

**Y BWRDD GWEITHREDOL
4YDD MEHEFIN 2018**

**CYFRADDAU BUSNES – CYNLLUN RHYDDHAD ARDRETHI'R
STRYD FAWR 2018/19**

Y Pwrpas:

Ystyried mabwysiadu cynllun rhyddhad ardrethi sydd ar gael i awdurdodau bilio gan Lywodraeth Cymru ar gyfer 2018/19

**YR ARGYMHELLION / PENDERFYNIADAU ALLWEDDOL SYDD EU
HANGEN:**

Argymhellir mabwysiadu cynllun Rhyddhad Ardrethi'r Stryd Fawr 2018/19 fel yr amlinellwyd yn yr adroddiad hwn.

RHESYMAU:

Bydd y cynllun arfaethedig yn gostwng ardrethi busnes 2018/19 ar gyfer busnesau cymwys yr effeithiwyd arnynt yn andwyol gan yr Ailbrisio yn 2017, heb gost i'r Awdurdod.

Angen ymgynghori â'r Pwyllgor Craffu perthnasol – NA
Angen i'r Bwrdd Gweithredol wneud penderfyniad OES
Angen i'r Cyngor wneud penderfyniad NAC OES

Y Gyfarwyddiaeth: Adnoddau

Yr Aelod o'r Bwrdd Gweithredol:

Y Cynghorydd David Jenkins

Enw Pennaeth y Gwasanaeth:

Helen Pugh

Awdur yr Adroddiad:

John Gravelle

Swydd:

**Pennaeth Refeniw a
Chydymffurfio Ariannol**

**Rheolwr y Gwasanaethau
Refeniw**

Rhif Ffôn

01267 246223

01267 228740

Cyfeiriad e-bost:

HLPugh@Sirgar.gov.uk

JGravelle@sirgar.gov.uk

EXECUTIVE SUMMARY

EXECUTIVE BOARD 4TH JUNE 2018

Business Rates – High Street Rate Relief Scheme 2018/19

1. Background

- 1.1. As a result of the national non-domestic rates revaluation many ratepayers were faced with an increase in their rates liability with effect from 1st April 2017. Some increases were very significant. To support ratepayers Welsh Government introduced a Transitional Relief scheme whereby ratepayers that occupy small premises (less than £12,000 Rateable Value) and receive Small Business Relief in 2016/17 will have any increase arising from the revaluation, “dampened”. i.e. the increase is limited to 25% in 2017/18, 50% in 2018/19 and 75% in 2019/20.
- 1.2. In addition to the Transitional Relief scheme, Welsh Government also introduced a “**High Street Rate Relief scheme**” for 2017/18.
- 1.3. Welsh Government has recently confirmed that the High Street Rate Relief scheme will be extended to 2018/19 albeit with reduced overall funding and therefore lower levels of relief for individual ratepayers
- 1.4. This scheme is aimed specifically at high street retailers, such as shops, pubs, restaurants and cafes that have seen their rates increase as a result of the 2017 revaluation undertaken by the Valuation Office Agency.
- 1.5. As was the case previously, this is a temporary measure which means Welsh Government is not making any legislative changes but instead will allow billing authorities to grant relief under the general discretionary relief powers available under section 47 of the Local Government (Finance) Act 1988. However, being a discretionary power, it is necessary for Council to formally adopt the scheme.
- 1.6. The scheme is fully funded and therefore at no cost to the authority provided relief is granted in accordance with the Welsh Government guidelines.

2. High Street Rate Relief scheme 2018/19

- 2.1. The scheme continues to provide for 2 tiers of relief:

(a) Tier 1 – lower level of support: £250 (or the total remaining liability if this is less than £250) (reduced from £500 in 2017/18)

Eligible ratepayers will be high street retailers whose properties have a rateable value of between £6,001 and £12,000 and who meet the following criteria:

- In receipt of Small Business Rates Relief (SBRR) on 1 April 2018; and / or
- In receipt of Transitional Relief on 1 April 2018.

(b) Tier 2 – higher level of support: up to £750 (reduced from £1,500 in 2017/18)

Eligible ratepayers will be high street retailers whose property has a rateable value between £12,001 and £50,000 and who meet the following criteria:

- Not in receipt of SBRR or Transitional Relief on 1 April 2018; and
- Have an increase in their liability on 1 April 2017 as a result of the 2017 Revaluation.

2.2. Welsh Government has indicated the types of business that they consider appropriate for this relief, and those which are not. The non-exhaustive list of business types is given in **Appendix A**

3. Other Factors

3.1. The scheme guidelines also confirm that premises will not attract relief despite being retail in nature if they are:

- Not reasonably accessible to visiting members of the public
- Situated in out-of-town retail parks or industrial estates
- Unoccupied
- Already qualify for charitable rate relief

3.2. As the granting of relief is discretionary, authorities may choose not to grant the relief if they consider that it would go against the authority's wider objectives for the local area.

3.3. Qualifying properties must be occupied and used *wholly or mainly* for "retail"; it is therefore a test on use rather than occupation. For the purposes of the scheme this means that it is being used for the sale of goods, food and/ or drink, or certain other services

3.4. Eligibility for the relief will be calculated based on the circumstances of the property and ratepayer as at 1 April 2018. Changes to properties which occur after this date will have no impact on eligibility for this relief.

3.5. Empty properties becoming occupied after 1 April 2018 will not qualify for this relief. Also, if there is a change in occupier part way through the financial year after relief has already been provided, the new occupier will not qualify.

3.6. Ratepayers that occupy premises with a Rateable Value exceeding £50,000 will not qualify for this relief, but authorities have other discretionary powers to reduce rates liability (such as Hardship Relief) in cases where it is considered appropriate.

3.7. Ratepayers will be subject to State Aid limits and will therefore be required to inform authorities if the granting of this relief would exceed the threshold for State Aid (this will be most relevant for companies with a large number of outlets, nationwide)

4. Scheme Adoption

4.1. As stated in paragraph 1.4 above, being a discretionary power, it is appropriate for the Council to formally adopt the scheme. It is therefore recommended that:

- The High Street Rate Relief Scheme be adopted for 2018/19
- Relief be granted in accordance with the Welsh Government guidelines
- Applications that are not specifically covered by the guidelines or otherwise require specific consideration, to be determined by the Executive Board Member for Resources

DETAILED REPORT ATTACHED?

No

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: **Chris Moore**

Director of Corporate Resources

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	YES	YES	NONE	NONE	NONE	NONE

1. Policy, Crime & Disorder and Equalities

2. Legal

The decision on whether or not to adopt these schemes is an Executive function.

3. Finance

The relief granted under the scheme is fully funded, provided Welsh Government guidelines in terms of qualifying ratepayers, are adhered to.

The scheme will impose an administrative burden with associated costs, to implement and administer. Welsh Government is making a payment to authorities to help cover these costs. In Carmarthenshire's case this amounts to £5,999.02

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: Chris Moore

Director of Corporate Resources

1. Scrutiny Committee

N/A

2. Local Member(s)

N/A

3. Community / Town Council

N/A

4. Relevant Partners

N/A

5. Staff Side Representatives and other Organisations

N/A

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection
Business Rates – High Street Rate Retail Scheme (various documents)	N/A	File Plan (Finance/Local Taxation/Retail Rate Relief)