

REPORT

Subject: NON DOMESTIC RATES: HIGH STREET AND RETAIL RATE RELIEF 2019/20

Directorate: Resources

Meeting: Individual Cabinet Member Decision

Date: 13th March 2019

Divisions/Wards Affected: N/A

1. PURPOSE:

That Cabinet approves the adoption of a High Street and Retail Rate Relief Scheme for 2019/20, in accordance with Welsh Government guidance.

2. RECOMMENDATIONS:

That Cabinet agree to -

- implement a High Street and Retail Rate Relief Scheme for 2019/20, 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, subject to State Aid limits
- delegate decisions for any appeals to the Chief Officer and Cabinet Member for Resources

3. KEY ISSUES:

3.1 The Welsh Government have agreed to provide grant funding to continue the High Street and Retail Rate Relief scheme for 2019/20.

3.2 The High Street and Retail Rate Relief scheme is part of a package of measures Welsh Government have in place to support business. This includes the Small Business Rate Relief Scheme (SBRR), which 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 is applied to up to two properties in each local authority.

- 3.3 The package also includes the Transitional Relief Scheme that was put in place following the 2017 revaluation. This is the final year of the scheme that 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).
- 3.4 Both Small Business Rate Relief and Transitional Relief is automatically applied to qualifying business rate relief accounts.
- 3.5 The 2019/20 High Street and Retail Rate Relief Scheme is broadly similar to the 2017/18 and 2018/19 schemes. There are however two main differences:
- Previous schemes have operated a two tier approach to the amount awarded. Under this year's scheme, these have been abolished with one maximum award of £2,500 introduced for all eligible ratepayers.
 - The 2019/20 scheme is not limited to high street premises and now includes all properties that meet the retail criteria regardless of where they are situated.
- 3.6 Full details of the 2019/20 High Street and Retail Rate Relief Scheme can be found in Appendix One. Summarised below are the key details.
- 3.7 The scheme provides support for eligible retail businesses by offering up to £2,500 discount per property to retailers occupying premises on 1st April 2019 with a rateable value between £6,001 and of £50,000.
- 3.8 The Retail Relief will be applied to the net bill after all other reliefs and discounts are applied. The maximum amount of this relief will be no more than the value of the net rate liability. Ratepayers that occupy more than one property are entitled to Retail Relief for each of their eligible properties, subject to State Aid limits.
- 3.9 This relief will be granted to businesses as a one off payment and is based on occupation as at 31st March 2019 (providing the same occupier continues to be in occupation on 1st April 2019). Where the Authority is retrospectively notified of a change in occupier, who is in occupation on 1st April 2019, the local authority can use its discretion in awarding this relief.
- 3.10 Properties that will benefit from the Retail Scheme will be occupied retail 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. This is a test on use rather than occupation. Therefore, hereditaments, which 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 3 of Appendix One.
- 3.11 Unlike previous years, the 2019/20 scheme is not limited to high street premises but will include all properties meeting the wider retail criteria.
- 3.12 Properties that are not considered to be eligible and are therefore excluded from the scheme are properties:
- that are not occupied on 1st April 2019
 - that are being used wholly or mainly for the provision of services to visiting members of the public, as listed on page 4 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 owned, rented or managed by a local authority
- that are in receipt of mandatory charitable rate relief

3.13 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.

3.14 As the Welsh Government have provided details of the 2019/20 Scheme earlier than in previous years, we plan to apply the High Street and Retail Rate Relief to our 2019/20 rate bills that will be issued towards the end of March 2019. If for any reason we are unable to provide this relief on these annual bills, the guidelines require the Authority to notify eligible ratepayers that they qualify for the relief and that their bills will be recalculated.

3.15 If Cabinet resolves to adopt the scheme, based on previous year's data, around 400 businesses will benefit from this additional relief.

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 High Street and Retail Rate Relief 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 and awarded the relief to eligible ratepayers. Provisional funding allocations have been provided by Welsh Government and are based on an estimated number of eligible hereditaments on the local rating list. The provisional funding for Monmouthshire is a maximum of £1.05m

Councils are required to sign a certificate of acceptance form and to provide Welsh Government with details of the amount of relief awarded by 3rd May 2019.

As in 2018/19, there is a small risk that should any relief awarded be deemed as not appropriate the costs will fall to the Council.

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
Senior Leadership Team
Chief Officer for Resources
Head of Legal Services

10. BACKGROUND PAPERS:

Appendix One: High Street and Retail Rates Relief in Wales Guidance 2019/20
Appendix Two: Future Generation Assessment

11. AUTHOR:

Ruth Donovan – Assistant Head of Finance: Revenues, Systems & Exchequer

12. CONTACT DETAILS:

Tel: 01633 644592

Email: ruthdonovan@monmouthshire.gov.uk