

**Business Rates Retail Relief**

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

**Executive Summary**

The Council approved a Retail Relief Policy funded by Central Government for the years 2019-2020 and 2020-2021. In January 2020 the Government announced that it would extend the value of the Retail Discount from one third of the Business Rates bill to 50% in 2020/21. The Retail Relief Policy has been changed to reflect this.

**Purpose of Report**

The purpose of this report is for Council to adopt the revised Retail Relief Policy in Appendix 1.

**This report makes the following recommendations to this Committee:**

That the amended Retail Relief Policy in Appendix 1 is adopted.

**Timetable**

<b>Meeting</b>	<b>Date</b>
Council	26 February 2020

# Business Rates Retail Relief

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Impact on Corporate Priorities</b>	We do not expect the recommendations will by themselves materially affect achievement of corporate priorities. The initial scheme has supported businesses and jobs – and this will incrementally help to reduce cost and therefore risk for small businesses	Sheila Coburn, Head of Revenues and Benefits Partnership
<b>Cross Cutting Objectives</b>	No impact	Sheila Coburn, Head of Revenues and Benefits Partnership
<b>Risk Management</b>	Already covered in the risk section	Sheila Coburn, Head of Revenues and Benefits Partnership
<b>Financial</b>	None as the amount of relief awarded will be fully met by Central Government	Section 151 Officer & Finance Team
<b>Staffing</b>	We will deliver the recommendations with our current staffing	Sheila Coburn, Head of Revenues and Benefits Partnership
<b>Legal</b>	<p>Relief will be awarded using existing resources Section 47 of the Local Government Finance 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>	Mid Kent Services Legal Team
<b>Privacy and Data Protection</b>	There are no consequences arising from the recommendation that adversely affect or interfere with individuals' rights and freedoms	Policy and Information Team

	as set out in the Human Rights Act 1988	
<b>Equalities</b>	The recommendations do not propose a change in service therefore will not require an equalities impact assessment	Policy & Information Team
<b>Public Health</b>	We recognise that the recommendations will not negatively impact on population health or that of individuals	Public Health Officer
<b>Crime and Disorder</b>	No impact	Sheila Coburn, Head of Revenues and Benefits Partnership
<b>Procurement</b>	No impact	Sheila Coburn, Head of Revenues and Benefits Partnership

## 2. INTRODUCTION AND BACKGROUND

- 2.1 The Government recognised that changing consumer behaviour presents a significant challenge for retailers in our town centres and took action to help the high street evolve.
- 2.2 The Government announced in the Budget in 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.
- 2.3 Retail properties are described as those that are wholly or mainly used as shops, restaurants, cafes and drinking establishments.
- 2.4 As this was a measure for 2019-20 and 2020-21 only, the Government did not change the legislation around the reliefs available to properties.
- 2.5 The value of the relief was 1/3rd of the net Business Rates bill, after mandatory reliefs and other discretionary reliefs have been applied, resulting in 456 business benefitting from the award of relief.
- 2.6 The amount of relief awarded for 2019-20 was £1.607 million and the anticipated amount for 2020-21 is £2.167 million.
- 2.7 In a Written Ministerial Statement on 27 January 2020 the Government announced that it would extend the value of the Retail Discount from 1/3<sup>rd</sup> of the Business Rates bill to 50% in 2020/21.
- 2.8 It is up to authorities to determine for themselves whether particular

properties are eligible for the relief.

- 2.9 Ratepayers will be notified on their Business Rates bills for 2020-2021 of the amount of relief given.
- 2.10 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.

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### **3. AVAILABLE OPTIONS**

- 3.1 Option 1 – do nothing option. This option would not assist those businesses the Government intends should benefit from relief.
- 3.2 Option 2 - award relief in line with Government proposals.

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### **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 4.1 Option 2 is the preferred option as this Council will be fully compensated for any relief given.
- 4.2 Applying Option 2 will mean the relief is awarded in line with the intentions of the Government to assist retailers.

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### **5. RISK**

- 5.1 In approving a scheme which is limited for a further year, the Council risks ratepayers perceiving a disproportionate increase in their rate liability when the scheme ends.
- 5.2 The restrictions on state aid are complex and are likely to be unfamiliar to any small businesses, resulting in an increase in enquiries.
- 5.3 To mitigate this risk, an explanatory note will be issued to those businesses that qualify for Retail Relief

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### **6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 6.1 None

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### **7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 7.1 Details of the amended Retail Relief will be available on the Council's

Website and the amount of relief awarded will show on Business Rates bills for 2020-21.

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## **8. REPORT APPENDICES**

- Appendix 1: Retail Relief Policy
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## **9. BACKGROUND PAPERS**

MHCLG guidelines

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/861633/200129\\_Retail\\_Discount\\_Guidance.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/861633/200129_Retail_Discount_Guidance.pdf)