

**Y BWRDD GWEITHREDOL**  
**24AIN CHWEFROR 2020**

**Cyfraddau Busnes – Cynllun Rhyddhad Ardrethi'r Stryd Fawr  
2020/21**

**Y Pwrpas:**

Ystyried mabwysiadu cynllun rhyddhad ardrethi sydd ar gael i awdurdodau bilio gan Lywodraeth Cymru ar gyfer 2020/21

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

Argymhellir bod y Bwrdd Gweithredol yn mabwysiadu cynllun Rhyddhad Ardrethi'r Stryd Fawr 2020/21 fel yr amlinellwyd yn yr adroddiad hwn.

**RHESYMAU:**

Bydd y cynllun arfaethedig yn gostwng ardrethi busnes 2020/21 ar gyfer busnesau cymwys.

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:**

**Pennaeth Refeniw a  
Chydymffurfio Ariannol**

**Rheolwr Refeniw**

**Rhif Ffôn**

**01267 246223**

**01554 742126**

**Cyfeiriad e-bost:**

**HLPugh@Sirgar.gov.uk**

**[AnThomas@sirgar.gov.uk](mailto:AnThomas@sirgar.gov.uk)**

# EXECUTIVE SUMMARY

## Executive Board– 24<sup>th</sup> February 2020

### Business Rates – High Street and Retail Rates Relief Scheme 2020/21

#### 1. Background

- 1.1. Welsh Government introduced a “**High Street Rate Relief scheme**” for 2017/18, 2018/19 and 2019/20, and have recently confirmed that the High Street and Retail Rates Relief Scheme will be extended to 2020/21.
- 1.2. The 2020-21 scheme is not limited to high street premises but will include all properties within Wales meeting the wider retail criteria. The scheme aims to provide support for eligible retail businesses for 2020/21 by offering a discount of up to £2,500 on the non-domestic rates bill for a property, to retailers occupying premises with a rateable value of £50,000, subject to State Aid limits.
- 1.3. 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**
- 1.4. 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.
- 1.5. 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 2020/21

- 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 on 1<sup>st</sup> April 2020 and who meet the retail criteria.
- 2.3. This relief can be awarded in addition to Small Business Rate Relief and the High Street Relief will be applied against the net bill after this relief has 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. Eligibility for the relief will be calculated based on the circumstances of the property and ratepayer as at 1 April 2020. 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 2020 will 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 qualify for the relief on a pro-rata basis based on the remaining days of occupation.
- 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 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 appropriate for the Council to formally adopt the scheme.

It is therefore recommended that:

- a) The High Street Rate Relief Scheme be adopted for 2020/21
- 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

|                                  |           |
|----------------------------------|-----------|
| <b>DETAILED REPORT ATTACHED?</b> | <b>No</b> |
|----------------------------------|-----------|

# 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

Signed: Helen Pugh

Head of Head of Revenues & Financial  
Compliance

## 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 |
|--|--------------|---|
| <b>Business Rates – High Street Rate Retail Scheme</b> (various documents) | N/A          | <b>File Plan (Finance/Local Taxation/Retail Rate Relief)</b>  |
|  |              |   |
|  |              |   |

## **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***