



# **Business Rates – Expanded Retail Discount Policy**

**(2021/22)**

**Appendix A**

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## **1. Expanded Retail Discount**

### **1.1 Background**

This policy sets out the council's criteria for eligibility for the Expanded Retail Discount. This policy has taken into account the Government guidance issued following the budget in March and further guidance provided in response to the coronavirus pandemic.

This local discount is awarded under Section 47 of the Local Government Finance Act 1988. All awards made by the council will be funded by the government through the section 31 grant.

### **1.2 Qualifying properties**

Properties that will benefit from the discount will be occupied properties that are wholly or mainly being used:

- a. As shops, restaurants, cafes, drinking establishments, cinemas and live music venues;
- b. For assembly and leisure;
- c. As hotels, guest and boarding premises and self-catering accommodation;
- d. Nurseries (Ofsted Early Years Register), and;
- e. Estate agents, lettings agencies and bingo halls

#### **1.2.1 Definition of shops, restaurants, cafes and drinking establishments:**

**(i) *Properties that are being used for the sale of goods to visiting members of the public, for example:***

- Shops (such as florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc);
- Charity shops;
- Opticians;
- Post offices;
- Furnished shops/display rooms (such as: carpet shops, double glazing, etc);
- Car/caravan show rooms;
- Second hand car lots;
- Markets;
- Petrol stations;
- Building yards;
- Retail warehouses;
- Garden centres, and;
- Art galleries (where art is for sale/hire).

**(ii) *Properties that are being used for the provision of the following services to visiting members of the public, for example:***

- Hair and beauty services;
- Shoe repairs/key cutting;

- Travel agents;
- Ticket offices e.g. for theatre;
- Dry cleaners;
- Launderettes;
- PC/TV/domestic appliances repair;
- Funeral directors;
- Photo processing;
- Employment agencies;
- Estate agents and letting agents;
- Betting shops;
- DVD/video rentals;
- Tool hire;
- Car hire

**(iii) Properties that are being used for the sale of food and/or drink to visiting members of the public, for example:**

- Restaurants;
- Takeaways;
- Sandwich shops;
- Coffee shops;
- Pubs;
- Bars

**(iv) Properties which are used as cinemas**

**(v) Properties which are used as live music venues**

- Live music venues are properties that are wholly or mainly used for the performance of live music for the purpose of entertaining a live audience. Properties wholly or mainly used as Nightclubs or theatres are not considered to be live music venues.

## **1.2.2 Definition of assembly and leisure**

**(i) Properties that are being used for the provision of sport, leisure and facilities to visiting members of the public (including for the viewing of such events)**

- Sports grounds and clubs;
- Museums and art galleries;
- Nightclubs;
- Sport and leisure facilities;
- Stately homes and historic houses;
- Theatres;
- Tourist attractions;
- Gyms;
- Wellness centres, spas, massage parlours;
- Casinos, gambling clubs and bingo halls

**(ii) Properties that are being used for the assembly of visiting members of the public**

- Public halls;
- Clubhouses, clubs and institutions
- Conference facilities

**1.2.3 Properties considered to be hotels, guest and boarding premises and self-catering accommodation**

**(i) Properties where the non-domestic part is being used for the provision of living accommodation as a business**

- Hotels, Guest and Boarding Houses;
- Holiday homes; and,
- Caravan parks and sites

**1.2.4** To qualify for the relief the property should be wholly or mainly being used for the above qualifying purposes. In a similar way to other reliefs, this is a test on use rather than occupation. Properties which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

Properties that have closed temporarily due to the government's advice on COVID19 should be treated as occupied for the purposes of the relief.

The above lists are not exhaustive and merely a guide to the properties who may qualify retail discount.

**1.3 Non-qualifying properties**

Properties that will not benefit from retail discount will include:

**(i) Properties that are being used for the provision of the following services to visiting members of the public, for example:**

- Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, short-term loan providers);
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors);
- Professional services (e.g. solicitors, accountants, insurance agents/financial advisors), and;
- Post office sorting offices.

**(ii) Properties that are not reasonably accessible to visiting members of the public:**

In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, Billing Authorities may not grant the discount to themselves.

#### **1.4 Special Circumstances**

The Council will reserve the right to award or decline applications for the discount when faced with exceptional cases.

#### **1.5 Amount of discount awarded**

The total amount of government-funded relief available for each property for 2021/22 under this scheme is 100% of the bill from 1<sup>st</sup> April 2021 to 30<sup>th</sup> June 2021, after mandatory reliefs and, other discretionary reliefs funded by section 31 grants have been applied.

From 1 July 2021 to 31 March 2022, the Expanded Retail Discount would apply at 66% relief for eligible properties in the scheme, with a cash cap of £2m for businesses that were required to close as at 5 January 2021, and up to £105,000 for business permitted to open at that date

The eligibility for the discount and the discount itself will be assessed and calculated on a daily basis. The following formula should be used to determine the amount of discount to be granted for a chargeable day for a particular property in the financial year 2020/21.

Amount of discount to be granted =  $v$ , where  $v$  is the daily charge for the property after the application of any mandatory relief and any other discretionary relief (excluding those where local authorities have used their discretionary relief powers.

Due to the impact of COVID19 in the sectors mentioned in this policy the expanded relief is not a state aid.

#### **1.6 Application process**

Organisations who may qualify will be identified and then automatically awarded the discount by the Business Rates team. Once awarded, all businesses will be served with a revised bill and details of the discount.

#### **1.7 Period of Discount**

If there are no changes to the property, '*Expanded Retail Discount*' shall apply for the financial year 2021/22 as outlined above.

Businesses can refuse or request that the discount is removed from their account.

#### **1.8 Appeals**

Any appeal against a decision made under the '*Expanded Retail Discount*' policy must be made in writing and reach the Council within 28 days of an organisation receiving notification of an award decision.

- The Council will acknowledge the appeal within 5 working days of receipt.
- The Director of Finance will consider the appeal.
- The applicant will be informed of the final decision as soon as practicable thereafter.