

Y BWRDD GWEITHREDOL – 4YDD MAWRTH 2019

Y PWNC:

CYFRADDAU BUSNES – CYNLLUN RHYDDHAD ARDRETHI'R STRYD FAWR A MANWERTHU 2019/20

Y Pwrpas:

Ystyried mabwysiadu cynllun rhyddhad ardrethi sydd ar gael i awdurdodau bilio gan Lywodraeth Cymru ar gyfer 2019/20

YR ARGYMHELLION / PENDERFYNIADAU ALLWEDDOL SYDD EU HANGEN:

Argymhellir mabwysiadu cynllun Rhyddhad Ardrethi'r Stryd Fawr a manwerthu 2019/20 fel yr amlinellwyd yn yr adroddiad hwn.

RHESYMAU:

Bydd y cynllun arfaethedig yn gostwng ardrethi busnes 2019/20 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 Cyngorydd David Jenkins

Enw Pennaeth y Gwasanaeth:
Helen Pugh

Awdur yr Adroddiad:
Ann Thomas

Swydd:

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EXECUTIVE SUMMARY

Executive Board – 4th MARCH 2019

Business Rates – High Street and Retail Rates Relief Scheme 2019/20

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 and 2018/19.
- 1.3. Welsh Government has recently confirmed that the High Street Rate Relief scheme will be extended to 2019/20.
- 1.4. Unlike previous years, the 2019-20 scheme is not limited to high street premises but will include all properties within Wales meeting the wider retail criteria.
- 1.5. 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**
- 1.6. 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.
- 1.7. 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 and Retail Rates Relief scheme 2019/20

- 2.1. The total amount of government funded relief available for each property for 12 months under this scheme is up to £2500.
- 2.2. Eligible ratepayers will be retailers whose properties have a rateable value of between £6,001 and £50,000 and who meet the retail criteria.
- 2.3. This relief can be awarded in addition to Small Business Rate Relief and Transitional Rate Relief. The High Street and Retail Rates Relief will be applied against the net bill after these two reliefs have been applied.
- 2.4. When calculating the relief if the net liability before High Street and Retail Rates Relief is £2,500 or less the maximum amount of this relief will be no more than the value of the net rate liability.

3. Other Factors

- 3.1. The scheme guidelines also confirm that premises will not attract relief despite being retail in nature if they are:
- i. Hereditaments with a rateable value of more than £50,000
 - ii. Not reasonably accessible to visiting members of the public
 - iii. Unoccupied
 - iv. Already qualify for charitable rate relief
 - v. Hereditaments that are owned, rented or managed by a local authority
- 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* as a shop, restaurant, café or drinking establishment, it is therefore a test on use rather than occupation
- 3.4. 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.
- 3.5. 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 this is a temporary measure Welsh Government are providing the relief by reimbursing local authorities that use their discretionary powers under Section 47 of the Local Government Finance Act 1988, it is therefore appropriate for the Council to formally adopt the scheme.

It is therefore recommended that:

- a) The High Street and Retail Rate Relief Scheme be adopted for 2019/20
- b) Relief be granted in accordance with the Welsh Government guidelines
- c) 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.

CONSULTATIONS

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

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) |
| | | |
| | | |

Appendix A -

Qualifying & Non-Qualifying Premises (extract from Welsh Government Guidelines)

“It is intended that, for the purposes of this scheme, high street properties such as, “shops, restaurants, cafes and drinking establishments” will mean the following (subject to the other criteria in this guidance).

i. Hereditaments that are being used for the sale of goods to visiting members of the public

- Shops (such as florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off-licences, newsagents, hardware stores, supermarkets, etc)
- Opticians
- Pharmacies
- Post offices
- Furnishing shops or display rooms (such as carpet shops, double glazing, garage doors)
- Car or caravan showrooms & Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale or hire)

ii. Hereditaments that are being used for the provision of the following services to visiting members of the public

- Hair and beauty services
- Shoe repairs or key cutting
- Travel agents
- Ticket offices, eg. for theatre
- Dry cleaners & Launderettes
- PC, TV or domestic appliance repair
- Funeral directors
- Photo processing
- DVD or video rentals
- Tool hire
- Car hire
- Cinemas
- Estate and letting agents

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

- Restaurants
- Drive-through or drive-in restaurants
- Takeaways
- Sandwich shops
- Cafés
- Coffee shops
- Pubs & Wine Bars

“The list set out above is not intended to be exhaustive as it would be impossible to list all the many and varied high street retail uses that exist.

There will also be mixed uses. However, it is intended to be a guide for local authorities as to the types of uses that the Welsh Government considers for this purpose to be high street and retail. Local authorities should determine for themselves whether particular properties not listed are broadly similar in nature to those above and, if so, to consider them eligible for the relief. Conversely, properties that are not broadly similar in nature to those listed above should not be eligible for the relief”

Types of hereditaments that are not considered to be eligible for the high street relief

The list below sets out the types of uses that the Welsh Government does not consider to be high street retail use for the purpose of this relief and would not be deemed eligible for the relief. However, it will be for local authorities to determine if hereditaments are similar in nature to those listed below and if they would not be eligible for relief under the scheme.

Hereditaments that are being used wholly or mainly for the provision of the following services to visiting members of the public

- Financial services (eg. banks, building societies, cash points, ATMs, bureaux de change, payday lenders, betting shops, pawn brokers)
- Medical services (eg. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (eg. solicitors, accountants, insurance agents, financial advisers, tutors)
- Post office sorting office
- Tourism accommodation, eg. B&Bs, hotel accommodation and caravan parks
- Sports clubs
- Children’s play centres
- Day nurseries
- Outdoor activity centres
- Gyms
- Kennels and catteries
- Show homes and marketing suites
- Employment agencies

There are a number of further types of hereditaments which the Welsh Government believes should not be eligible for the high street relief scheme:

ii. *Hereditaments with a rateable value of more than £50,000*

iii. *Hereditaments that are not reasonably accessible to visiting members of the public*

iv. *Hereditaments that are not occupied*

v. *Hereditaments that are owned, rented or managed by a local authority*

vi. *Hereditaments that are in receipt of mandatory charitable rates relief*