



# Appendix A

## **Business Rates – Discretionary Relief Policy amendments 2021/22 & 2020/23**

**Covid-19 Additional Relief Fund (CARF)**

**Retail, Hospitality and Leisure Business  
Rates Relief Scheme**

**Transitional Relief and Supporting Small  
Business Relief for Small and Medium  
properties Scheme**

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## **1. COVID-19 Additional Relief Fund (CARF)**

### **1.1 Background**

Part 1 of the policy sets out the council's criteria for eligibility for the COVID 19 Additional Relief Fund. This document has taken into account the Government guidance issued on the 14<sup>th</sup> December 2021 and seeks to provide a detailed policy for the targeted support for businesses who have until now been unable to benefit from the previous retail discount.

This relief is awarded under Section 47 of the Local Government Finance Act 1988. All awards made by the council will be met from the government funding allocation of £3,678,533.

### **1.2 Qualifying properties**

To qualify for the relief:

- the ratepayer must **not** be eligible for Extended Retail Discount, or Nursery Discount;
- the property must **not** have been unoccupied (other than if the property was closed temporarily due to covid restrictions), and;
- The ratepayer needs to be able to demonstrate that the business has been adversely affected by the pandemic.

### **1.3 Non-qualifying properties**

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

### **1.4 Application process**

Organisations who may qualify for the relief will be identified and contacted by the Business Rates team and asked to consider making an online application. Applications will be accepted for a period of 3 weeks, once this period has elapsed no further applications will be considered.

All applications will be reviewed to ensure that the business is from an appropriate sector and that they can demonstrate that they have been adversely affected by the pandemic. The council reserves the right to request multiple evidences from businesses to verify the impact of the pandemic.

Once the relief has been awarded, all businesses will be served with a revised bill and details of the relief.

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### **1.5 Amount of relief awarded and period**

Once all eligible properties/businesses are identified and the application period has closed, the allocation of relief will be calculated.

The allocation will be a percentage of the business rate liability for 2021/22 after other discretionary and mandatory reliefs have been granted. The percentage will be calculated after the application period has closed to ensure the maximum amount of £3,678,533 funding is allocated.

Any retrospective change in circumstance to recipient accounts and the amount of business rates owed will result in the recalculation of the amount of relief offered.

The relief funding is a finite amount and once the fund has been fully allocated no further awards can be made. As such, any new occupier of a property who has failed to inform the council of occupancy, may receive no relief.

Following the allocation of relief, in cases where payments have been received and there is a resulting credit in 2021-22, the credit will be offset against any previous years arrears in the first instance. In cases where the account remains in credit overall, any such credit will be carried forward to offset the liability for 2022/23.

#### **1.6 Subsidy Control**

Providing discretionary relief to ratepayers as outlined in this policy is likely to amount to a subsidy. As such, any relief provided by Local Authorities under the CARF Scheme will need to comply with the UK's domestic and international subsidy control obligations

To ensure that the council acts appropriately in this regard, the Business Rates team will request ratepayers as part of the application to declare that all aspects of the subsidy regime are complied with.

#### **1.7 Appeals**

Any appeal against a decision made under the '*Covid-19 Additional Relief Fund*' policy must be made in writing and reach the Council within 28 days of an organisation receiving notification of a 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.

## **2. Retail, Hospitality and Leisure Business Relief Scheme**

### **2.1 Background**

This policy sets out the council's criteria to the eligibility and the administration of the Retail, Hospitality and Leisure Business Relief Scheme for 2022/23.

This scheme amends and replaces the Expanded Retail Discount from 2021/22.

This local relief 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.

### **2.2 Qualifying properties**

Properties that will benefit from the relief 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, and;
- c. As hotels, guest and boarding premises and self-catering accommodation;

#### **2.2.1 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;
- 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;
- 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. Hereditaments can be a live music venue even if used for other activities, but only if those other activities (i) are merely ancillary or incidental to the performance of live music (e.g. the sale/supply of alcohol to audience members) or (ii) do not affect the fact that the primary activity for the premises is the performance of live music (e.g. because those other activities are insufficiently regular or frequent, such as a polling station or a fortnightly community event).
- There may be circumstances in which it is difficult to tell whether an activity is a performance of live music or, instead, the playing of recorded music. Although we would expect this would be clear in most circumstances, guidance on this may be found in [Chapter 16 of the statutory guidance](#) issued in April 2018 under section 182 of the Licensing Act 2003

## 2.2.2 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

**2.2.3 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

**2.2.4** 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 for the relief.

**2.3 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.

**2.4 Amount of relief awarded**

The total amount of government funded relief available is 50% of the chargeable amount for the period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023. This amount is subject to a £110,000 cash cap limit per business.

The relief will be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied.

Subject to the cash cap, the eligibility for the relief itself will be assessed and calculated on a daily basis. The following formula should be used to determine the amount of relief to be granted for a chargeable day for a particular hereditament in the financial year 2022/23:

Amount of relief to be granted =  $V \times 0.5$  where:

V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and any certain other discretionary reliefs mentioned above.

Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties up to the maximum £110,000 cash cap, per business.

## **2.5 Application process**

Organisations who may qualify will be identified and then automatically awarded the relief by the Business Rates team. However, any regional or national business will be asked to confirm that the subsidy control limits have not been exceeded.

Once awarded, all businesses will be served with a revised bill and details of the relief.

## **2.6 Period of relief**

If there are no changes to the property, *'Retail, Hospitality and Leisure Relief Scheme'* shall apply for the financial year 2022/23 as outlined above.

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

## **2.7 Subsidy control**

Providing discretionary relief to ratepayers as outlined in this policy is likely to amount to a subsidy. As such, any relief provided by Local Authorities under the CARF Scheme will need to comply with the UK's domestic and international subsidy control obligations

To ensure that the council acts appropriately in this regard, the Business Rates team

will request that ratepayers declare if the granting of the relief exceeds subsidy rules.

## **2.8 Appeals**

Any appeal against a decision made under the *'Retail, Hospitality and Leisure Relief Scheme'* 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.



### **3. Transitional Relief and Supporting Small Business Relief for Small and Medium properties scheme**

#### **3.1 Background**

The transitional relief scheme was introduced in 2017 to help those ratepayers who were faced with higher bills as a result of the revaluation process. The scheme ends on 31<sup>st</sup> March 2022, as a result, a small number of ratepayers would face a jump to their full rates bill from the 1<sup>st</sup> April 2022.

At the Budget on the 27<sup>th</sup> October 2021 the government therefore announced that it would extend the current transitional relief scheme and the supporting small business scheme for one year to the end of the current revaluation cycle. The scheme will restrict increases in bills to 15% for businesses with small properties (up to and including £20,000 rateable value) and 25% for medium properties (up to and including £100,000 rateable value).

As this is a temporary measure for 2022/23, the government is not changing the legislation around transitional relief. Instead, the government will, in line with the eligibility criteria set out in its guidance, reimburse billing authorities that use their discretionary relief powers, under section 47 of the Local Government Finance Act 1988, to grant relief.

#### **3.2 Eligible properties**

Properties that will benefit are those with a rateable value up to and including 100,000 who would have received transitional relief and/or SSB in 2022/23.

In line with the existing thresholds in the transitional relief scheme, the 100,000 rateable value threshold should be based on the rateable value shown for 1<sup>st</sup> April 2017, or, the substituted day in the cases of splits and mergers.

#### **3.3 Amount of relief awarded**

The government will fund discretionary relief to ensure eligible properties receive the same level of protection they would have received had the statutory transitional relief scheme and SSB scheme extended into 2022/23.

In practical terms the relief will:

- cap increases for small properties (with a rateable value of less than or equal to £20,000) in 2022/23 to 15% (before the increase for the change in the multiplier), and;
- cap increases for other properties (up to and including £100,000 rateable value) in 2022/23 to 25% (before the increase for the change in the multiplier).

#### **3.4 Application process**

Organisations who may qualify will be identified and then automatically awarded the relief by the Business Rates team.

It is anticipated that the qualifying businesses will be granted the relief as part of the annual billing process for 2022/23.

### **3.5 Period of relief**

If there are no changes to the property, *'Transitional Relief and Supporting Small Business Relief for Small and Medium properties scheme'* shall apply for the financial year 2022/23.

### **3.6 Subsidy control**

Providing discretionary relief to ratepayers as outlined in this policy is likely to amount to a subsidy. As such, any relief provided by Local Authorities under the Transitional Relief and Supporting Small Business Relief for Small and Medium properties scheme will need to comply with the UK's domestic and international subsidy control obligations

To ensure that the council acts appropriately in this regard, the Business Rates team will request that ratepayers declare if the granting of the relief exceeds subsidy rules.

### **3.7 Appeals**

Any appeal against a decision made under the *'Transitional Relief and Supporting Small Business Relief for Small and Medium properties scheme'* 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.