



HYNDBURN

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Non Domestic Rates Retail Discount Scheme

April 2019

1. Introduction

- 1.1 The Government announced in the Budget on 29th October 2018 that it will provide a Business Rates Retail Discount Scheme for occupied retail premises with a rateable value of less than £51,000 in each of the years 2019/20 and 2020/21.
- 1.2 The value of the discount is one third of the bill, and must be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied. Other locally applied discounts under section 47 of the Local Government Finance Act 1988 must be applied after the Retail Discount.
- 1.3 The Retail Discount will be provided to eligible ratepayers in their 2019/20 and 2020/21 bills at the beginning of that year.
- 1.4 Retail Discount awards are made under section 47 of the Local Government Finance Act 1988 as amended.
- 1.5 The proposed Retail Discount Scheme is based on guidance issued by the Government in November 2018 and provision with Section 43 of the LGFA 1988, will determine the test of occupation.

2. Eligibility

- 2.1 Properties that will benefit from the Retail Discount scheme will be occupied, being used as shops, restaurants, cafes and drinking establishments.

2.2 We consider shops, restaurants, cafes and drinking establishments to be hereditaments that are being used for the sale of goods to visiting members of the public such as:

- a) Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets etc.);
- b) Charity shops;
- c) Opticians;
- d) Post Offices;
- e) Furnishing Shops/display rooms (such as carpet shops, double-glazing, garage doors);
- f) Car/caravan show rooms;
- g) Second hand car showrooms or lots;
- h) Markets;
- i) Petrol stations;
- j) Garden centres;
- k) Art Galleries (where art is for sale/hire)

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

- a) Hair and beauty services (such as hairdressers, nail bars, beauty salons, tanning shops etc.);
- b) Shoe repair/key cutting;
- c) Travel Agents;
- d) Ticket offices i.e. for theatres;
- e) Dry cleaners;
- f) Launderettes;
- g) PC/TV/Domestic appliance repair;
- h) Funeral directors;

- i) Photo processing;
- j) Tool hire;
- k) Car hire.

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

- a) Restaurants;
- b) Takeaways;
- c) Sandwich shops;
- d) Coffee shops;
- e) Pubs;
- f) Bars.

2.5 The above lists are not exhaustive and the Council will consider representations from individual businesses that believe they have similar characteristics to those listed above but who have not been included to date.

2.6 Eligibility for Retail Discount Scheme is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purposes will not qualify for this discount.

2.7 Premises occupied for mixed use will be considered with qualification being determined by the main use of the property.

2.8 Hyndburn Borough Council will not consider a Retail Discount Scheme award for hereditaments being used for the provision of the following services:

- a) Financial services (e.g. banks, building societies, cash points, bureaux de change, payday lenders, betting shops, pawn brokers);
- b) Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors);
- c) Professional Services (e.g. solicitors, accountants, insurance agents/financial advisors, tutors);
- d) Post Office sorting offices;
- e) Other services (e.g. estate agents, letting agents, employment agencies).

- f) Other assembly or leisure uses beyond those listed in 2.3 and 2.4 above (e.g. cinemas, theatres, museums, nightclubs and music venues, gyms)
- 2.9 In addition, the Retail Discount Scheme will not be available for premises that are not reasonably accessible to the public.
- 2.10 The relief will be applied on a daily basis. A new hereditament created as a result of a split or merger during the financial year, or where there is a change of use, will be considered afresh for relief on that day.

3. Amount and Duration of Relief

- 3.1 The total amount of government-funded discount available for each property for 2019/20 and 2020/21 under this scheme is one third of the bill, after mandatory reliefs and other discretionary reliefs funded by grants provided under section 31 of the Local Government Act 2003.
- 3.2 There is no discount available under this scheme for properties with a rateable value of £51,000 or more.
- 3.3 Any discount awarded under the Council's discretionary powers under section 47 of the Local Government Finance Act 1988 and not funded by the government will be applied after the Retail Discount.
- 3.4 Any further reductions will be made at the discretion of Hyndburn Borough Council outside this scheme and in line with our National Non Domestic Rates Discretionary Rates Relief Scheme.
- 3.5 The eligibility for the discount and the discount itself will be assessed and calculated on a daily basis by dividing the daily charge by 3 after the application of any mandatory relief and any other discretionary reliefs excluding those where Hyndburn Borough Council has used its discretionary relief powers introduced in the Localism Act 2011 and not funded by a grant under section 31 of the Local Government Act 2003.
- 3.6 Ratepayers who occupy more than one property will be entitled to the Retail Discount for each of their eligible properties, subject to State Aid de minimis limits.

4. State Aid

- 4.1 State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. However Retail Relief will be State Aid compliant

where it is provided in accordance with the De Minimis Regulations (1407/2013)¹

- 4.2 The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years). Small business are unlikely to be impacted by these rules, however large national chains face the potential that the cumulative impact of receiving a Retail Discount for each of their stores may exceed the de minimis. In these circumstances these businesses will need to decline the offer of rate relief. Appropriate explanations and forms will accompany the bills sent to premises to allow businesses to decline the relief if they assess they might transgress the State Aid rules.

5. Scheme Review

- 5.1 The discount scheme will be reviewed annually or in line with any changes made by Government in order to ensure that eligibility remains within Government guidance and relevant legislation.

6. Data Protection

- 6.1 Details of our data privacy policy can be found at www.hyndburnbc.gov.uk/privacy-notice

7. Equality and Diversity

- 7.1 The Council remains committed to its obligations under the Public Sector Equality Duty and a 'Customer First Analysis' has been provided with this scheme.

8. Appeals and complaints

- 8.1 Retail Relief decisions will be made by the Council's Revenues Manager.
- 8.2 While there is no formal right of appeal against Retail Discount decisions, applicants may request their application is reconsidered. All requests for reconsideration should be made within one calendar month of the original decision notice being issued. The application will be reconsidered by the Head of Benefits, Revenues and Customer Contact.
- 8.3 All applications for reconsideration must be made in writing or by email and outline the reasons for the reconsideration request. The outcome of the reconsideration will be final. The applicant will be notified in writing detailing the decision made and the reasons for the decision.
- 8.4 All complaints made directly to the authority will be handled in line with the Council's complaints policy available at www.hyndburnbc.gov.uk/complaints

¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF>