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**DISCRETIONARY BUSINESS RATES RETAIL RELIEF POLICY****1 PURPOSE OF REPORT**

- 1.1 That the new Retail Rate Relief Policy, as attached at Appendix A, be agreed.

**2 INTRODUCTION**

- 2.1 The Government announced in the Budget Statement on 29 October 2018 that it will provide a business rates retail relief scheme for occupied retail properties with a rateable value of less than £51,000. The value of relief should be one third of the bill, subject to state aid limits.
- 2.2 In order to grant Retail Rate Relief the Council must adopt a local scheme and, in accordance with the discretionary rate relief powers contained within section 47 of the Local Government Finance Act 1988 (as amended), decide in each individual case when relief should be granted.
- 2.3 The policy proposed in this report takes into account the guidance issued in November 2018 by the Department for Ministry of Housing, Communities and Local Government.

**3 SALIENT INFORMATION**

- 3.1 Relief under this policy will only be awarded for the 2019/20 and 2020/21 financial years.
- 3.2 The cost of awarding the relief will be fully reimbursed by central Government to the Council and major precepting authorities through the rates retention scheme.
- 3.3 Businesses identified as potentially being entitled to Retail Rate Relief will be contacted and invited to apply for the relief by completing an appropriate application form.
- 3.4 Based on current information, the number of premises that potentially would qualify for the relief is 665 and the cost of providing the relief would be fully subsidised by central Government.

**4 RESOURCE IMPLICATIONS**

- 4.1 Administering the return of application forms and awarding relief will be an additional administrative burden that will need to be absorbed within existing resources.

**5 LEGAL IMPLICATIONS**

- 5.1 This award shall comply with the EU law on State Aid on the basis that, including this award, the rate payer shall not receive more than €200,000 in total of *De minimis* aid within the current financial year or the previous two financial years

**6 EQUALITY AND DIVERSITY IMPLICATIONS**

- 6.1 An Equality Impact Assessment has been completed and found there to be no impacts (either positive or negative) on protected groups as defined under the Equality Act 2010.

**7 RECOMMENDATION**

- 7.1 that Council approves the implementation of Business Rates Retail Relief.



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**Background Papers:-**

None.

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If you would like this report in large print, Braille or another language please contact 01702 318111.

## Appendix A

**BUSINESS RATES RETAIL RATE RELIEF POLICY****8 BACKGROUND**

- 8.1 The Government recognises that changing consumer behaviour presents a significant challenge for retailers in our town centres and is taking action to help the high street evolve.
- 8.2 The Government announced in the Budget on 29 October 2018 that it will provide a business rates Retail Discount scheme for occupied retail properties with a rateable value of less than £51,000 in each of the years 2019-20 and 2020-21. The value of discount should be one third of the bill, and must be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied. Where an authority applies a locally funded relief, for instance a hardship fund, under section 47 this is must be applied after the Retail Discount.

**9 INTRODUCTION**

- 9.1 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.
- 9.2 The Local Government Finance Act 1988 gives Local Authorities the power to grant discretionary retail rate relief to properties that are 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.
- 9.3 The Government will, in line with the eligibility criteria set out in their 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.

**10 AVAILABLE RELIEF**

- 10.1 The total amount of government-funded relief available for each property for 2019-20 and 2020/21 under this scheme is one third of the bill, after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied.
- 10.2 There is no relief available under this scheme for properties with a rateable value of £51,000 or more.
- 10.3 The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis.

- 10.4 This should be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.
- 10.5 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.

## **11 AWARDING RELIEF**

- 11.1 Properties that will benefit from the 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.
- 11.2 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

- 11.3 To qualify for the relief the hereditament should be wholly or mainly being used as a shop, restaurant, cafe or drinking establishment. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.
- 11.4 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.
- 11.5 On receipt of a completed application form, the Council will determine whether particular properties not listed are broadly similar in nature to those above and, if so, consider them eligible for the relief. Conversely, properties that are not broadly similar in nature to those listed above will not be eligible for relief.
- 11.6 The list below sets out the types of uses that the Government does not consider to be retail use for the purpose of this relief:

**i. Hereditaments 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, bureaux de change, payday lenders, betting shops, pawn brokers)
- Other services (e.g. estate agents, letting agents, employment agencies)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors)
- Post office sorting offices

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

Generally speaking, the government also does not consider other assembly or leisure uses beyond those listed above to be retail uses for the purpose of the discount. For example, cinemas, theatres and museums are outside the scope of the scheme, as are nightclubs and music venues which are not similar in nature to the hereditaments described above. Hereditaments used for sport or physical recreation (e.g. gyms) are also outside the scope of the discount. Where there is doubt, we should exercise discretion with reference to the above and knowledge of the local tax base.

**12 ADMINISTRATION OF APPLICATIONS FOR RELIEF**

- 12.1 A completed retail rate relief application form is required together with the evidence requested in this form and deemed necessary by the Council to assist in making a decision.
- 12.2 Decisions regarding applications for discretionary retail rate relief will be notified to the ratepayer in writing as soon as reasonably practicable. Unsuccessful applicants will be given reasons for any refusal to award relief.

**13 DURATION OF AWARDS**

- 13.1 The award of discretionary retail rate relief will be made for a fixed period ending on 31st March 2021. The only exception is where the business rates liability of a retail business ends before this date.

**14 RIGHT OF APPEAL**

- 14.1 Where the Council receives an appeal from the ratepayer regarding the granting, non-granting or the amount of any discretionary relief, the case will be reviewed by the Principal Officer (Revenues). Where a decision is revised then the ratepayer shall be informed, likewise if the original decision is upheld.
- 14.2 Where the ratepayer wishes to appeal the decision of the Principal Officer (Revenues), the case will be considered by the Section 151 Officer and Portfolio Holder whose decision on behalf of the Council will be final.
- 14.3 Ultimately the formal appeal process for the ratepayer is Judicial Review although the Council will endeavour to explain any decision fully and openly with the ratepayer.