



BUSINESS RATES: DISCOUNT RELIEF SCHEME 2019 – 2021

1. INTRODUCTION

- 1.1 The Government announced in the 2018 Budget a new business rates Retail Discount scheme. The scheme would apply to occupied retail properties with a RV below £51k in each of the years 2019-20 and 2020-21.
- 1.2 The value of discount should be one third of the bill, and must be applied after mandatory reliefs and other discretionary reliefs have been applied. The Council intends to determine eligibility and apply the relief as part of the annual main billing process undertaken each March for the following year.
- 1.3 MHCLG has confirmed it is not changing existing relief legislation – and will fully reimburse the Council for expenditure on the new relief. Instead the new scheme is introduced by the existing Localism Act (under S47 of the Local Government Finance Act 1988, as amended).

2. CRITERIA FOR RELIEF

- 2.1 Businesses entitled to the relief will be occupied properties with a RV below £51k which are wholly or mainly being used as shops, restaurants, cafes and drinking establishments. The examples listed below are not intended to be exhaustive as it would be difficult to list all 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 MHCLG considers to be retail.
- 2.2 MHCLG considers shops, restaurants, cafes and drinking establishments to mean:

Hereditaments that are 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)

Hereditaments that are 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/Laundrettes
- PC/TV/domestic appliance repair
- Funeral directors
- Photo processing
- Tool hire
- Car hire

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

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs
- Bars

- 2.3 To qualify for the relief the hereditament should be wholly or mainly used as a shop, restaurant, cafe and drinking establishment. Similar to other reliefs 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.
- 2.4 In contrast MHCLG has also provided examples of the types of uses **not** considered to be retail use for the purpose of the relief. Again, it is for the Council to decide whether particular properties are broadly similar in nature to those below and, if so, to consider them **not eligible for the relief** under their local scheme.

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

Hereditaments not reasonably accessible to visiting members of the public

MHCLG does not consider other assembly or leisure uses beyond those listed at 2.2 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, the Council will exercise discretion with reference to the above and knowledge of the local tax base.

3. APPLYING FOR THE RELIEF

- 3.1 Where possible awards will be automatically credited. In these cases no application is required. Where eligibility cannot automatically be determined then applications for relief should be made on line using the Council's application form.
- 3.2 The total relief available for each property for each of the two years under this scheme is one third of the bill (after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied).
- 3.3 There is no relief available under this scheme for properties with an RV above £51k. Applications for relief for hereditaments with RV's above £51k will be considered under the Council's existing discretionary powers.

4. PERIOD OF RELIEF

- 4.1 The relief is only intended as a short term measure and assistance will end after 2020-21. The relief will be granted as a percentage of the business rates payable for the year.
- 4.2 Any decisions made by the Council and the amount of any relief are conditional and will be amended within the year to reflect changing circumstances, for example RV changes. It is therefore a condition of the award that relief will be recalculated in the event of a change to the rating list for the property.

5. STATE AID RULES

- 5.1 Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties, subject to the usual State Aid De Minimis limits.