

REPORT

Subject: NON DOMESTIC RATES HIGH STREET RATES RELIEF SCHEME FOR 2018/19

Directorate: Resources

Meeting: Individual Cabinet Member Decision

Date: 23rd May 2018

Divisions/Wards Affected: N/A

1. PURPOSE:

That Cabinet approves the adoption of a High Street Rate Relief Scheme for 2018/19, in accordance with Welsh Government guidance.

2. RECOMMENDATIONS:

That Cabinet agree to -

- implement a High Street Rate Relief Scheme for 2018/19, in accordance with the guidelines stipulated by the Welsh Government in Appendix One
- accept the funding award from Welsh Government and the conditions relating to the funding
- apply this relief directly to eligible ratepayer accounts
- delegate decisions for any appeals to the Head of Finance and the Cabinet Member for Resources

3. KEY ISSUES:

- 3.1 The Welsh Government has now introduced a permanent Small Business Rate Relief Scheme (SBRR) for Wales. This provides properties with a rateable value up to £6,000 with 100% relief and properties with a rateable value between £6,001 and £12,000 with tapered relief. This relief will be applied to up to two properties in each local authority.
- 3.2 The Transitional Relief Scheme that was put in place following the 2017 revaluation continues into 2018/19 and provides tapered relief over a three year period to eligible businesses (relief of 75% in 2017/18, 50% in 2018/19 and 25% in 2019/20).

- 3.3 Both Small Business Rate Relief and Transitional Relief is automatically applied to qualifying business rate relief accounts.
- 3.4 On announcing the new permanent Small Business Rate Relief Scheme, the Welsh Government also announced an additional £5million funding for a temporary 2018/19 High Street Rate Relief Scheme (HSRR). The scheme is an extension of the 2017/18 scheme, with the same eligibility criteria and exceptions. The only difference is the level of support available, with Tier 1 relief reducing from £500 to £250 and Tier 2 relief reducing from £1,500 to £750.

Details of the 2018/19 High Street Rate Relief Scheme (HSRR)

Full details of the scheme can be found in Appendix One. Summarised below are the key details.

- 3.5 The scheme provides two tiers of relief:

Tier 1 – lower level support up to £250 - for high street retailers with a rateable value between £6,001 and £12,000* in 2018/19 who are either in receipt of SBRR or Transitional Relief on 1st April 2018.

*There will be a small number of ratepayers with a rateable value greater than £12,000 who qualify for transitional relief who will also qualify for tier 1 relief.

It is also recognised that there may be a small number of ratepayers whose property have a rateable value of £12,000 who are not in receipt of Transitional Relief and who are on the upper threshold of the SBRR taper and hence receive no SBRR relief. Such ratepayers will be eligible for Tier 1 relief.

Tier 2 – higher level support up to £750 - for high street retailers with a rateable value between £12,001 and £50,000 in 2018/19 and who are either not in receipt of SBRR or Transitional Relief and who have an increase in rate liability on 1st April 2017 as a result of the 2017 revaluation.

- 3.6 The HSRR will be applied to the net bill after all other reliefs and discounts are applied. Where the net bill for 2018/19 is less than the £250 or £750, the relief awarded will be equal to the amount of the net bill. All awards are subject to State Aid limits.
- 3.7 This relief will be granted to businesses as a one off payment and is based on occupation as at 31st March 2018 (providing the same occupier continues to be in occupation on 1st April 2018). Where the Authority is retrospectively notified of a change in occupier, who is in occupation on 1st April 2018, the local authority can use its discretion in awarding this relief.
- 3.8 Properties that will benefit from the HSRR will be occupied high street properties such as shops, restaurants, cafes and drinking establishments. To qualify for the relief the hereditament should be wholly or mainly used as a shop, restaurant, and cafe or drinking establishment. Any hereditaments that are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief. Examples of eligible businesses can be found on page 4 of Appendix One.
- 3.9 Properties that are not consider to be eligible and are therefore excluded from the scheme are properties:
- that are not occupied on 1st April 2018

- that are being used wholly or mainly for the provision of services to visiting members of the public, as listed on page 5 of Appendix One
- with a rateable value of more than £50,000
- that are not reasonably accessible to visiting members of the public
- that are in out of town retail parks or industrial estates
- that are in receipt of mandatory charitable rate relief

3.10 It is for each local authority to determine how they wish to administer the scheme. The recommendation is for the Council to deem properties listed in the Welsh Government Guidance as being eligible or ineligible. As with last year, the Welsh Government believes that this relief can be directly applied to eligible ratepayers' bills.

3.11 Details of the 2018/19 Scheme were released in April 2018, after the annual rate bills were run. We have a note on our website advising customers that revised bills will be sent out to eligible businesses as soon as possible. We aim to send out revised bills by the summer.

4. OPTIONS APPRAISAL

The details of the scheme are largely prescribed by Welsh Government. Should the Authority decide not to award this additional relief, this would have a detrimental effect on the County's small businesses.

5. EVALUATION CRITERIA

Not applicable, see above.

6. REASONS:

The Welsh Government has announced additional grant funding for Local Authorities to deliver the HSRP scheme, under section 47 of the Local Government Finance Act 1988. It is for individual Authorities to adopt the scheme and decide when to grant relief.

7. RESOURCE IMPLICATIONS:

The exact amount awarded will be determined once the Authority has accepted the arrangements. On acceptance, the Welsh Government will confirm funding and reimburse local authorities for any relief that is provided in line with the guidance attached in Appendix One.

As in 2017/18, there is a small risk that the cost of any relief awarded which is deemed not appropriate will fall to the Council.

Under the 2017/18 scheme relief totaling £306,199 was awarded to 473 accounts (Tier 1 – 358 and Tier 2 - 115).

The Authority will also receive £5,094.49 one off funding for the additional administrative costs that will be incurred in implementing this scheme.

8. WELLBEING OF FUTURE GENERATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING):

There are no implications for sustainability, safeguarding and corporate parenting.

9. CONSULTEES:

Cabinet Members
Leadership Team
Head of Finance
Head of Legal Services

10. BACKGROUND PAPERS:

Appendix One: High Street Rates Relief (HSRR) Guidance 2018/19
Appendix Two: Future Generation Assessment

11. AUTHOR:

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12. CONTACT DETAILS:

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