

Table of Contents

1	Introduction	2
2	How the relief will be provided	3
3	Who will be eligible for Relief	3
4	Excluded categories	6
5	Value of discount	6
6	Period of Relief	7
7	Opting out of the Scheme	8
8	The Cash Caps	8
9	Administration	9
10	Appeals	9
11	Policy review	10
	Annex A – eligibility for the Closed Cash Cap (£2 million)	11
	Annex B Calculation examples for 2021/22	12
	Example 1: An occupied shop with a rateable value of £40,000	12
	Example 2: An occupied shop with a rateable value of £100,000	12
	Example 3: An occupied charity shop with a rateable value of £40,000	12
	Example 4: An occupied shop with a rateable value of £13,500 eligible for Small Business Rate Relief (SBRR)	13
	Example 5: An occupied shop with a rateable value of £10,000 eligible for Small Business Rate Relief (SBRR)	13
	Example 6: An occupied shop with a rateable value of £40,000 eligible for Transitional Relief (TR) and receiving Revaluation Discretionary Relief	13
	Example 7: An occupied shop with a rateable value of £18,000 previously paying nothing prior to revaluation 2017 and eligible for Supporting Small Businesses Relief (SSB)	14
	Example 8: A shop with a rateable value of £40,000 (example 1) but only occupied until 30 September 2021	14

Business Rates Policy 2021-22

The Award of Expanded Retail Discount and Nursery Relief.

1 Introduction

- 1.1 The government in a Ministerial statement on 27 January 2020 stated that it 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.
- 1.2 The Government announced in the Budget on 29 October 2018 that it would provide a Business Rates Retail Discount, to apply in the years 2019/20 and 2020/21. In a Written Ministerial Statement on 27 January 2020 the Government announced that it would extend the value of the Retail Discount from one third of the bill to 50% in 2020/21. This discount will apply to occupied retail properties with a rateable value of less than £51,000 in the year 2020/21. Where an authority applies a locally funded relief under section 47 this is must be applied after the Retail Discount and, where appropriate, the 2020/21 pubs discount.
- 1.3 On 11 March 2020, the Government announced an Expanded Retail Discount, increasing the discount to 100% and extending it to include the leisure and hospitality sectors. There is no rateable value limit on the relief.
- 1.4 In the Budget on 3 March 2021, the Chancellor announced that the Government would provide additional business rates support for eligible retail, hospitality, leisure, and nursery businesses in England occupying a qualifying property during 2021-22.
- 1.5 The Chancellor stated that Local authorities will be expected to use their discretionary relief powers (under section 47 of the Local Government Finance Act 1988 as amended) to grant these discounts in line with the relevant eligibility criteria.
- 1.6 They have issued guidance on the implementation of the Retail Discount and Nursery 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.
- 1.7 This policy therefore follows closely the government guidance for Retail Discount and Nursery Relief, to move away from this could potentially decrease the Section 31 grant paid to the authority.

2 How the relief will be provided

- 2.1 As this is a measure for 2021-22 only, the Government is not changing the legislation around the reliefs available to properties. Instead, the Government will, in line with the eligibility criteria set out in this 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 determine in each individual case when, having regard to this guidance, to grant relief under section 47. 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 apply and grant relief to qualifying ratepayers from the start of the 2021/22 billing cycle.
- 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 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 Retail discount will be occupied hereditaments that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments, cinema's and live music venue's, for assembly and leisure or as hotels, guest and boarding premises and self-catering accommodation.
- 3.2 Shops, restaurants, cafés, drinking establishments, cinemas and live music venues are considered to mean:

Hereditaments that are being used for the sale of goods to visiting members of the public, and/or:

- Shops (such as florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licenses, chemists, newsagents, hardware stores and supermarkets).
- 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 being used for the provision of the following services to visiting members of the public, and/or:

- Hair and beauty services (such as hairdressers, nail bars, beauty salons, and tanning shops).
- Shoe repairs/key cutting.
- Travel agents.
- Ticket offices, for example for theatre.
- Dry cleaners.
- Launderettes.
- PC/TV/domestic appliance repair.
- Funeral directors.
- Photo processing.
- Tool hire.
- Car hire.
- Employment agencies.
- Estate agents and letting agents.
- Betting shops.

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.

Hereditaments which are being used as cinemas.

Hereditaments that are being used as live music venues:

- Live music venues are hereditaments wholly or mainly used for the performance of live music for the purpose of entertaining an audience. Hereditaments cannot be considered a live music venue for the purpose of business rates relief where a venue is wholly or mainly used as a nightclub or theatre, for the purposes of the Town and Country Planning (Use Classes) Order 1987, as amended.
- Hereditaments can be a live music venue even if used for other activities, but only if those other activities are merely ancillary or incidental to the performance of live music (for example, the sale/supply of alcohol to audience members) or do not affect the fact that the primary activity for the premises is the performance of live music (for example, because those other activities are

insufficiently regular or frequent, such as a polling station or a fortnightly community event).

- There may be circumstances in which it is difficult to tell whether an activity is a performance of live music, or instead the playing of recorded music. Guidance on this may be found in Chapter 16 of the statutory guidance issued in April 2018 under section 182 of the Licensing Act 2003.

3.3 We consider assembly and leisure to mean hereditaments that are being used for:

The provision of sport, leisure and facilities to visiting members of the public (including for the viewing of such activities):

- Sports grounds and clubs.
- Museums and art galleries.
- Nightclubs.
- Sport and leisure facilities.
- Stately homes and historic houses.
- Theatres.
- Tourist attractions.
- Gyms.
- Wellness centres, spas, massage parlours.
- Casinos, gambling clubs and bingo halls.

The assembly of visiting members of the public:

- Public halls.
- Clubhouses, clubs, and institutions.

3.4 We consider hotels, guests & boarding premises, and self-catering accommodation to mean hereditaments where:

The non-domestic part is being used for the provision of living accommodation as a business:

- Hotel, guest and boarding houses.
- Holiday homes.
- Caravan parks and sites.

3.5 To qualify for the relief, the hereditament should be wholly or mainly being used for the above qualifying purposes. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. For the avoidance of doubt, hereditaments which have closed temporarily due to the government's advice on COVID-19 will be treated as occupied for the purpose of this relief.

3.6 The lists set out above are not intended to be exhaustive, as it would be impossible to list the many and varied retail uses that exist within

the qualifying purposes. Properties may also receive relief if they are considered by the Council to be broadly similar in nature to those outlined in 3.2 to 3.4.

- 3.7 The Council will determine in each individual case when, with regard to all relevant legislation and guidance, to grant the Retail Discount under section 47 of the Local Government Act ('Section 47').

4 Excluded categories.

- 4.1 Any property wholly or mainly used for the following will not be considered to be eligible for the purposes of the Retail Discount:

Hereditaments that are being used for the provision of the following services to visiting members of the public, and/or;

- Financial services (for example, banks, building societies, cash points, bureaux de change, short-term loan providers).
- Medical services (for example, vets, dentists, doctors, osteopaths, chiropractors).
- Professional services (for example, solicitors, accountants, insurance agents/financial advisors).
- Post office sorting offices.

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

In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, the Council cannot grant the discount to itself or a precepting authority.

- 4.2 Properties which are wholly or mainly being used for any other above uses or uses which are considered to be broadly similar to those outlined at 4.1, will not be considered to be eligible for the Retail Discount.
- 4.3 The ratepayer for that chargeable day has not refused the discount for the eligible hereditament.
- 4.4 In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, billing authorities may not grant the discount to themselves or a precepting authority. A "precepting authority" includes fire, police and parish councils or a functional body, within the meaning of the Greater London Authority Act 1999.

5 Value of discount

- 5.1 The total amount of government-funded discount available for each property for 2021/22 under this temporary expanded scheme is as follows

- The Expanded Retail Discount (2020/21) will be for three months for eligible properties, at 100% relief, uncapped, for the period 1 April 2021 to 30 June 2021.
 - From 1 July 2021 to 31 March 2022, the Expanded Retail Discount would apply at 66% relief for eligible properties in the scheme, with a cash cap of £2m for businesses that were required to close as at 5 January 2021, and up to £105,000 for business permitted to open at that date.
 - The Nursery Discount 2021 is also for three months, at 100%, uncapped, for the period 1 April 2021 to 30 June 2021.
 - From 1 July 2021 to 31 March 2022 the Nursery Discount would apply at 66% relief for eligible properties, with a cash cap of £105,000.
- 5.2 The eligibility for the discount, and the discount itself, will be assessed and calculated on a daily basis. The following formula will be used to determine the amount of relief to be granted for a chargeable day for particular hereditament in the financial year 2021-22:
- Amount of relief to be granted = V , where:
- V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and any other discretionary reliefs, excluding the pubs discount and those where local authorities have used their discretionary relief powers under the Localism Act which are not funded by section 31 grants.
- 5.3 This will be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.
- 5.4 Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties.
- 5.5 The relief should be applied on a day to day basis using the formula set out above. A new hereditament created as a result of a split or merger during the financial year, or where there is a change of use, should be considered afresh for the relief on that day.

6 Period of Relief

- 6.1 The award of 100% relief for the expanded retail discount and nursery discount is for three months only and must end on 30 June 2021.
- 6.2 The award of 66% relief for the expanded retail discount and nursery discount is for the period 1 July 2021 to 31 March 2022, 9 months only.

7 Opting out of the Scheme

- 7.1 Businesses may choose to refuse the Expanded Retail Discount 2021/22 or Nursery Relief 2021/22, by opting out of support by e-mailing the business rates team on brates@slough.gov.uk and formally informing the Council that they are requesting to refuse support, per eligible hereditament, and identifying each eligible hereditament they wish to refuse support for.
- 7.2 The ratepayer may refuse the discount for each eligible hereditament anytime up to 30 April 2022.
- 7.3 Once the ratepayer has “opted out” they cannot withdraw their refusal for either all or part of the financial year.
- 7.4 For the purposes of section 47 of the 1988 Act, hereditaments where the ratepayer has refused the relief are outside of the scheme and outside of the scope of the decision of which hereditaments qualify for the discount and are therefore ineligible for the relief.

8 The Cash Caps

- 8.1 No cash caps will apply for the period between 1 April 2021 to 30 June 2021.
- 8.2 Under the cash caps, a ratepayer may only receive up to the following cash caps of Expanded Retail Discount or Nursery Relief in 2021/22 ignoring any relief for the period before 1 July 2021:
 - £2 million for ratepayers meeting the eligibility for the closed cash cap test set out in Annex A (subject to paragraphs 21-23),
 - Or
 - £105,000 for all other ratepayers (subject to paragraphs 21-23).
- 8.3 No ratepayer can in any circumstances exceed the £2 million cash cap across all of their hereditaments in England.
- 8.4 Where a ratepayer eligible for the closed cash cap also occupies hereditaments which do not meet the criteria for the closed cash cap and the value of the discount on the closed hereditaments is less than £2 million then they may also claim the discount on other eligible hereditaments but only up to the cap of £105,000 in respect of those other eligible hereditaments.

For example, such a ratepayer whose rate bill from 1 July 2021 onwards on hereditaments eligible for the closed cash cap is £1 million and also occupies other eligible hereditaments with a rates bill of £3

million is able to claim up to £1,105,000 in discount from 1 July 2021 onwards (£1million on their closed hereditament and then up to the £105,000 cash cap on their other eligible hereditaments).

- 8.5 Where a ratepayer has a qualifying connection with another ratepayer then those ratepayers should be considered as one ratepayer for the purposes of the cash caps. A ratepayer shall be treated as having a qualifying connection with another:
- (a) where both ratepayers are companies, and
 - i. one is a subsidiary of the other, or
 - ii. both are subsidiaries of the same company; or
 - (b) where only one ratepayer is a company, the other ratepayer (the “second ratepayer”) has such an interest in that company as would, if the second ratepayer were a company, result in its being the holding company of the other.
- 8.6 In those cases where it is clear to Slough Borough Council that the ratepayer is likely to breach the cash caps then we will automatically withhold the discount. Otherwise, Slough Borough Council may include the discount in bills and will ask the ratepayers, on a self-assessment basis, to inform the us if they are in breach of the cash caps.

9 Administration

- 9.1 Slough Borough Council will administer the scheme under the guidelines set out by the Department for Communities and Local Government dated March 2021.
- 9.2 The Expanded Retail Discounts and Nursery Relief's awarded will be administered by the Business Rates team who will provide monthly reports to the Section 151 officer.
- 9.3 Slough Borough Council where possible will include details where possible of the Retail Discount and / or Nursery Relief to be provided to eligible ratepayers for 2021-22 in their bills for the beginning of that year. There will be no need for an application if the above criteria is met.
- 9.4 It will be expected that companies who receive a Retail Discount and/ or Nursery Relief and are aware that they are in excess of the Cash Cap Rules will inform the council as soon as possible.

10 Appeals

- 10.1 An appeals process relating to the Retail Discount/ Nursery Relief eligibility criteria outlined above will be open to all business rate payers

in the borough who feel that they meet the eligibility criteria of this policy and have not received a deduction their business rates via the Retail Discount/ Nursery Relief.

10.2 The following occasions are the sole basis of any grounds for appeal:

- The premises are of a type specifically stated as being eligible for relief, and
- the Council has by error omitted to grant relief;
- The premises are not of a type specifically stated as being eligible for relief, but by analogy the use is comparable to one which is listed as eligible.

10.3 All appeals must be made in writing by contacting the Council, using the details on your bill or the business rates website.

10.4 Appeals will be considered in line with this Policy. Decisions are taken at the sole discretion of the Executive Director Customer and Community in consultation with the Business Rates Manager.

10.5 All appeals will be reviewed within four weeks of submission of all necessary information. All decisions taken on appeals are final and the outcome will be recorded and delivered to the business in writing.

10.6 If an appeal is successful, rate relief will be backdated for the full eligible period within that fiscal year. Appeals may only be made for the 2021-22 fiscal year and cannot be applied to previous years.

10.7 If an appeal is unsuccessful the only further recourse available to applicants is a judicial review. A judicial review is the means by which the decisions of billing authorities under discretionary rating powers may be questioned.

11 Policy review

11.1 The policy will be reviewed when necessary and whenever the Council receives best practice guidelines from the Ministry of Housing, Communities & Local Government, and any relevant changes to legislation.

Annex A – eligibility for the Closed Cash Cap (£2 million)

1. Ratepayers that meet the eligibility criteria for the closed cash cap will be ratepayers who for a chargeable day occupy one or more hereditaments whose use on the chargeable day would, based on the law and guidance applicable on 5 January 2021, have meant that the business or activity would have been mandated to close by the government.

2. For the avoidance of doubt, hereditaments which have closed due to the government's response to coronavirus should be treated as occupied for the purposes of the closed cash cap.

3. If, under this eligibility test, a person would have been required to close its main, in-person service but could have adapted its business to operate takeaway, click and collect or online with delivery services, it will be considered closed and be eligible for the closed cash cap because its substantive business would have been mandated to close.

4. In cases where hereditaments would have remained open to provide services that can continue as they are exempt from the regulations (e.g. post office services, food banks) the ratepayer may still be eligible for the closed cash cap, because they would have been unable to provide their main in-person service.

5. The following hereditaments do not meet eligibility for the closed cash cap:

a. Hereditaments occupied by businesses and other ratepayers that would have been able to conduct their main service because they do not depend on providing direct in-person services from premises and can operate their services effectively remotely (e.g. accountants, solicitors).

b. Hereditaments whose occupiers may have chosen to close but not been required to.

Annex B Calculation examples for 2021/22

The Expanded Retail discount is always calculated after mandatory relief and other discretionary reliefs funded by section 31 grant. Ignoring cash caps.

Example 1: An occupied shop with a rateable value of £40,000 **= £19,960**

Gross rates (before any reliefs) = £40,000 x 0.499:

Expanded Retail Discount (100% from 01/04/21 to 30/06/21), £19,960 x 91/365	= -£4,976
---	-----------

Expanded Retail Discount (66% from 01/07/21 to 31/03/22), £19,960 x 0.66 x 274/365	= -£9,889
--	-----------

Rates due (after Expanded Retail Discount):	= £5,094
---	----------

Example 2: An occupied shop with a rateable value of £100,000

Gross rates (before any reliefs) = £100,000 x 0.512: **= £51,200**

Expanded Retail Discount (100% from 01/04/21 to 30/06/21), £51,200 x 91/365	= -£12,765
---	------------

Expanded Retail Discount (66% from 01/07/21 to 31/03/22), £51,200 x 0.66 x 274/365	= -£25,367
--	------------

Rates due (after Expanded Retail Discount):	= £13,068
---	-----------

Example 3: An occupied charity shop with a rateable value of £40,000

Gross rates (before any reliefs) = £40,000 x 0.512 **= £20,480**

Net rates after charity relief (80% discount):	= £4,096
--	----------

Expanded Retail Discount (100% from 01/04/21 to 30/06/21), £4,096 x 91/365	= -£1,021
--	-----------

Expanded Retail Discount (66% from 01/07/21 to 31/03/22), £4,096 x 0.66 x 274/365	= -£2,029
---	-----------

Rates due (after charity relief and Expanded Retail Discount):	= £1,045
--	----------

Example 4: An occupied shop with a rateable value of £13,500 eligible for Small Business Rate Relief (SBRR)

Gross rates (before any reliefs) = £13,500 x 0.499 = £6,737

Net rates after SBRR (50%): = £3,368

Expanded Retail Discount (100% from 01/04/21 to 30/06/21), £3,368 x 91/365 = -£840

Expanded Retail Discount (66% from 01/07/21 to 31/03/22), £3,368 x 0.66 x 274/365 = -£1,669

Rates due (after SBRR and Expanded Retail Discount): = £860

Example 5: An occupied shop with a rateable value of £10,000 eligible for Small Business Rate Relief (SBRR)

Gross rates (before any reliefs) = £10,000 x 0.499 = £4,990

Net rates after SBRR (100%): = £nil

Rates bill is nil and, therefore, no Expanded Retail Discount applies

Example 6: An occupied shop with a rateable value of £40,000 eligible for Transitional Relief (TR) and receiving Revaluation Discretionary Relief

Gross rates (before any reliefs) = £40,000 x 0.499 = £19,960

Transitional Relief (say): = -£1,500

Net rates after Transitional Relief: = £18,460

Net rates after Revaluation Discretionary Relief (say): = £15,460

Expanded Retail Discount (100% from 01/04/21 to 30/06/21), £15,460 x 91/365 = -£3,854

Expanded Retail Discount (66% from 01/07/21 to 31/03/22), £15,460 x 0.66 x 274/365 = -£7,660

Rates due (after TR, revaluation relief and Expanded Retail Discount): = -£3,946

Example 7: An occupied shop with a rateable value of £18,000 previously paying nothing prior to revaluation 2017 and eligible for Supporting Small Businesses Relief (SSB)

Gross rates (before any reliefs) = £18,000 x 0.499 = £8,982

Supporting Small Businesses Relief (say): = -£6,582

Net rates after SSB: = £2,400

Expanded Retail Discount (100% from 01/04/21 to 30/06/21), £2,400 x 91/365 = -£598

Expanded Retail Discount (66% from 01/07/21 to 31/03/22), £2,400 x 0.66 x 274/365 = -£1,189

Rates due (after SSB and Expanded Retail Discount): = -£613

Example 8: A shop with a rateable value of £40,000 (example 1) but only occupied until 30 September 2021

Gross rates while occupied (before any reliefs) = £40,000 x 0.499 x 183/365 = £10,007

Expanded Retail Discount (100% from 01/04/21 to 30/06/21), £10,007 x 91/183 = -£4,976

Expanded Retail Discount (66% from 01/07/21 to 30/09/21), £10,007 x 0.66 x 92/183 = -£3,320

Net rates while occupied = £1,711

Gross rates while unoccupied (before any reliefs) = £40,000 x 0.512 x 182/365 = £10,212

Unoccupied property relief (100% from 01/10/21 to 31/12/21), £10,212 x 92/182: = -£5,162

Net rates while unoccupied = £5,050

Rates due for the year (after empty property relief and Expanded Retail Discount): = £6,760