

# Business Rates Policy 2014-15

The Award of Retail Relief

### 1 Introduction

- 1.1 The government in the Autumn Statement on 5<sup>th</sup> December 2013 announced that they will be providing Retail Relief for 2014-15 and 2015-16 for certain retail premises.
- 1.2 They have issued guidance on the implementation of the Retail Relief but on the basis that they have issued the changes under Section 47 of the Local Government Finance Act 1988 as amended; the local authority has to define a policy for the administration of the relief.
- 1.3 The government has noted that the retail sector is changing, particularly due to internet shopping, and many 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.
- 1.4 The government wish to provide a relief of up to £1,000 to all occupied retail properties with a rateable value of £50,000 or less in each of the years 2014- 15 and 2015-16.

### 2. How the relief will be provided?

- 2.1 As this is a measure for 2014-15 and 2015-16 only, the Government is not changing the legislation around the reliefs available to properties. Instead the Government will, reimburse local authorities that use their discretionary relief powers, introduced by the Localism Act to grant relief.
- 2.2 It will be for individual local billing authorities to adopt a local scheme and decide in each individual case when to grant relief under section 47.
- 2.3 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.

### 3. Who will be eligible for Relief

- 3.1 Properties that will benefit from the relief will be occupied hereditaments with a rateable value of £50,000 or less, that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments, defined as premises that are being used for the sale of goods to visiting members of the public:
  - Shops (such as: florist, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets, etc)
  - Charity shops
  - Opticians

## Appendix C

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

3.2 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.

3.3 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.

3.4 As the grant of the relief is discretionary, authorities may choose not to grant the relief if they consider that appropriate, for example where granting the relief would go against the authority's wider objectives for the local area. We would encourage councillors to be consulted on the final scheme that the local authority adopts, so there is a clear line of accountability in case of a dispute on the final local scheme that is adopted.

3.4. The list below sets out the types of uses that government does not consider to be retail use for the purpose of this relief. Again, it is for local authorities to determine for themselves 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.

- 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. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors)
- Post office sorting office

### **4. How much relief will be available?**

- 4.1 The total amount of government-funded relief available for each property for each of the years under this scheme is £1,000. The amount does not vary with rateable value and there is no taper.
- 4.2 There is no relief available under this scheme for properties with a rateable value of more than £50,000.
- 4.3 The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis. The following formula should be used to determine the amount of relief to be granted for a particular hereditament in the financial year:

Amount of relief to be granted = £1000 x A/B

Where:

A is the number of days in the financial year that the hereditament is eligible for relief; and

B is the number of days in the financial year

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

- 4.4 Where the net rate liability for the day after all other reliefs but before retail relief is less than the retail relief, the maximum amount of this relief will be no more than the value of the net rate liability. This should be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.
- 4.5 The relief must be applied to the new bills when they are dispatched and amendments made when the information is available to the Business Rates section as necessary.
- 4.5 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.

### **5 State Aid**

- 5.1 There are European Union regulations which restrict the award of state aid and under certain circumstances the award of discretionary relief could be considered to be state aid.
- 5.2 These circumstances in which the EU regulations need to be considered will be where the organisation engages in commercial activities or competes with commercial bodies because of an activity it carries out. For example a not for profit training organisation that also provides training services to businesses.
- 5.3 If the organisation undertakes any commercial activity it must be commercially insignificant and localised so that there is no potential impact on

intra-community trade, otherwise the regulations governing state aid will apply.

- 5.4 Guidance on State Aid is available via the government web site at

<https://www.gov.uk/government/publications/enterprise-zones-state-aid-and-business-rate-discounts>

## **6 Administration**

- 6.1 Slough Borough Council will administer the scheme under the guidelines set out by the Department for Communities and Local Government dated January 2014.
- 6.2 It will provide relief of up to £1,000 to all occupied retail premises with a rateable value of £50,000 or less in each of the years 2014-15 and 2015-16.
- 6.3 The scheme is fully funded by central Government.
- 6.4 The retail reliefs awarded will be administered by the Business Rates team who will provide monthly reports to the Section 151 officer for approval.