

**FLINTSHIRE COUNTY COUNCIL**

**REPORT TO:**           **CABINET**

**DATE:**                   **TUESDAY, 17 JUNE 2014**

**REPORT BY:**           **CHIEF OFFICER (COMMUNITY & ENTERPRISE)**

**SUBJECT:**               **BUSINESS RATES 'RETAIL' RELIEF**

**1.00   PURPOSE OF REPORT**

- 1.01   To provide members with details of a new Business Rates Relief scheme, providing a grant of up to £1,000 to 'retail' businesses during 2014-15.
- 1.02   For members to endorse the implementation of the 2014-15 Business Rates 'Retail' relief grant scheme using discretionary rate relief powers provided to the Council.

**2.00   BACKGROUND**

- 2.01   In his Autumn Statement the Chancellor of the Exchequer announced a number of business rate measures for England which included a discount scheme for retailers.
- 2.02   An announcement has now been made by the Minister for Economy, Science and Transport at Wales Government to introduce a similar scheme for Welsh retailers offering a grant in 2014-15 of up to £1,000 for all occupied retail properties with a rateable value of £50,000 or less. A further announcement was also made by the Minister on a further scheme aimed at supporting businesses most negatively impacted by the postponement of the 2015 re-valuation.
- 2.03   In order to provide Retail Rate grant, the Council must adopt a local scheme in line with discretionary relief powers and by following the guidance issued by Wales Government.
- 2.04   The Welsh Government has now confirmed that £581,299 of funding is now available to the Council to fully meet the initial estimates provided by the Council of awarding retail grants to approximately 725 businesses. In many cases, the awards will be less than £1,000 given that many retail businesses are also entitled to Small Business Rate Relief and already pay less than £1,000. This scheme should be fully fund all prospective awards and the policy proposed in this report reflects fully the guidance to award grants to occupied retail premises.

2.05 A small grant of £3,756 is also offered to support administration and marketing costs. This will include re-billing and postage costs resulting directly from the implementation of the scheme.

### **3.00 DISCRETIONARY RATE RELIEF POLICY FOR RETAIL RELIEF**

3.01 In line with guidance provided by Wales Government, the Retail Rate Relief Policy will award individual grants of up to £1,000 to all 'retail' properties providing that :

- The 'retail' property has a rateable value of £50,000 or less
- The property is occupied and 'wholly or mainly' used as a shop, restaurant, café or drinking establishment.

3.02 It is considered that 'retailers' will be defined as any property falling within any one of three categories detailed below :

a) Property that is being used 'wholly or mainly' for the sale of goods to visiting members of the public:

- Shops (such as florist, bakers, butchers, grocers, greengrocers, jewellers, opticians, off licence, chemists, newsagents, hardware stores, charity shop, supermarkets etc)
- Charity Shops
- Opticians and Pharmacies
- Post Offices
- Furnishing shops & display rooms (such as: carpet shops, double glazing, garage doors etc)
- Car/Caravan showrooms
- Second hand car lots
- Markets
- Petrol Stations
- Garden Centres
- Art Galleries (where art is for sale/hire)

b) Property that is being used 'wholly or mainly' for the provision of the following services to visiting members of the public:

- Hair and beauty services (such as hairdressers, nail bars, beauty salons)
- Shoe repairs/key cutting
- Travel agents
- Ticket Offices, e.g. theatre booking
- Dry Cleaners
- Launderettes
- PC/TV/Domestic appliance repairs
- Funeral directors
- Photo processing
- DVD rentals

- Tool Hire
- Car Hire
- Cinemas
- Estate and Letting Agents

c) Property that is being used 'wholly or mainly' for the sale of food and/or drink to visiting members of the public:

- Restaurants
- Drive through/drive in restaurants
- Takeaways
- Sandwich shops
- Cafes & Coffee Shops
- Pubs
- Wine Bars

3.03 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. However, it is intended to be a guide as to the types of uses that the Council and Wales Government considers eligible for the purposes of this scheme.

3.04 The Council can determine whether particular properties not listed above are broadly similar in nature to those above and, if so, to consider them for a grant of up to £1,000. Conversely, properties that are not broadly similar in nature to those listed above will not be eligible for a grant.

3.05 In line with Wales Government guidance on awarding 'retail' grants, the following property falls outside of the 'retail' definition to be for the purposes of this scheme and would not qualify :

Property that is used for the provision of the following services to visiting members of the public:

- Financial services (such as: banks, building societies, cash points, bureau de change, payday lenders, betting shops, pawn brokers)
- Medical services (such as: vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (such as: solicitors, accountants, insurance agents, financial advisers, tutors)
- Post Office sorting office
- Tourism Accommodation (such as: B&B's, hotels and caravan parks)
- Sports clubs
- Children's Play Centres
- Day Nurseries
- Gyms and Outdoor Activity Centres
- Kennels and Catteries

- Show Homes
- Employment Agencies

- 3.06 Grants of up to a maximum £1,000 will be applied to the net bill after all other reliefs, including Small Business Rate Relief, have been awarded, so if the net liability for a property after all other reliefs is £500, the maximum grant that can be awarded is £500.
- 3.07 Ratepayers who occupy more than one property will be entitled to a grant for each of their eligible properties but in order to comply with the EU law on State Aid, businesses will need to declare that the total of Retail Relief awards across the UK does not exceed the 200,000 Euros a company can receive.
- 3.08 Initial estimates are that approximately 725 Flintshire businesses may qualify for 'retail' relief if the scheme is adopted by cabinet. Letters, application forms and further guidance will be sent to potential qualifying businesses immediately following the endorsement of this scheme by Cabinet.

#### **4.00 RECOMMENDATIONS**

- 4.01 Members are asked to approve the introduction of the scheme from 1<sup>st</sup> April 2014 and award 'retail relief' of up to £1,000 to qualifying businesses for the financial year 2014-15.

#### **5.00 FINANCIAL IMPLICATIONS**

- 5.01 The cost of the retail relief scheme will be fully reimbursed by Wales Government.

#### **6.00 ANTI POVERTY IMPACT**

- 6.01 None.

#### **7.00 ENVIRONMENTAL IMPACT**

- 7.01 None.

#### **8.00 EQUALITIES IMPACT**

- 8.01 None.

#### **9.00 PERSONNEL IMPLICATIONS**

- 9.01 None.

#### **10.00 CONSULTATION REQUIRED**

- 10.01 None.

**11.00 CONSULTATION UNDERTAKEN**

11.01 None.

**12.00 APPENDICES**

12.01 None.

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985  
BACKGROUND DOCUMENTS**

- Section 47 Local Government Finance Act 1988 (as amended)
- Welsh Government Guidance (version 1.2) – Retail Relief Scheme

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