



Neath Port Talbot County Borough Council

Cabinet

12 February 2020

Report of the Head of Finance – H.Jones

Matter for Decision:

Non-domestic Rates - High Street and Retail Rates Relief Wales 2020/21

Wards Affected: All

Purpose of report

1. To outline and adopt a new discretionary rates relief scheme known as High Street and Retail Rates Relief Wales 2020/21.

Background

2. The Welsh Government will provide grant funding to the 22 Unitary Authorities to continue the High Street and Retail Rates Relief Scheme to eligible rate payers for 2020/21.

The enhanced scheme aims to provide support for eligible retail businesses by offering up to £2,500 discount on the non-domestic rates bill per property, to retailers occupying premises with a rateable value of £50,000 or less in the financial year 2020/21, subject to State Aids limits.

Each Authority must adopt the scheme and decide in each individual case when to grant relief under Section 47 of The Local Government Finance Act 1988. Business Rates relief provided in this scheme is then reimbursed via a grant to each Local Authority.

Qualifying Criteria

3. Properties that will benefit from this relief will be occupied high street and retail properties such as shops, restaurants, cafes and drinking establishments with a rateable value of £50,000 or less on or after the 1st April 2020.

It is intended for the purpose of this scheme, properties such as “shops, restaurants, cafes and drinking establishments” will mean:-

Hereditaments that are being used for the sale of goods to visiting members of the public

- Shops (such as florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off-licences, newsagents, hardware stores, supermarkets etc)
- Opticians
- Pharmacies
- Post Offices
- Furnishing shops or display rooms (such as carpet shops, double glazing, garage doors)
- Car or caravan showrooms
- Second hand car lots
- Markets
- Petrol Stations
- Garden centres
- Art Galleries (where art is for sale/hire)

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

- Hair and beauty services
- Shoe repair / key cutting
- Travel agents
- Ticket offices (e.g. for theatre)
- Dry cleaners
- Launderettes

- PC, TV or domestic appliance repair
- Funeral directors
- Photo processing
- DVD/Video rentals
- Tool hire
- Car hire
- Cinemas
- Estate / letting agents

Hereditaments that are being used for the sale of food and/or drink to visiting members of the public

- Restaurants
- Drive through or drive-in restaurants
- Takeaways
- Sandwich shops
- Cafes
- Coffee shops
- Pubs
- Wine Bars

To qualify for the relief a hereditament listed above should be wholly or mainly used as a shop, restaurant, café 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.

The list set out above is not intended to be exhaustive as it would be impossible to list all the many and varied retail uses that exist. There will also be mixed uses. However, it is intended to be a guide for local authorities as to the type of uses that Welsh Government considers for this purpose to be high street and retail.

In compliance with Welsh Government guidance, the Council will deem that the types of uses below (or those similar in use) are not considered to be High Street and Retail Rates Relief for the purpose of this relief and will not be eligible for the relief.

Hereditaments that are not considered to be eligible for High Street and Retail Rates Relief

- Financial Services (banks, pawn brokers, building societies, cash points, ATMs, payday lenders, betting shops, bureaux de change)
- Medical Services (vets, dentists, doctors, osteopaths, chiropractors)
- Professional Services (solicitors, accountants, insurance agents, financial advisers, tutors)
- Post office sorting office
- Tourism accommodation (B&Bs, hotel accommodation, caravan parks)
- Sports clubs
- Children play centres
- Day nurseries
- Outdoor activity centres
- Gyms
- Kennels / Catteries
- Show homes/marketing suites
- Employment agencies

If a hereditament is not reasonably accessible to visiting members of the public, it will not be eligible for relief under the scheme.

Eligibility for the relief and the relief itself will be assessed and calculated on a daily basis. If there is a change in occupier part way through the year, after relief has been awarded, the new occupier will qualify for the relief on a pro-rata basis based on the remaining days of occupation using the following formula.

Amount of relief to be granted = $A \times (B/C)$

Where:

A is the funding amount of £2,500

B is the number of days in the financial year that the hereditament is eligible for relief; and

C is the number of days in the financial year

When calculating the relief, if the net liability before High Street and Retail Rates Relief is £2,500 or less, the maximum amount of this relief will be no more than the value of the net rate liability.

Rate payers that occupy more than one property will be entitled to High Street and Retail Rates relief for each of their eligible properties, subject to State Aid de minimis limits.

Financial Impact

4. Welsh Government have set aside a fully funded specific grant of £24.2m for this scheme.

Integrated Impact Assessment

5. A first stage impact assessment has been undertaken to assist the Council in discharging its legislative duties (under the Equality Act 2010, the Welsh Language Standards (No.1) Regulations 2015, the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016.

This is shown at Appendix 1 and should be considered by members before deciding on approving this policy. Members will note that the scheme for business rates relief in 2020-21 is being made available by the Welsh Government to all High Street Businesses in Wales that meet the published criteria. The approval of the scheme will provide equality of financial assistance and treatment to relevant businesses in Neath Port Talbot and across Wales.

Valleys Community Impacts

6. Positive impact for business rates payers who fit the criteria for the relief and subsequent reduction in rates bill.

Workforce impacts

7. There will be additional staff resource time required to review and award the relief on the accounts. This work will be absorbed within the Non Domestic Rates (NDR) Team.

Legal impact

8. There is a potential State Aid consideration in relation to this relief but that will only apply to an undertaking that receive aid over 200,000 euros in a 3 year period (current plus two previous financial years). As such the Welsh Government has prepared some sample paragraphs to be included in a letter to ratepayers about High Street Rates Relief. This information will be forwarded to all multi establishment ratepayers for them to claim this relief. This being relief provided in line with De Minimis State Aid Rules.

Risk management

9. There are potential state aid risks in relation to awarding this relief but this will be mitigated by requesting larger rate payers to claim the relief.

Consultation

10. There is no requirement under the Constitution for external consultation on this item.

Recommendation

11. It is recommended that Members accept the grant funding and adopt the High Street and Retail Rates Relief Scheme for 2020/21.

Reason for proposed decision

12. To enable the Business Rates Team to administer the High Street and Retail Rates Relief Scheme 2020/21.

Implementation of decision

13. The decision is proposed for implementation after the three day call in period.

Appendices

14. Appendix 1 – Integrated Impact Assessment

List of background papers

15. Local Government Finance Act 1988.
Welsh Government Non Domestic High Street and Retail Rates Relief Scheme 2020-21.

Officer contact

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Impact Assessment - First Stage**1. Details of the initiative**

Initiative description and summary: To grant High Street Rates Relief for 2020-21
To provide financial support to help High Street businesses with their Business Rates in line with the Welsh Government Scheme.

Service Area: Revenues

Directorate: Finance and Corporate Services

2. Does the initiative affect:

	Yes	No
Service users		√
Staff		√
Wider community	√	
Internal administrative process only		√

3. Does the initiative impact on people because of their:

	Yes	No	None/ Negligible	Don't Know	Impact H/M/L	Reasons for your decision (including evidence)/How might it impact?
Age						N/A
Disability						N/A
Gender Reassignment						N/A
Marriage/Civil Partnership						N/A
Pregnancy/Maternity						N/A
Race						N/A
Religion/Belief						N/A
Sex						N/A
Sexual orientation						N/A

4. Does the initiative impact on:

	Yes	No	None/ Negligible	Don't know	Impact H/M/L	Reasons for your decision (including evidence used) / How might it impact?
People's opportunities to use the Welsh language		√				
Treating the Welsh language no less favourably than English		√				

5. Does the initiative impact on biodiversity:

	Yes	No	None/ Negligible	Don't know	Impact H/M/L	Reasons for your decision (including evidence) / How might it impact?
To maintain and enhance biodiversity		√				
To promote the resilience of ecosystems, i.e. supporting protection of the wider environment, such as air quality, flood alleviation, etc.		√				

6. Does the initiative embrace the sustainable development principle (5 ways of working):

	Yes	No	Details
Long term - how the initiative supports the long term well-being of people	√		It provides opportunity for businesses to be more financially viable.
Integration - how the initiative impacts upon our wellbeing objectives	√		It impacts positively on the viability of businesses

Involvement - how people have been involved in developing the initiative			N/A – Welsh Government proposal
Collaboration - how we have worked with other services/organisations to find shared sustainable solutions			N/A – Welsh Government proposal
Prevention - how the initiative will prevent problems occurring or getting worse			N/A – Welsh Government proposal

7. Declaration - based on above assessment (tick as appropriate):

A full impact assessment (second stage) is not required	x
Reasons for this conclusion	
A full impact assessment is not required as this relates to implementing the Welsh Government scheme to assist High Street businesses with their business rates for 2020/21.	

A full impact assessment (second stage) is required	
Reasons for this conclusion	

	Name	Position	Date
Completed by	Ann Hinder	Principal Council Tax Officer	28.01.20
Signed off by	Huw Jones	Head of Finance	28.01.20