

<b>Meeting Date</b>	6 February 2019
<b>Report Title</b>	Business Rate Retail Relief
<b>Cabinet Member</b>	Cllr Duncan Dewar-Whalley, Cabinet Member for Finance and Performance
<b>SMT Lead</b>	Nick Vickers – Chief Financial Officer
<b>Head of Service</b>	Nick Vickers – Chief Financial Officer
<b>Lead Officer</b>	Zoe Kent - Revenues and Benefits Manager
<b>Recommendations</b>	1. That Business Rate Retail Relief is awarded for the whole Borough for 2019/20 and 2020/21.
	2. That Business Rate Retail Relief is awarded for all types of businesses listed in the MHCLG Business Rate Relief guidance document.
	3. That Business Rate Retail Relief is awarded automatically with no application process.

## **Purpose of Report and Executive Summary**

- 1.1 The Government has re-introduced a Business Rate Relief to help local retail businesses by reducing the amount of business rates they will have to pay for a two year period.

## **2 Background**

- 2.1 On 29 October 2018 as part of the autumn budget the Government announced that it would provide a discount of a third to all occupied retail properties with a rateable value below £51,000 for the financial years 2019-20 and 2020-21. This is a discretionary relief meaning the Council can consider awarding the relief to those businesses wholly or mainly being used as shops, restaurants, cafes and drinking establishments. A full list of the types of businesses that will and will not be included can be found on pages 5 to 7 of Appendix I.
- 2.2 The Government has recognised that changing consumer behaviour presents a significant challenge for retailers in town centres and is taking action to help the high street evolve. As this relief is discretionary the relief could be awarded only to high street areas or to any businesses that meet the criteria across the whole of the Borough.

- 2.3 It is likely that approximately 600 businesses would be eligible for the relief, the cost of this would be borne by Central Government.

### **3 Proposal**

- 3.1 It is recommended that the relief should be awarded to all retail businesses included within the list of hereditaments being used for the sale of goods within Appendix I and that bingo halls and amusement arcades be added as a category of ineligible services within the Borough. The corporate priority a Borough to be Proud Of embraces the whole Borough so it is recommended that the relief should be awarded to all businesses that meet the criteria with a rateable less than £51,000. It is also recommended that the relief is awarded automatically to all eligible rate payers. To comply with State Aid law a paragraph would then be included in all Business Rate bills requiring the rate payer to make a declaration that the relief does not exceed EU limits as set out in the guidance. This could be an issue for some large retail chains, if the state aid limits are reached the relief will then be removed.

### **4 Alternative Options**

- 4.1 The relief could only be awarded to those areas considered to be a High Street. This is not recommended because this could lead to unfair competition within certain areas of the Borough. An application process could also be put into place, this is also not recommended because it could increase administration costs and could lead to some rate payers not receiving the relief they would be entitled to.

### **5 Consultation Undertaken or Proposed**

- 5.1 The Government does not require a consultation to be carried out for the proposed local retail discount scheme. The Borough is also not bearing the cost of the retail relief and it is proposed that the relief is awarded to all eligible businesses.

## 6 Implications

Issue	Implications
Corporate Plan	<p>A Borough to be Proud Of – awarding this discretionary retail relief will help the local retail businesses within the Borough.</p> <p>Awarding the relief to the whole of the Borough will support all areas whether urban or rural.</p>
Financial, Resource and Property	<p>It is estimated that the cost of this relief will be in the region of £1,000,000, Central Government have stated that local authorities will be reimbursed for this cost, so under the business rate retention scheme there will not be a financial implication to the Council. If the relief is awarded automatically with no application process there will not be a resource implication. This also reduces the amount of Business Rates that has to be collected by the Council.</p>
Legal and Statutory	<p>The Council will be reimbursed for using its discretionary relief powers, introduced by the Localism Act (under section 47 of the Local Government Finance Act 1988, as amended). Retail Relief will be awarded under a local scheme also under section 47 of the Local Government Finance Act 1988, as amended.</p>
Crime and Disorder	None
Environmental Sustainability	None
Health and Wellbeing	None
Risk Management and Health and Safety	<p>There could be a risk to the collection of business rates if the relief was not awarded.</p>
Equality and Diversity	<p>By awarding to all areas of the Borough there should not be any equality or diversity implications.</p>
Privacy and Data Protection	None

## 7 Appendices

7.1 The following documents are to be published with this report and form part of the report

- Appendix I: Business Rate Retail Relief Guidance November 2018

## **8 Background Papers**

8.1 None