



Business Rates Retail Discount Policy

(Budget 2018)

Contents

| | |
|---------------------------------------|-----------------|
| 1. Introduction and scope | Page 3 |
| 2. Retail discount | Page 3-6 |
| 2.1 Background | Page 3 |
| 2.2 Qualifying properties | Page 3-4 |
| 2.3 Non-qualifying properties | Page 4-5 |
| 2.4 Special Circumstances | Page 5 |
| 2.5 Amount of discount awarded | Page 5 |
| 2.6 Application process | Page 5 |
| 2.7 Period of discount | Page 6 |
| 2.8 Appeals | Page 6 |

1. Introduction and scope

- 1.1 As part of its role in the administration of National Non-Domestic Rates (more commonly referred to as Business Rates), the Council has several areas where it can exercise its discretion to provide reductions to the amounts of business rates that are due to be paid.
- 1.2 This policy document outlines the Retail Discount announced in the 2018 Budget. This local discount is awarded under Section 47 of the Local Government Finance Act 1988.

2. Retail Discount

2.1 Background

The Government announced in the Budget in November 2018 that a discount would be introduced that provides a reduction of one third of the bill (after all other reliefs have been applied), to all occupied retail properties with a rateable value of £51,000 or less, in each of the years 2019/20 and 2020/21. The granting of this discount will be under section 47 of the Local Government Finance Act 1998, as amended.

2.2 Qualifying properties

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

Definition of shops, restaurants, cafes and drinking establishments:

a. 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).

b. 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;
- DVD/video rentals;
- Tool hire, and;
- Car hire.

c. Properties that are being used for the sale of food and/or drink to visiting members of the public, for example:

- Restaurants;
- Sandwich shops;
- Coffee shops;
- Pubs, and;
- Bars.

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

2.3 Non-qualifying properties

Properties that will not benefit from retail discount will include:

a. 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, betting shops, pawn brokers);
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors);
- Professional services (e.g. solicitors, accountants, insurance agents/financial advisors, tutors), and;
- Other services (e.g. estate agents, letting agents, employment agencies).

b. Properties that are not reasonably accessible to visiting members of the public:

c. Blackburn with Darwen BC defined exclusions:

- In addition to the exclusions outlined in the government guidelines, Blackburn with Darwen BC will not grant retail relief to:
 - Amusement arcades – establishments operating a business that is predominately gambling/slot machines, etc.
 - Takeaways – establishments that predominately function as a takeaway. Any business that has takeaway facility and seating will be determined by the number of covers available. To be considered a restaurant or cafe and therefore qualify for this relief the business must provide seating for a minimum of 8 customers at any one sitting.

- Shisha cafes – any cafe that facilitates the smoking of Shisha pipes within or adjacent to the property.

2.4 Special Circumstances

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

2.5 Amount of discount awarded

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 2019/20.

$$\text{Amount of discount to be granted} = \frac{v}{3}$$

Where V is the daily charge for the property for the chargeable day after the application of any mandatory relief and any other discretionary reliefs (excluding those where local authorities have used their discretionary relief powers introduced by the Localism Act which are not funded by section 31 grants)

This new discount is deducted after mandatory and other discretionary reliefs (funded by section 31 grants) have been applied. The following Section 31 reliefs will be active in 2019/20:

- Rural Rate Relief (i.e. the top up to 100%)
- Local Newspaper Temporary Relief
- Supporting Small Businesses Relief
- Revaluation 2017 Discretionary Scheme Relief

Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties (subject to State Aid De Minimis limits)

2.6 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 a covering note to explain the discount and the obligations to notify the Council if state aid limits are breached (200,000 euros).

Only businesses that may potentially exceed the state aid limits will be made to apply directly to the Council. These cases will tend to be the national chains/companies that reside on the high street.

Such cases will be issued with an application form which will request a written undertaking that state limits are not breached before award of the discount.

2.7 Period of Discount

If there are no changes to the property *'Retail discount'* shall apply for the financial years 2019/20 and 2020/21 unless future legislation changes the details of the discount.

2.8 Appeals

Any appeal against a decision made under the *'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 and Customer Services will consider the appeal.
- The applicant will be informed of the final decision as soon as practicable thereafter.