

Retail Discount Policy 2019/20 & 2020/21

The Government announced in the Budget on 29 October 2018, that it will provide a business rates Retail Discount scheme for occupied retail properties with a rateable value of less than £51,000. The value of discount should be one third of the bill but for 2020/21 the Government increased this to 50% of the bill, and must be applied after mandatory reliefs and other discretionary reliefs have been applied.

The relief will apply for the 2019/20 and 2020/21 financial years.

Which properties will benefit from relief?

Properties that will benefit from the relief will be occupied hereditaments with a rateable value of less than £51,000, that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments.

In guidance issued, central government consider shops, restaurants, cafes and drinking establishments to include properties that are being used for the sale of goods to visiting members of the public and properties that are being used for the provision of certain services to visiting members of the public.

How much relief will be available?

The total amount of government-funded relief available for each property for each of the years under this scheme is one-third of the rates bill in 2019/20 and 50% in 2020/21. The amount will vary depending on rateable value and there is no taper. The relief will be applied against the net bill after all other reliefs.

The discount will be apportioned if there is a change of ratepayer during the year.

Eligibility Criteria

Properties that are being used for the provision of the following services to visiting members of the public:

- Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc)
- Charity shops
- Opticians
- Post offices
- Furnishing shops/ display rooms (such as: carpet shops, double glazing)
- Car/ caravan show rooms
- Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)
- Hair beauty services (such as hairdressers, nail bars, beauty salons, tanning shops etc)
- Shoe repairs/ key cutting
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners

- Launderettes
- PC/ TV/ domestic appliance repair
- Funeral directors
- Photo processing
- Tool hire
- Car hire
- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs and bars

Ineligible businesses/organisations

The following types of uses are **not** eligible for Retail relief:

Properties that are being used for the provision of the following services to visiting members of the public:

Financial services (e.g. banks, building societies, cash points, bureaux de change, payday lenders, betting shops, pawn brokers)

Other services (e.g. estate agents, letting agents, employment agencies)

Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)

Professional Services (e.g. solicitors, accountants, insurance agents/financial advisers, tutors)

Post office sorting office

Businesses trading in activities that could bring the scheme into disrepute (e.g. pornography etc.)

Any other properties which are not reasonably accessible to visiting members of the public. For example, cinemas, theatres, museums, gyms, nightclubs and music venues.

Properties which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

Application Process

No formal application form is necessary. From 1 April 2019, we will identify all retail properties we consider to meet the criteria and apply the discount. A form will be sent to all these ratepayers, enclosing the qualifying criteria and information concerning State Aid. They will be required to return the form to state they meet the criteria, and that the amount of relief is not in excess of State Aid limits. (See the De Minimis Regulations (1407/2013))

If there is a change of ratepayer during 2019/20 or 2020/21, the eligibility for a discount will be reviewed with regard to the new occupier's use of the property.

Decision Making and Appeals

The Head of Revenues and Benefits will be responsible for approving all applications, with a monthly review by the Director of Corporate Services. There will be no right of appeal.

Budget

Central government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003) as it expects authorities to grant relief to qualifying ratepayers.