



Portfolio Holder Decisions

Business Rates Retail Discount Scheme - Resources

1. **Business Rate Retail Discount Scheme** (Pages 1 - 6)

Report of the Service Director People and Places

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Portfolio Holder Report

The portfolio holder will make a decision on this item after seven days have elapsed (including the date of publication).

Report of:	Portfolio Holder	Date of publication
Mark Billington, Service Director People and Places	Councillor Alan Vincent, Resources Portfolio Holder	11 April 2019

Business Rates Retail Discount Scheme

1. Purpose of report

- 1.1 To seek approval for the introduction of a Government funded Business Rate Retail Discount Scheme for qualifying businesses operating in Wyre.

2. Outcomes

- 2.1 The award of Business Rate Retail Discount to all qualifying businesses located in Wyre in accordance with Government guidelines.

3. Recommendation

- 3.1 That the proposed Business Rate Retail Discount Scheme detailed in this report be approved.

4. Background

- 4.1 In the Autumn budget in October 2018, the Government announced some financial support in the form of a Business Rate Retail Discount (BRRD) Scheme in order to help small and medium sized businesses trading under challenging circumstances in the retail sector.
- 4.2 The government has provided guidance detailing the qualifying criteria for the scheme and the types of business that the discount should be awarded to.
- 4.3 Qualifying businesses will receive a discount equal to one third of their business rates bill after the application of all other eligible discounts and reliefs.

4.4 The scheme will be in operation for the years 2019/20 and 2020/21.

4.5 The Government will fully reimburse the council in respect of all retail discounts awarded, with awards being made in accordance with the council's discretionary relief powers under section 47 of the Local Government Finance Act 1988.

5. Key issues and proposals

5.1 In accordance with Government guidance, it is proposed that BRRD be awarded to retail businesses who are actively trading from premises with a rateable value of less than £51,000, and that those premises are used wholly or mainly:

- as shops, including florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, charity shops, opticians, post offices, furnishing shops/ display rooms (including carpet shops, double glazing, garage door sales, kitchen shops), car/caravan showrooms, used car lots, markets, petrol stations and garden centres.
- for the sale of food and drink including restaurants, cafes, coffee shops, sandwich shops, bars, pubs, takeaways
- for the provision of hair and beauty services (such as hair dressers, nail bars, beauty salons, tanning shops), shoe repairs/key cutting, travel agents, ticket offices, dry cleaners, launderettes, pc/tv/domestic appliance repairs/sales, funeral directors, photo processing, tool hire and car hire.

This is not an exhaustive list and individual cases will be considered on their own merits.

5.2 Government guidance recommends that the following types of business should not be considered eligible to receive BRRD:

- financial services including banks, building societies, cashpoints, payday lenders, betting shops, pawn brokers, accountants.
- other services including estate agents, letting agents, staffing agents.
- medical services and practitioners including vets, dentists, doctors, osteopaths, chiropractors.
- cinemas, theatres, museums, nightclubs, music venues and venues used for sport or physical recreation.

It is therefore proposed that the above business types are excluded from receiving BRRD.

- 5.3** Qualifying businesses will receive a retail discount equivalent to one third of the value of their payable business rates after all other eligible reliefs and discounts have been awarded.
- 5.4** The discount will be calculated on a daily basis with awards given to businesses who cease trading, or move premises part way through the year, having their discount apportioned in accordance with the number of days they have traded for.
- 5.5** Businesses commencing trading part way through a year and qualifying for BRRD will receive an apportioned entitlement based on the number of days they will trade for during the remainder of the financial year.
- 5.6** Businesses operating from more than one premises can qualify for BRRD, in respect of all premises that have a rateable value under £51,000, providing those premises are being used wholly or mainly as per the examples in 5.1.
- 5.7** All awards of BRRD will be subject to current “state aid” rules, with those businesses who have received over €200,000 in state-aid not being eligible to claim the discount. The onus is on individual businesses to advise the council if this is the case.
- 5.8** Awards of BRRD will be made automatically, with the qualifying businesses being advised in writing of the reason for the award and the requirement placed upon them to advise the council if the award of the discount means they exceed the de-minimus state aid figure.
- 5.9** If, after the awards of BRRD have been determined, a business that hasn’t received a discount makes representations to the council that it is eligible, then their application will be considered by the Revenues Manager. Any appeals will follow the councils established process, ultimately ending at the Magistrates Court.

6. Delegated functions

- 6.1** The matters referred to in this report are considered under the following executive function delegated to the Resources Portfolio Holder (as set out in Part 3 of the council’s constitution): “National Non-Domestic Rating and Council Tax matters”.

Financial and legal implications	
Finance	Central government have provided a S31 grant to allow local authorities to apply BRRD according to the scheme. There is no impact on the council’s budget as the relief will be reimbursed by central government to the council each year.

Legal	<p>When using its discretionary relief powers, under section 47 of the 1988 Act, to grant Retail Discount the Authority must have regard to the Guidance issued by the Ministry of Housing, Communities & Local Government in regard thereto.</p> <p>Providing discretionary relief to ratepayers is likely to amount to State Aid. State Aid is the means by which the European Union regulates state funded support for businesses. However, Retail Discount will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013). To that end the council will require information from the individual business regarding the amount of State Aid it has received from the council and other third parties to ensure that the De Minimis threshold is not exceeded.</p>
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Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	x
sustainability	x
health and safety	x

risks/implications	✓ / x
asset management	x
climate change	x
ICT	x
data protection	x

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

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List of background papers:		
name of document	date	where available for inspection
None		

List of appendices

None

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