

Business Rates Retail Relief

Final Decision-Maker	Council
Lead Head of Service/Lead Director	Stephen McGinnes Mid Kent Services Director
Lead Officer and Report Author	Sheila Coburn Head of Revenues and Benefits Shared Service
Classification	Public
Wards affected	All

Executive Summary

The Government announced in the Budget on 29 October 2018 that it will 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 purpose of this report is to approve a Policy for awarding relief with effect from 1 April 2019 in line with the guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG).

This report makes the following recommendations to this Committee:

That the Retail Relief Policy (Appendix 1) for the award of Business Rates Retail Relief in line with the guidance provided by the Ministry of Housing, Communities and Local Government (MHCLG) is agreed

Timetable

Meeting	Date
Policy & Resources Committee	23 January 2019
Council	27 February 2019

1. INTRODUCTION AND BACKGROUND

- 1.1 The Government recognises that changing consumer behaviour presents a significant challenge for retailers in our town centres and is taking action to help the high street evolve.
- 1.2 The Government announced in the Budget on 29 October 2018 that it will 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.
- 1.3 Retail properties are described as those that are wholly or mainly used as shops, restaurants, cafes and drinking establishments.
- 1.4 Examples of properties that are considered eligible for Retail Relief are included in the Retail Relief Policy in Appendix 1.
- 1.5 Examples of properties that are not considered eligible for Retail Relief are also included in the Retail Relief Policy in Appendix 1.
- 1.6 As this is a measure for 2019-20 and 2020-21 only, the Government is not changing the legislation around the reliefs available to properties.
- 1.7 Whilst the relief is to be awarded at the discretion of the council, the Government expects local authorities to include details of the relief to be provided to eligible ratepayers for 2019-20 in their bills for the beginning of that year.
- 1.8 The value of the relief will be one third of the net Business Rates bill, after mandatory reliefs and other discretionary reliefs have been applied.
- 1.9 The eligibility criteria is set out in the Ministry of Housing, Communities and Local Government (MHCLG) guidance, which has been incorporated into the Retail Relief Policy.
- 1.10 Authorities should determine for themselves whether particular properties are eligible for the relief.
- 1.11 It is estimated up to 1,000 businesses could be eligible for the relief, the cost of which will be fully reimbursed by Central Government.
- 1.12 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.

2 CONSIDERATION BY POLICY AND RESOURCES COMMITTEE

- 2.1 This policy was considered by the Policy and Resources Committee on 23 January 2019. The Committee resolved to recommend the policy to Council for adoption. An extract of the minutes can be found in Appendix 2 to this report.

3 AVAILABLE OPTIONS

- 3.1 Option 1 – do nothing option. This option would not assist those businesses that the Government intends should benefit from relief.
- 3.2 Option 2 - The council could restrict the scheme to only apply in certain parts of the borough, fewer categories of properties or provide a lower level of reduction. In doing so it would limit the level of central government funding that is being brought into the borough to support retailers.
- 3.3 Option 3 - The council could extend the scheme to include those retailers the government is not recommending for relief, but the additional cost would need to be met by the borough council.
- 3.4 Option 4 – Award relief as described in the Retail Relief Policy in Appendix
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3 PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 3.1 Option 4 is the preferred option as the council will be fully compensated for any relief given.
- 3.2 Applying Option 4 will mean the relief is awarded in line with the intentions of central government to assist retailers.
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4 RISK

- 4.1 In introducing a scheme which is limited for 2 years, the council risks ratepayers perceiving a disproportionate increase in their rate liability when the scheme ends.
- 4.2 The restrictions on state aid are complex and are likely to be unfamiliar to many small businesses, resulting in an increase in enquiries.
- 4.3 To mitigate this risk, an explanatory note will be issued to those businesses that qualify for relief.
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5 CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 No consultation is necessary.

5.2 This policy was considered by the Policy and Resources Committee at its meeting of 23 January 2019. Please see Appendix 2 for a minutes extract.

6 NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

6.1 Details of the relief will be made available on the Council's website and issued with Business Rates bills

7 CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	Securing a successful economy for Maidstone borough	Sheila Coburn, Head of Revenues and Benefits Partnership
Risk Management	Risk implications are set out in section 4 of the report.	Sheila Coburn, Head of Revenues and Benefits Partnership
Financial	None as the amount of relief awarded will be fully met by Central Government	Finance Team
Staffing	Relief will be awarded using existing resources	Sheila Coburn, Head of Revenues and Benefits Partnership
Legal	<p>Section 47 of the Local Government Act 1988 gives billing authorities discretionary rate relief powers that enable the Council to operate the proposed scheme.</p> <p>Central government will fully reimburse local authorities for the local share of the discretionary relief through a grant under section 31 of the Local Government Act 2003.</p> <p>There are no consequences</p>	Keith Trowell, Team Leader (Corporate Governance), Legal Services

	arising from the recommendation that adversely affect or interfere with individuals' rights and freedoms as set out in the Human Rights Act 1998.	
Privacy and Data Protection	Accepting the recommendation may increase the volume of data held by the Council. The data will be held and processed in accordance with the data protection principles contained in the Data Protection Act 2018.	Keith Trowell, Team Leader (Corporate Governance), Legal Services
Equalities	Equalities have been considered and no impact has been identified.	Equalities and Corporate Policy Officer
Public Health	No impact identified	Sheila Coburn, Head of Revenues and Benefits Partnership
Crime and Disorder	No impact identified	Sheila Coburn, Head of Revenues and Benefits Partnership
Procurement	No impact identified	Sheila Coburn, Head of Revenues and Benefits Partnership

8 REPORT APPENDICES

Appendix 1 – Retail Relief Policy

Appendix 2 – Policy and Resources Committee Minutes Extract from 23 January 2019

9 BACKGROUND PAPERS

None