

FULL COUNCIL REPORT

Date Written	2 nd June 2015
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Service Area	Revenues
Exempt/Non Exempt	Non Exempt
Committee Date	15 th July 2015

To: Mayor, Ladies and Gentlemen

Wales Retail Relief Business Rates Scheme 2015-16

PURPOSE OF THE REPORT:

To seek Council approval for the implementation of Welsh Government's Wales Retail Relief Scheme 2015 -16.

1.0 INTRODUCTION AND BACKGROUND

- 1.1 The Welsh Government's Minister for Economy, Science and Transport has announced that grant funding will be made available for Local Authorities to deliver the 'Wales Retail Relief Scheme in 2015-16. The aim of the scheme is to deliver rates relief in a way that aims to support businesses that are responding to challenges resulting from the changing retail environment. The maximum estimated grant attributable to retail establishments in Merthyr Tydfil is £355,294.
- 1.2 The Wales Retail Relief scheme 2015-16 will build on last year's scheme by extending the amount of relief that can be claimed from £1,000 to £1,500 per hereditament. (For the purposes of this report a hereditament can best be described as a unit of assessment for rating purposes.)
- 1.3 The scheme will provide a discount of £1,500 relief on the yearly business rates bills for retail properties that are occupied, subject to state aid limits. A guidance document produced by Welsh Government is included in the background papers.

This gives a detailed explanation of how the scheme will operate. This document can be found via the Background Papers link.

- 1.4 The scheme will be operated and grant funded under sections 47, (Discretionary Rate Relief), of the Local Government Finance Act 1988 and section 31 of the Local Government Act 2003.
- 1.5 Due to State Aid requirements, the scheme will be application based. Potential recipients of the relief will be identified from the Authority's Business rates records and invited to apply.
- 1.6 The relief is being offered from 1st April 2015 and will be available until 31st March 2016. No decision has been made by Welsh Government whether the scheme will be made available for subsequent years.

2.0 SCHEME DETAILS

- 2.1 Properties that will benefit from the relief will be occupied hereditaments with a rateable value of £50,000 or less, that are wholly or mainly being used as retail premises, that is, shops, restaurants, cafes and drinking establishments.
- 2.2 For the purposes of the scheme, shops, restaurants, cafes and drinking establishments will mean as follows:–

Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, newsagents, hardware stores, supermarkets, etc)

Charity shops

Opticians

Pharmacies

Post Offices

Furnishing shops/display rooms (such as: carpet shops, double glazing, garage doors).

Car/caravan show rooms

Second hand car lots

Markets

Petrol stations

Garden centres

Art galleries(where art is for sale/hire).

Also, hereditaments that are 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 e.g for theatre

Dry cleaners

Launderettes

PC/TV/domestic appliance repair

- Funeral directors
- Photo processing
- DVD/video rentals
- Tool hire
- Car hire
- Cinemas
- Estate and letting agents

Also, hereditaments that are being used for the sale of food and/or drink to visiting members of the public:

- Restaurants
- Drive through/drive in restaurants
- Takeaways
- Sandwich shops
- Cafés
- Coffee shops
- Pubs
- Wine bars

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

2.4 The above list is not exhaustive and is intended only as a guide as to the types of use that Welsh Government considers to be retail for the purposes of the scheme. In the case of retail establishments not listed, the Authority can make its own determination as to whether the use is broadly similar in nature to those above and award relief. Conversely, properties that are not broadly similar should not be eligible for the relief.

2.5 As per the Welsh Governments guidance document, the examples listed below are not considered to be retail use and are therefore not eligible for relief under the scheme.

- Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, betting shops, pawn brokers)
- Other services,(e.g. employment agencies)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents, financial advisors, tutors).
- Post office sorting office
- Tourism accommodation such as B&B's, 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

- Properties that are not reasonably accessible to visiting members of the public.
- 2.6 Ratepayers in receipt of mandatory charitable relief will not be eligible for Wales Retail Relief.

3.0 AMOUNT OF RELIEF

- 3.1 As outlined in 1.3 above, the amount of relief will be restricted to £1,500 over 12 months. This amount will not vary with rateable value and there is no taper. There is no relief available under this scheme for properties with a rateable value of more than £50,000.
- 3.2 The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis. The following formula will be used to determine the amount of relief to be granted for a particular hereditament in the financial year.

$$\text{Amount of relief to be granted} = \text{£}1500 \times \frac{A}{B}$$

Where:

- A is the number of days in the financial year that the hereditament is eligible for relief; and
 - B is the number of days in the financial year
- 3.3 Wales Retail Relief can be provided in addition to Small Business Rates Relief and any hardship or discretionary relief awarded by the Authority. The relief will be applied against the net bill after the other reliefs have been applied.
- 3.4 Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties, subject to State Aid de minimis limits.

4.0 FINANCIAL IMPLICATION(S)

- 4.1 The estimated relief to be awarded in the Merthyr Tydfil area is £343,735. As the maximum grant available is in excess of this figure, (£355,294), there are no financial implications to the Authority.

5.0 SINGLE INTEGRATED PLAN AND SUSTAINABILITY IMPACT SUMMARY

- 5.1 The Single Integrated plan & Sustainability Impact Assessment has been completed and the proposals positively impact on two priority outcomes. Namely, that people in Merthyr Tydfil Benefit from a strong, sustainable and diverse economy and also enjoy a vibrant, attractive, safe and sustainable place in which to live, work, play and visit. The policy also positively impacts on the supporting principle of sustainable development – enhancing the economic and environmental wellbeing of people and

communities achieving a better quality of life for our own and future generations. No negative impacts have been identified.

6.0 EQUALITY IMPACT ASSESSMENT

- 6.1 An Equality Impact Assessment (EqIA) form has been prepared for the purpose of this report. It has been found that a full assessment is not required at this time. The form can be accessed on the Council's website/intranet via the 'Equality Impact Assessment' link.

7.0 RECOMMENDATION(S) that

- 7.1 The implementation of the Wales Retail Relief scheme in accordance with the rules described above be approved.
- 7.2 Sections 47(1)(a) and S47(3) (discretionary relief) of the Local Government Finance Act 1988 will apply as regards the hereditaments described above in accordance with the rules described in relation to those hereditaments. It is reasonable for the Council to make this decision having regard to the interests of persons liable to pay Council Tax set by the Council.

ELLIS COOPER
CORPORATE DIRECTOR PLACE AND TRANSFORMATION

BACKGROUND PAPERS		
Title of Document(s)	Document(s) Date	Document Location
Equalities Impact Screening form	03 rd June 2015	Electronic Library
Single Integrated Plan & Sustainability Impact Assessment	03 rd June 2015	Electronic Library
Scheme Guidance Document		Electronic Library

Consultation has been undertaken with the Corporate Management Team in respect of each proposal(s) and recommendation(s) set out in this report.