



REPORT

Subject: NON DOMESTIC RATE HIGH STREET RATE RELIEF SCHEME FOR 2017/18

Directorate: Resources

Meeting: Individual Cabinet Member Decision

Date: 12th April 2017

Divisions/Wards Affected: N/A

1. PURPOSE:

That Cabinet approves the adoption of a High Street Rate Relief Scheme for 2017/18, in accordance with Welsh Government guidance.

2. RECOMMENDATIONS:

That Cabinet agree to -

- implement a High Street Rate Relief Scheme for 2017/18, 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. BACKGROUND AND KEY ISSUES:

3.1 The Valuation Office Agency (VOA) has undertaken a revaluation exercise for England and Wales. This revaluation of rateable values reflects changes in the property market since 2008. The revised rateable values come into force on 1st April 2017 and will be used to calculate the amount payable for 2017/18.

3.2 Whilst the revaluation exercise is cost neutral for Wales as a whole, Monmouthshire has seen an average increase in its rateable values of 7%. As a result there have been some significant changes in rateable values which will result in sizeable increases in some business rate payer's bills.

- 3.3 The Welsh Government recognises that businesses need time to adjust to these increases and have introduced a Transitional Relief Scheme. This provides tapered relief, over a three year period, to eligible businesses; providing relief of 75% in 2017/18, 50% in 2018/19 and 25% in 2019/20.
- 3.4 The Welsh Government has also extended the Small Business Rate Relief Scheme (SBRR) for 2017/18. 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.
- 3.5 Both Transitional Relief and Small Business Rate Relief can be automatically applied to qualifying business rate relief accounts.
- 3.6 The Welsh Government has also recently announced additional funding of £10 million to be distributed between the 22 Welsh Local Authorities. This High Street Rate Relief Scheme will be available for the 2017/18 financial year and will provide further assistance to certain retail businesses. The scheme is based on the previous Wales Retail Relief Scheme and uses broadly the same eligibility criteria and exceptions.

Details of the High Street Rate Relief Scheme (HSRR):

- 3.7 The scheme provides two tiers of relief:

Tier 1, up to £500 - for high street retailers with a rateable value between £6,001 and £12,000* in 2017/18 who are either in receipt of SBRR or Transitional Relief on 1st April 2017.

*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

Tier 2, up to £1,500 - for high street retailers with a rateable value between £12,001 and £50,000 in 2017/18 and who are either not in receipt of SBRR or Transitional Relief and who have an increase in rate liability on 1st April 2017.

- 3.8 The HSRR will be applied to the net bill after all other reliefs and discounts are applied. Where the net bill for 2017/18 is less than the £500 or £1,500, the relief awarded will be equal to the amount of the net bill. All awards are subject to State Aid limits.
- 3.9 This relief will be awarded as a one off payment and is based on occupation as at 31st March 2017. Any changes in the circumstances of the property and ratepayers after 1st April 2017 will not qualify for this relief.
- 3.10 Properties that will benefit from the HSRR will be occupied high street properties such as shops, restaurants, cafes and drinking establishments. Examples of eligible businesses can be found on page 4 of Appendix One.
- 3.11 Properties that are not considered to be eligible and are therefore excluded from the scheme are properties:
- that are not occupied on 1st April 2017
 - 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 retails parks or industrial estates
- that are in receipt of mandatory charitable rate relief

3.12 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. The Welsh Government also believes that this relief could be directly applied to eligible ratepayers' bills.

3.13 The 2017/18 annual bills have already been run. These will include any eligible Small Business Rate Relief and Transitional Relief. However it will not be possible to include this new High Street Rate Relief to the bills. We therefore plan to send out revised bills to all eligible businesses by the summer. An information sheet has been included with the annual bills explaining what will happen, a copy of which can be found in Appendix Two.

4. REASONS:

The Welsh Government has announced additional grant funding for Local Authorities to deliver the HSRR 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.

5. RESOURCE IMPLICATIONS:

The provisional grant funding for 2017/18 advised by Welsh Government is £336,923.49. However the exact amount awarded will be determined once the Authority has accepted the arrangements, the deadline for which is 28th April 2017. 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.

The full grant terms and conditions will be issued on receipt of the acceptance form and confirmation of the numbers of properties. There is a small risk to the Authority here, as the cost of any relief awarded which is deemed as being not appropriate will fall to the Council.

The Authority will also receive £4,070.43 one off funding for the additional administrative costs that will be incurred in implementing this scheme.

6. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:

There are no Sustainable Development or Equality implications with the proposal.

7. SAFEGUARDING & CORPORATE PARENTING IMPLICATIONS:

There are no safeguarding or corporate parenting implications linked with this report.

8. CONSULTEES:

Cabinet Members
Leadership Team
Head of Finance
Head of Legal Services

9. BACKGROUND PAPERS:

Appendix One: High Street Rates Relief (HSRR) Guidance 2017/18
Appendix Two: Billing Information Sheet
Appendix Three: Future Generation Assessment

10. AUTHOR:

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11. CONTACT DETAILS:

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