

## CABINET

<b>Date of Meeting</b>	Tuesday, 24 <sup>th</sup> April 2018
<b>Report Subject</b>	Adoption of 2018/19 Business Rates High Street Rate Relief scheme
<b>Cabinet Member</b>	Cabinet Member for Corporate Management and Assets
<b>Report Author</b>	Chief Officer (Strategic Programmes)
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

The purpose of the report is for cabinet to adopt the Welsh Government's High Street Rates Relief scheme for 2018/19 which is designed to provide High Street retailers with temporary rate relief.

Eligibility for this Welsh Government backed scheme is based on a two tier system, providing relief of up to £750 to retail 'high street' businesses with rateable values between £12,001 and £50,000 that have seen increases in their business rate liability as a result of the 2017 national revaluation; as well providing relief of up to £250 to smaller retail 'high street' businesses with rateable values of up to £12,000.

The High Street Rate Relief scheme forms part of a wider packages of support for businesses and sits alongside other schemes such as the Small Business Rate Relief scheme and the Transitional Relief scheme that is also reducing the impact of the 2017 revaluation for some businesses.

### **RECOMMENDATIONS**

1	Adopt the 2018/19 Welsh Government grant scheme for High Street Rates Relief in line with provisions contained in section 47 of the Local Government Finance Act 1988.
2	Approve the automatic awards, without application forms, to those qualifying businesses that can be easily identified through Business Rate records.
3	Approve awards to any remaining businesses that may be eligible following receipt of a valid application form.

## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE WALES HIGH STREET RATE RELIEF SCHEME</b>
1.01	<p>Welsh Government Guidance has been issued which enables the Council to administer the scheme using the qualifying criteria as set out in the 2018/19 scheme. The 2018/19 scheme is similar to the temporary High Street Rate Relief scheme that was also introduced in 2017/18, with the exception of the qualifying awards, which have been reduced by 50% for the 2018/19 scheme.</p>
1.02	<p>The 2018/19 scheme will provide two tiers of business rate relief, of up to £250 (tier 1) or £500 (tier 2), to eligible high street retailers occupying premises with a rateable value of up to £50,000, subject to certain qualifying criteria as set out:</p> <ul style="list-style-type: none"><li>• <b>Tier 1 – lower level support: Maximum support of up to £250</b></li><li>• Eligible ratepayers will be high street retailers who occupy properties with a rateable value of between £6,001 and £12,000</li><li>• The ratepayer must be in receipt of small business rate relief and/or transitional rate relief on 1<sup>st</sup> April 2018</li><li>• The ratepayer must be occupying wholly or mainly for retail purposes as at 31<sup>st</sup> March 2018 and the same ratepayer continues to occupy on 1<sup>st</sup> April 2018</li><li>• Eligible ratepayers will receive £250 or the total remaining liability if this is less than £250</li><li>• <b>Tier 2 – higher level of support: Maximum support of up to £750</b></li><li>• Eligible ratepayers will be high street retailers who occupy properties with a rateable value of between £12,001 and £50,000 and who are not in receipt of small business rate relief or transitional rate relief on 1<sup>st</sup> April 2018</li><li>• The ratepayer was subject to an increase in rate liability of 1<sup>st</sup> April 2017 as a result of the 2017 revaluation exercise</li><li>• The ratepayer must be occupying wholly or mainly for retail purposes as at 31<sup>st</sup> March 2018 and the same ratepayer continues to occupy on 1<sup>st</sup> April 2018</li><li>• The ratepayer must not be in receipt of small business rate relief or transitional relief on 1<sup>st</sup> April 2018</li><li>• Eligible ratepayers will receive £750 or the total remaining liability if this is less than £750</li></ul>
1.03	<p>The guidance provided by Welsh Government does not provide a legal definition of what constitutes ‘the high street’ but Councils are encouraged to take a flexible and pragmatic approach to determine whether the</p>

	premises is considered to be 'high street' located as opposed to those properties that fall outside the scope for rate relief as they are in located in out-of-town retail parks or industrial estates.
1.04	Welsh Government have provided a list, as examples, of the types of retail properties that may qualify for assistance. These are shown in appendix 1 to this report.
1.05	Not all 'high street' properties will qualify for retail rate relief and Welsh Government have prescribed the types of use that would fall outside the scope of rate relief. These are also shown in appendix 1 to this report.
1.06	Based on the scheme take-up during 2017/18, we anticipate that around 150 businesses in total will qualify for either tier 1 or tier 2 rate relief, through an estimated and fully reimbursed grant of around £45k in total.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	There are no direct financial implications to the Council in adopting the scheme. The scheme will be fully funded by Welsh Government and a small administration grant of £1.6k will be paid by Welsh Government to cover the revenue expenses of administering the scheme, for example, printing and postage costs for the re-billing and postage process.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	There is no requirement for the Council to carry out a consultation exercise since this is a Welsh Government backed scheme.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	The matters set out in this report are factual; there are no equality, anti-poverty or environmental impacts and once adopted, the Council is required to comply with Welsh Government's rules in applying the grant scheme to qualifying businesses.

<b>5.00</b>	<b>APPENDICES</b>
5.01	<b>Appendix 1</b> to this report outlines the types of properties located in High streets that could be eligible for rate relief.

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	Local Government Finance Act 1988 section 47(1) (a) Local Government Act 2003 section 31

	<p>Welsh Government– High Street Retail Rate Relief scheme – 2018/19</p> <p><b>Contact Officer:</b> David Barnes, Revenues Manager  <b>Telephone:</b> 01352 703652  <b>E-mail:</b> <a href="mailto:david.barnes@flintshire.gov.uk">david.barnes@flintshire.gov.uk</a></p>
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<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Business Rates:</b> are a property based local tax on businesses calculated by the rateable value of the property. Although the rate of tax is set by Welsh Government, rates are administered and collected locally by each local authority and paid into a national collection pool for Wales.</p> <p><b>Small Business Rate Relief scheme:</b> is a Welsh Government permanent scheme to provide rate relief on a sliding scale to most small businesses operating from commercial premises with a rateable value of up to £12,000. Properties with a rateable value of £6,000 or less are eligible for 100% rate relief and properties with a rateable value between £6,001 and £12,000 receive tapered rate relief from 100% to zero.</p> <p>From April 2018, Small Business Rate Relief (SBR) will limit the relief to a maximum of two properties per business in each local authority area. There is also increased rate relief for the childcare sector and the upper rateable value threshold is increased from £12,000 to £20,500 so that an increased number of childcare providers qualify for SBR.</p> <p><b>Transitional Rate Relief:</b> is a Welsh Government scheme introduced to help protect small businesses from the impacts of the 2017 national revaluation, which limits the increase in the amounts payable for a three year period from 2017 to 2020.</p>