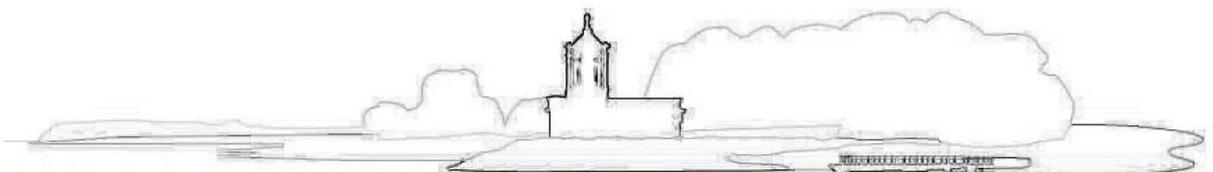


Rutland County Council

NON-DOMESTIC RATES RETAIL DISCOUNT POLICY

Version & Policy Number	Final
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Date Produced	21th December 2018



Summary of document

The policy applies to Non-Domestic Rates Retail Discount as announced in the Budget on 29th October 2018. The policy sets out to achieve a fair and robust approach to the award and review of retail discounts for 2019/20 and 2020/21.

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1.0 INTRODUCTION

- 1.1 The Government recognises that changing consumer behaviour presents a significant challenge for retailers in town centres and is taking action to help the high street evolve.
- 1.2 The Government 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 the discount will be one third of the bill, and will be applied after mandatory reliefs and other discretionary reliefs have been applied.
- 1.2 The Government expects local authorities to grant the discount to qualifying ratepayers under discretionary powers introduced by Part 4 of the Localism Act 2011.
- 1.3 The Government will reimburse local authorities within the rate retention system for the actual cost of the discount using Section 31 of the Local Government Act 2003.

2.0 LEGISLATION

- 2.1 The Council has discretionary power, under Section 47 of the Local Government Finance Act 1988 as amended by Part 4 of the Localism Act 2011 to award relief and discounts.
- 2.2 The Ministry of Housing, Communities & Local Government have issued guidance called 'Business Rates Retail Discount – Guidance' which will be followed. The guidance can be found here <https://www.gov.uk/government/publications/business-rates-retail-discount-guidance>
- 2.3 The Council is not permitted to award discretionary relief to a precepting authority or itself, as a billing authority.
- 2.4 European Union competition rules generally prohibit Government subsidies to businesses and relief from taxes, including business rates, as this can constitute state aid. Consideration will be given to this when granting retail discounts.
- 2.5 The retail discount is applicable for financial years 2019/20 and 2020/21 only.

3.0 POLICY AIM

- 3.1 The policy aims to support the strategic aims and objectives of the authority in particular:

- Delivering Council Services within our Medium Term Financial Plan
 - Building our Infrastructure
 - Creating an active and enriched community
- 3.2 The policy will seek to provide retail discount to those retail properties that are used as shops, restaurants, cafes and drinking establishments to members of the community and visitors.
- 3.3 Each case will be assessed on its own merits having regard to the council's aims and objectives.
- 3.4 Some exclusion to retail discount will apply and these are detailed at 5.0.

4.0 QUALIFYING PROPERTIES FOR RETAIL DISCOUNT

- 4.1 In order to qualify properties must have a rateable value of 51,000 or less, be occupied and used wholly or mainly as shops, restaurants, cafes and drinking establishments.
- 4.2 The following table details the types of shops selling goods to customers that will be eligible to apply for retail discount, this list is not exhaustive.

Florist	Bakers	Butchers
Grocers	Greengrocers	Jewellers
Stationers	Off Licence	Chemists
Newsagents	Hardware stores	Supermarkets
Charity shops	Opticians	Post Offices
Furniture shops	Carpet shops	Double glazers
Garage doors	Car showrooms	Caravan showrooms
Second hand car lots	Markets	Petrol stations
Clothing and footwear shops	Gift, card and toy shops	Fashion Accessories Shops
Gardens centres	Art Galleries	Display shops

- 4.3 The following table details types of shops that are selling services to customers that will be eligible to apply for retail discount, this list is not exhaustive.

Hair Salons	Nail bars	Beauty salons
Tanning shops	Shoe repairs	Key cutting
Travel agents	Ticket offices	Dry Cleaners
Launderettes	Domestic Appliance repairs	Funeral directors
Photo processing	Tool hire	Car hire

- 4.4 The following table details the types of businesses that are selling food and/or drink that will be eligible to apply for retail discount, this list is not exhaustive.

Restaurants	Takeaways	Sandwich shops
Coffee shops	Public houses	Bars

5.0 NON-QUALIFYING PROPERTIES

5.1 The Government have determined that the following properties will not be eligible for retail discount.

Financial Services	Banks	Building Societies
Cash points	Bureau de Change	Payday lenders
Betting shops	Pawn brokers	Estate agents
Letting agents	Employment agencies	Medical services
Veterinary Surgeries	Doctors Surgeries	Dental clinics
Osteopaths	Chiropractors	Professional services
Solicitors	Accountants	Insurance agents
Financial advisors	Tutors	Post Office sorting office
Cinemas	Nightclubs	Museums
Music venues	Gyms	Sport/recreation facilities
Properties providing services that are not accessible to members of the public such as for advertising or marketing or Bluetooth services		

5.2 Where a property is in multiple use including non-qualifying services, officers will determine the predominant use of the property having regard to:

- the floor space used for the qualifying and non-qualifying parts
- the overall objective of the business
- the Government's objectives and advice

6.0 AMOUNT OF RETAIL DISCOUNT

6.1 The total amount of discount available for each qualifying property for each year is one third of the bill, after all other reliefs have been applied. Retail discount is not available for properties with a rateable value over 51,000.

6.2 The discount will be assessed and calculated on a daily basis. The following formula will be used to determine the amount of discount to be awarded for a chargeable day.

$$\text{Amount of discount to be granted} = \frac{V}{3}$$

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 those where the Council has used its discretionary

relief powers introduced by the Localism Act which are not funded by Section 31 grants.

- 6.3 Ratepayers that occupy more than one property will be entitled to retail discount for each of their eligible properties, subject to State Aid De Minimis limits.

7.0 CHANGES TO QUALIFYING PROPERTIES - SUCH AS SPLITS OR MERGERS

- 7.1 Retail discount will be applied on a daily basis using the formula set out at 6.2. A new property created as a result of a split of an existing property or a merger of an existing property, or change of use will be subject to a reconsideration of the award from the date of change.

8.0 APPLICATION FOR RETAIL DISCOUNT

- 8.1 The Council does not require a formal application to be completed, however, the Council must satisfy itself that any award would not result in the business having received more than €200,000 of De Minimis aid in a three year period. This is detailed at point 13.0.
- 8.2 The Council will issue a declaration to all qualifying ratepayers asking businesses to declare where they have exceeded State Aid limits.
- 8.3 The availability of retail discount will be detailed on the Council's website.
- 8.4 Any rate payments due must be paid in accordance with the most recent bill until such time as any retail discount is awarded, even if an appeal is outstanding.

9.0 HOW THE AWARD WILL BE MADE

- 9.1 The decision to award retail discount will initially be made by the Business Rates Officer and the Revenues and Benefits Manager.
- 9.2 In the event of a query additional information required will be requested from the ratepayer. A site visit may be arranged to inspect the premises, if necessary.
- 9.3 Awards that are deemed to be of sensitive or of a political nature will be referred to the Strategic Director for Resources for consideration.

10.0 NOTIFICATION OF DECISION

- 10.1 Successful awards will be detailed on the rates bill. The discount will be shown as 'Retail Discount' on the bill. If the account is in credit as a result of the award, a refund will be made to the ratepayer.

- 10.2 If a ratepayer submits a request for retail discount and this is refused the ratepayer will be notified in writing and the reason for the decision will be provided.

11.0 PERIOD OF RETAIL DISCOUNT

- 11.1 The retail discount will be awarded for financial years 2019/20 and 2020/21.

12.0 AWARD TIMESCALES

- 12.1 In accordance with the LGFA 1988, applications for any discretionary rate relief must be determined within six months of the end of the financial year for which relief or discount is being sought.
- 12.2 Efforts will be made to award retail discount to eligible properties prior to the initial billing for financial year 2019/20.

13.0 CANCELLATION

- 13.1 All ratepayers in receipt of retail discount must notify the Council within 21 days of any change in circumstances that may affect their entitlement.
- 13.2 If the Council decides to reduce or remove the discount, the Council will notify the ratepayer in writing and issue an adjusted bill.
- 13.3 Some changes will not be notified in writing i.e. a change to the rateable value will alter the discount proportionately, in these cases an adjusted bill will be issued.

14 COMPLAINTS AND APPEALS

- 14.1 Rating law does not allow for a ratepayer to appeal a decision by the Council on the refusal to award any discretionary rate relief which includes retail discount. However, in the interests of natural justice it is regarded as good practice for local authorities to establish a mechanism to allow appeals to be heard.
- 14.2 If an aggrieved ratepayer wishes to make an appeal against a decision made under this policy then they will need to write to the Revenues & Benefits Manager within 14 days of notification of the refusal.
- 14.3 Appeals will be forwarded to the Strategic Director for Resources who will consider the appeal. The ratepayer will be notified of the decision in writing and this decision will be final.

15 STATE AID

- 15.1 State aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. Rate relief will be state Aid compliant where it is provided in accordance with the De Minimis Regulations (SI 1407/2013)
- 15.2 The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three year period. To administer De Minimis the Council will establish, via a declaration that the award of retail rate relief will not result in the undertaking having received more than €200,000 of De Minimis aid.
- 15.3 The Council will only award retail discount up to the De Minimis limit.
- 15.4 The Council may seek legal advice if there are queries regarding the De Minimis declaration or lack of one.
- 15.5 The UK is scheduled to leave the EU on 29th March 2019. If there is an implementation period, the State Aid rules will continue to apply as now and will be subject to control by the EU Commission as present. If the UK leaves the EU without a negotiated Withdrawal Agreement, the Government intend to transpose EU State Aid rules into UK domestic legislation, therefore State Aid rules continue to apply.

**A large print version of this document is
available on request**



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