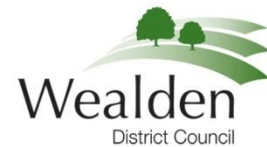


Wealden District Council

Business Rates Retail Discount Policy

2019/20 and 2020/21.



Background

In the Autumn Budget on 29 October 2018, the Government announced its intention to provide a business rates Retail discount scheme for occupied retail properties with a rateable value of less than £51,000 in each of the years 2019/20 and 2020/21.

The value of the discount should be one third off the bill, and must be applied after mandatory reliefs funded by the section 31 grants have been applied.

Existing legislation relating to reliefs available to properties and businesses will not be amended. Local authorities that wish to provide relief to retail premises need to adopt a local policy using their discretionary relief powers under the Localism Act. The following policy sets out Wealden District Council's retail relief qualifying criteria, application and appeals process and is based on guidance from the Ministry of Housing, Communities and Local Government (MHCLG).

Qualifying criteria

To qualify for the relief, the hereditament should be wholly or mainly be used as a shop, restaurant, café or drinking establishment. This is a test on use rather than occupation. Hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

In line with Government guidance, businesses and properties may qualify for the retail relief if the hereditament:

Is being used for the sale of goods to visiting members of the public:

- Shops (such as florists, bakers, butchers, greengrocers, jewellers, stationers, newsagents, supermarkets etc)
- Charity shops
- Opticians
- Post Offices Furnishing shops/display rooms
- Car/caravan showrooms
- Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale or hire)

Is being used for the sale of food and/ or drink to members of the public:

- Restaurants
- Takeaways
- Sandwich shops, coffee shops, pubs
- Bars

Is being used for the provision of the following services to visiting members of the public:

- Hair and beauty services
- Shoe repairs/key cutting
- Travel agents
- Ticket offices
- Dry cleaners
- Launderettes
- PC/TV/domestic appliance repair
- Funeral directors
- Photo processing
- DVD/video rental
- Tool hire
- Car hire

The above lists are not exhaustive. It will be for the Council to decide on a case by case basis if particular properties not listed are broadly similar in nature to those above and, if so, to consider them eligible for relief.

The Council may consider any evidence to support an application for relief and may require the inspection of the property/business by a Property Inspector.

The following hereditaments/businesses that are being used for the provision of the following services to members of the visiting public **do not** qualify for retail relief:

- Financial services e.g. banks, building societies, cash points, bureau de change, payday lenders, betting shops, pawn brokers
- Other services e.g. estate agents, letting agents, employment agencies
- Medical services e.g. vets, dentists, doctors, osteopaths, chiropractors
- Professional services e.g. solicitors, accountants, insurance agents, financial advisers, tutors
- Post office sorting office

Other hereditaments / businesses that do not qualify are those being used as;

- Cinemas, theatres and museums;
- Nightclubs and music venues
- Gyms or other venues used for sports or physical recreation.

Amount of relief

The maximum amount of relief is one third off the bill after any other mandatory reliefs have been applied.

Relief will not be granted if the rateable value of the property is more than £51,000. The relief will be calculated on a daily basis.

Ratepayers that occupy more than one qualifying property will be entitled to claim relief for each property, subject to State Aid de minimis levels.

Qualifying properties that have been split, merged or where there has been a change of use or new properties will be considered for retail discount relief and relief will be applied from the date the split, merger or change of use takes effect.

State Aid

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. Retail relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013).

To administer the De Minimis Regulations, the Council must establish that an undertaking (or business for the purposes of this policy) will not receive more than €200,000 in a three-year period, including retail relief, of State Aid.

The UK is scheduled to leave the EU on 29 March 2019. If there is an Implementation Period, the State Aid rules will continue to apply as now and will be subject to control by the EU Commission as at present. In the event of a 'no-deal Brexit' then Relief will be State Aid compliant where it is provided in accordance with the State Aid (EU Exit) Regulations 2019. <http://www.legislation.gov.uk/ukdsi/2019/9780111178768> and will be governed by the UK Competitions and Markets Authority (CMA).

Local Authorities should therefore continue to apply State Aid rules, including De Minimis to reliefs for 2019/20 and 2020/21.

Where a business is in receipt of retail discount relief and they have exceeded the State Aid De Minimis levels they must inform the Council immediately.

Applications for retail discount relief

All potential qualifying businesses will be identified by the Council and the retail discount relief will be applied to the 2019-20 business rates demand notices (bills) in time for the start of that financial year.

Appeals process

If the tax payer has been declined retail discount relief and they are dissatisfied with the decision they may request a redetermination of the Council's decision. The request must be in writing, submitted within 28 days of the original decision and contain any additional information necessary that will justify a change to the original decision.

The redetermination will be carried out by an officer independent of the officer making the original decision.

Redeterminations will usually be determined within 21 days of receiving sufficient information.

The taxpayer will be informed in writing of the Council's redetermination decision, the reasons for the decision and receive a revised business rates demand if appropriate.

Conditions and Duties of the tax payer

Ratepayers are required to notify the Council within 21 days of any changes in circumstances that may affect their entitlement to retail relief.

The Council will not tolerate fraudulent claims. Any fraudulent claim will be investigated and prosecuted. Successful prosecutions will result in the tax payer receiving a criminal record and may be sentenced to unpaid work or prison. The amount of the hardship relief will be cancelled and must be repaid in full to the Council. The Council always publicises successful prosecutions in local media and names and gives the address of the tax payer. The tax payer must sign any claim to certify that the information given is accurate and reflects their circumstances and accepts the Council may prosecute them.

The tax payer agrees, on making a claim, that any and all information given may be shared with other public authorities for the purpose of detecting fraud.