business ends before this date.

## **7 RIGHT OF APPEAL**

- 7.1 There is no statutory right of appeal against a decision made by the Council in respect of discretionary retail rate relief. However, the Council will review the decision if the ratepayer is dissatisfied with the outcome. This review will be carried out by an officer senior to the original decision maker.
- 7.2 If an unsuccessful applicant decides to request a review, they will still need to continue to pay their rates bill. Once the review has been conducted, the ratepayer will be informed in writing whether the original decision has been revised or upheld. Notification of the

decision will be made within 28 days, or as soon as reasonably practicable.

- 7.3 The right of appeal process does not affect a ratepayer's legal right to challenge the decision by way of a judicial review.