

CABINET

Date of Meeting	Tuesday, 19 th March 2019
Report Subject	Business Rates – High Street and Retail Rate Relief Scheme
Cabinet Member	Cabinet Member for Corporate Management and Assets
Report Author	Chief Officer (Governance)
Type of Report	Operational

EXECUTIVE SUMMARY

Welsh Government recently announced a £23.6m package of additional funding across Wales to continue and expand the High Street Rates Relief Scheme to eligible ratepayers for 2019-20.

The enhanced scheme, fully funded by Welsh Government, will provide support of up to £2,500 towards Business Rates bills for retail properties with a rateable value of up to £50,000.

As well as increasing the level of support for retailers in town centres, the enhanced scheme will support retailers in other locations. This scheme is designed to make full use of the consequential funding Welsh Government has received in the UK Autumn Budget.

RECOMMENDATIONS

1	To adopt the High Street and Retail Rates Relief scheme for 2019/20 and provide rate relief of up to £2,500 to eligible retail businesses.
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REPORT DETAILS

1.00	EXPLAINING THE HIGH STREET AND RETAIL RELIEF SCHEME
1.01	Welsh Government (WG) recently announced the development of an enhanced High Street and Retail Rate Relief scheme for 2019/20 which will offer rate relief of up to £2,500 to eligible occupied 'retail' properties with a rateable value of £50,000 or less.
1.02	The enhanced scheme which is due to be implemented from 2019/20 will go significantly further than the 2018/19 scheme which primarily focused on providing targeted rate relief of up to £750 to retailers who operated in town centres and who were affected by the 2017 revaluation.
1.03	Rate relief levels of up to £2,500 can be awarded in the 2019/20 scheme which will mean that some retail businesses who qualified during 2018/19 may benefit from an additional £1,750 of rate relief during 2019/20. This equates to a 233% increase in relief in certain cases.
1.04	The scope of the 2019/20 scheme has also been enhanced to provide relief to all retailers operating across the County, including for the first time, those retailers located in retail parks, out-of-town shopping centres and industrial estates.
1.05	It is considered that 'retailers' will be broadly defined as any occupying property falling within any one of three categories : <ul style="list-style-type: none"> • Property that is being used 'wholly or mainly' for the sale of goods to visiting members of the public; • Property that is being used 'wholly or mainly' for the provision of the designated services to visiting members of the public; • Property that is being used 'wholly or mainly' for the sale of food and/or drink to visiting members of the public
1.06	Retail Relief of up to a maximum £2,500 will be applied to the net bill based on occupation as at 31 st March 2019 (providing the same occupier continues to be in occupation on 1 st April 2019) after all other reliefs, such as Small Business Rate Relief, have been awarded. So if the net liability for a property after all other reliefs is less than £2,500, the maximum level of retail rate relief will be capped at the net bill amount.
1.07	It is intended that, for the purposes of this scheme, retail properties will be aligned to those business types as set out in the scheme guidance. This is summarised in Appendix 1 to this report.
1.08	The list of business types that will be eligible for relief is set out in Appendix 1 to this report. The list is also not intended to be exhaustive as it would be impossible to list the many, mixed and varied retail uses that exist. However, it is intended to be a guide as to the types of uses that the Council and WG considers eligible for rate relief for the purposes of this 'retail' scheme.
1.09	The Council can also determine whether particular properties not within WG

	guidance are broadly similar in nature to those types of business that are considered as 'retailers' and, if so, the Council can consider them for a grant of up to £2,500. Conversely, businesses that are not broadly similar in nature to those listed in the guidance may not be eligible for Retail Rate Relief.
1.10	It is estimated that 125 businesses who qualify under the current scheme will continue to qualify in line with the new scheme. In addition to this, there are 1,205 businesses with a rateable threshold between £6,001 and £50,000 who could qualify under the enhanced scheme if those businesses meet the 'retail' definition.

2.00	RESOURCE IMPLICATIONS
2.01	The cost of awarding retail relief to each retailer of up to £2,500 will be fully reimbursed by WG in line with section 58A of the Government of Wales Act 2006, providing the Council follows the scheme guidance issued by WG.
2.02	It will be for local authorities to determine how they wish to administer the scheme to maximise take-up and minimise the administrative burden for ratepayers and for local authority resources. To promote take-up, especially for retailers who do not currently receive Retail Rate Relief, officers will canvass approximately 1,200 ratepayers who occupy premises with a rate liability and who occupy premises within the rateable value threshold between £6,001 and £50,000.
2.03	Of the £23.6m set aside by WG, £940k has been provisionally set aside for the Council to meet the cost of awarding retail rate relief. If the final cost of awards exceeds this value, the Council will be fully reimbursed for all awards as part of the final grant claim providing the Council awards rate relief on a case by case basis in line with the qualifying criteria and the grant conditions and qualifying criteria.
2.04	Although the enhanced scheme is fully funded by the consequential funding that WG received from the UK Government, funding has not come directly to local government as part of the Revenue Settlement Grant, as the Council had requested, it is nevertheless benefiting local businesses in the area.
2.05	If the Councils fails to strictly comply with the scheme as set out by WG, the Council is at risk of not being fully reimbursed towards the cost of all awards.
2.06	To minimise administration, all applications will be submitted to the Council through an on-line form that is already available through the Council website. All applications will then be scrutinised in line with the criteria as set out.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None.

4.00	RISK MANAGEMENT
4.01	To ensure the Council is fully reimbursed for all relief awarded under this scheme, there is a requirement for officers to ensure all successful applications are aligned to the guidance as set out by WG.
4.02	The development of an on-line application will help officers to capture business use, scrutinise applications and ensure business use is aligned to the definition of retail use for the purposes of the scheme.

5.00	APPENDICES
5.01	Appendix 1 to this report sets out the criteria of the 2019/20 scheme and the type of retail businesses who may qualify for Retail Relief. The guidance also sets out the types of uses that WG does not consider to be retail use for the purposes of this relief and would not be deemed eligible for the relief.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<ul style="list-style-type: none"> • Local Government Finance Act 1988 – section 47 • Government of Wales Act 2006 – section 58a • Welsh Government Ministerial Announcement – Enhanced High Street and Retail Rate Relief Scheme - 10/12/2018 • Welsh Government Guidance – High Street and Retail Rate Relief Scheme for 2019/20 <p>Contact Officer: David Barnes, Revenues Manager Telephone: 01352 703652 E-mail: david.barnes@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>Business Rates: is the commonly used name of non-domestic rates, a tax on the occupation of non-domestic property including shops, offices, pubs, warehousing, factories etc.</p> <p>Small Business Rate Relief: is a permanent scheme that provides 100% rate relief to eligible business premises with a rateable value of up to £6,000 and those with a rateable value between £6,001 and £12,000 receive relief on a tapered basis from 100% to zero.</p>