

WIRRAL COUNCIL

CABINET

13 MARCH 2014

SUBJECT:	NATIONAL NON DOMESTIC RATES DISCRETIONARY RELIEF – RETAIL RELIEF POLICY
WARD/S AFFECTED:	ALL
REPORT OF:	HEAD OF BUSINESS PROCESSES
RESPONSIBLE PORTFOLIO HOLDER:	COUNCILLOR PHIL DAVIES
KEY DECISION	NO

1.0 EXECUTIVE SUMMARY

- 1.1 This report seeks approval to amend the authority's discretionary rates relief policy for Non Domestic Rates is added to ensure Retail Relief can be appropriately awarded in 2014/15 and 2015/16.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 National Non Domestic Rates are the contribution to Council income from non domestic properties. Sums payable are set by nationally set rate poundages against each property value. This system has been in place since 1990. However as successive national revaluations have been delayed or cancelled the system has been augmented by a series of support measures. These include discretionary relief for charitable, non profit making and sporting organisations, rural relief for single shops in designated areas, small business relief to reduce the payable sum and hardship relief for exceptional cases. These measures are largely funded by central government with some elements proportionately funded by local authorities. Administration of the scheme including collection and recovery is undertaken by each local authority,
- 2.2. The Government announced in its Autumn statement on 5 December 2013 that it will provide further relief of up to £1,000 to all occupied retail properties with a Rateable Value of £50,000 or less for 2014/15 and 2015/16.
- 2.3. A list of the likely type of properties that will benefit from this grant is shown below. The list is not exhaustive:

Shops, Restaurants, Cafes, Drinking establishments, Post Offices, Charity Shops, Furnishing Shops, Petrol Stations, Car Showrooms, Garden Centres, Hairdressers, Travel Agents, Dry Cleaners, Electrical Goods Repair Shops and Funeral Directors.

To qualify the establishment has to be wholly or mainly used as the above.

- 2.4. The Government do not intend the relief for the following type of business:

Banks, Building Societies, Payday Lenders, Pawnbrokers, Betting Shops, Estate Agents, Employment Agencies.
Medical Services such as Doctors, Dentists, Vets etc.
Professional services such as Solicitors Accountants Insurance Agents etc.

Again the list is not considered to be exhaustive.

- 2.5. Qualifying businesses will receive £1,000 or sufficient to reduce the sum due to nil after all other reliefs have been applied. The relief given is irrespective of whether the Rateable Value is £500 or £50,000. The grant will be fully funded by Central Government.
- 2.6. The Council's software supplier is amending the Revenues system to identify qualifying properties and grant the award the relief automatically in 99% of the cases, no application form will be necessary. Those left will be subject to further investigation before a final decision is made. It is intended that the award will be shown on the 2014-15 Business Rates bill.
- 2.7. Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties, notwithstanding that State Aid de minimis limits apply. Each ratepayer will be expected to decide where they apply or cannot due the de minimis rules
- 2.8. To be able to award this scheme the relief should be adopted as a local relief scheme under Section 47 of the Local Government Act 1998. It is recommended that Wirral's policy mirrors the government's guidance notes issued in 2014 and this Retail Relief policy is added to the authority's current discretionary rates relief policy as is detailed in the appendix to this report. Its adoption will then allow the authority to award this relief.

3.0 RELEVANT RISKS

- 3.1 If the authority does not adopt this change as part of its discretionary rates relief policy then locally based businesses will be adversely affected.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 The option to not adopt this scheme is not considered appropriate.

5.0 CONSULTATION

- 5.1 None is required to adopt this scheme.

6. IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 6.1 This will benefit many of these types of groups in Wirral.

7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 7.1 The relief is fully funded by central government in 2014/15 and 2015/16. It is anticipated that between £1.5 to £2.0 million will be awarded to up to 3,500

qualifying businesses in Wirral. The number of actual cases awarded may reduce based upon the outcome of the de-minimis cases identified in Wirral.

7.2. Our staff will have additional responsibility in administering the scheme making decisions on appropriate eligibility based on the criteria.

7.3. The IT system is being changed to accommodate this amendment.

8.0 LEGAL IMPLICATIONS

8.1 There are none arising directly from this report.

9.0 EQUALITIES IMPLICATIONS

9.1 An Equality Impact Assessment in regard this element of NNDR discretionary rate relief is shown at;

<http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/finance>

10.0 CARBON REDUCTION IMPLICATIONS

10.1 There are none arising directly from this report.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 There are none arising directly from this report.

12.0 RECOMMENDATION

12.1 That the authority's Discretionary Rates Retail Relief Policy adopts the same eligibility criteria as set out by government so that Retail Relief can then be appropriately awarded in 2014/15 and 2015/16.

13.0 REASON FOR RECOMMENDATIONS

13.1 To ensure the authority can grant Retail Relief for 2014/15 and 2015/16.

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APPENDIX: Wirral Discretionary Relief Policy 2014/15 – Retail Relief add in.

REFERENCE MATERIAL: Department for Communities & Local Government Retail Relief Guidance January 2014

SUBJECT HISTORY

Council Meeting	Dates

Wirral Discretionary Rates Relief Policy 2014

Section 47 of the Local Government Act 1998

RETAIL RELIEF 2014/2016

Retail relief eligibility from 1st April 2014 in Wirral will be administered in line with the Department for Communities and Local Government Retail Relief Guidance of January 2014 as set out below;

How will the relief be provided?

1. As this is a measure for 2014-15 and 2015-16 only, the Government is not changing the legislation around the reliefs available to properties. Instead the Government will, in line with the eligibility criteria set out in this guidance, reimburse local authorities that use their discretionary relief powers, introduced by the Localism Act (under section 47 of the Local Government Finance Act 1988, as amended) to grant relief. It will be for individual local billing authorities to adopt a local scheme and decide in each individual case when to grant relief under section 47. Central government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003). The Government expects local government to grant relief to qualifying ratepayers.
2. Central government will reimburse billing authorities and those major precepting authorities within the rates retention system for the actual cost to them under the rates retention scheme of the relief that falls within the definitions in this guidance. Local authorities will be asked to provide an estimate of their likely total cost for providing the relief in their National Non Domestic Rate Return 1 (NNDR1) for 2014-15 and 2015-16. Central government will provide payments of the local authorities' share to authorities over the course of the relevant years.

Which properties will benefit from relief?

3. 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 shops, restaurants, cafes and drinking establishments.
4. We consider shops, restaurants, cafes and drinking establishments to mean:

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, chemists, stationers, off licence, newsagents, hardware stores, supermarkets, etc)
- Charity shops
- Opticians
- 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
(such as where art is for sale/hire)

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

- Hair and beauty services
(such as: hair dressers, nail bars, beauty salons, tanning shops, etc)
- 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

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

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs
- Bars

5. To qualify for the relief the hereditament should be wholly or mainly being used as a shop, restaurant, cafe or drinking establishment. In a similar way to other reliefs (such as charity relief), 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. The E.U. De Minimis Regulations 1407/2013 apply to this relief.
6. The list set out above is not intended to be exhaustive as it would be impossible to list the many and varied retail uses that exist. There will also be mixed uses. However, it is intended to be a guide for authorities as to the types of uses that government considers for this purpose to be retail. 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.

7. As the grant of the relief is discretionary, authorities may choose not to grant the relief if they consider that appropriate, for example where granting the relief would go against the authority's wider objectives for the local area.
8. The list below sets out the types of uses that government does not consider to be retail use for the purpose of this relief. Again, it is for local authorities to determine for themselves whether particular properties are broadly similar in nature to those below and, if so, to consider them not eligible for the relief under their local scheme.

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

- 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

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

How much relief will be available?

9. The total amount of government-funded relief available for each property for each of the years under this scheme is £1,000. The amount does 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.