



National Non- Domestic Retail Relief Scheme 2019/20 and 2020/21

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Introduction

- 1.1. This document sets out Epsom & Ewell Borough Council's ('the Council') policy for awarding Retail Relief to Non-Domestic properties in the borough.
- 1.2. In the Budget on 29 October 2018, the Government announced that it will provide a business rates Retail Relief scheme for occupied retail properties with a rateable value of less than £51,000, in each of the years 2019-20 and 2020-21. However it is for the Council to agree the qualifying criteria for the relief.
- 1.3. The value of the relief should be one third of the bill, and must be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants, have been applied.

Qualifying properties

- 2.2. Properties that will benefit from the relief must be **occupied and** with a rateable value of £51,000 or less, that are **wholly, or mainly** being used as shops, restaurants, cafes and drinking establishments.
- 2.3. The Council considers shops, restaurants, cafes and drinking establishments to mean:

Properties that are being used for the sale of goods to visiting members of the public:

- Florists
- Bakers
- Butchers
- Grocers
- Greengrocers
- Jewellers
- Double glazing
- Caravan show room
- Petrol stations
- Stationers
- Off licences
- Chemists
- Newsagents
- Hardware stores
- Supermarkets
- Garage doors
- Second hand car lots
- Garden centres
- Charity shops
- Opticians
- Post Offices
- Furnishing shops
- Display Shops
- Car Showrooms
- Markets
- Carpet Shops
- Galleries where art is for sale or hire

Properties that are being used for the provision of the following services to visiting members of the public:

- Beauty salons
- Hair Salons
- Ticket Offices
- PC/TV repair
- Photo processing
- Car hire
- Tanning shops
- Dry cleaners
- DVD/Video rentals
- Shoe repairs
- Nail bars
- Travel agents
- Laundrettes
- Funeral directors
- Tool Hire
- Key cutting
- Domestic appliance repairs

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

- Restaurants
- Coffee shops
- Takeaways
- Public Houses
- Sandwich shops
- Bars

- 2.4. In a similar way to other reliefs (such as charity relief), this is a test on use of the property, rather than occupation. Therefore, hereditaments which are occupied but not wholly, or mainly used for the qualifying purpose will not qualify for the relief.
- 2.5. The lists above are not intended to be exhaustive and may be added to. It is based on the types of uses that the Government considers to be retail use for the purpose of this relief.

Non-Qualifying properties

- 3.1. The list below is of properties that do not qualify for Retail Relief and is based on the types of uses that the Government does not consider to be retail use for the purpose of this relief.

Properties that are being used for the provision of the following services or similar to visiting members of the public:

- Financial services
- Cash points
- Betting shops
- Letting agents
- Dentists
- Chiropractors
- Accountants
- Tutors
- Banks
- Bureaux de change
- Pawn brokers
- Medical services
- Doctors
- Professional services
- Insurance agents
- Post Office Sorting Offices
- Building Societies
- Payday lenders
- Estate agents
- Veterinary services
- Osteopaths
- Solicitors
- Financial advisers
- Employment Agencies

Properties that are not reasonably accessible to visiting members of the public

- Shops providing Bluetooth services
- Shops used for advertising purposes only
- Shops used for marketing purposes only

- 3.2. Generally speaking, the Council does not consider other assembly, or leisure uses beyond those listed above to be retail uses for the purpose of the discount. For example, cinemas, theatres and museums are outside the scope of the scheme, as are nightclubs and music venues which are not similar in nature to the hereditaments described at paragraph above. Hereditaments used for sport or physical recreation (e.g. gyms) are also outside the scope of the relief

Amount of relief available

- 4.1. The total amount of Retail Relief available for each property for each of the years under this scheme is one third of the bill, after mandatory reliefs and other discretionary

reliefs funded by section 31 grants have been applied, excluding those where local authorities have used their discretionary relief powers which are not funded by section 31 grants (e.g. hardship relief). There is no relief available under this scheme for properties with a rateable value of more than £51,000.

- 4.2. 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 chargeable day for the particular hereditament in the financial years 2019-20 and 2020-2021

$$\text{Amount of relief to be granted} = \frac{V}{3}$$

Where V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and any other discretionary reliefs, as above.

- 4.3. This will also be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.
- 4.4. 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.

Splits, mergers and changes to existing properties

- 5.1. The relief will be applied on a day to day basis using the formula set out above. A new hereditament created as a result of a split or merger during the financial year, or where there is a change of use, will be considered afresh for the relief on that day.

Other discretionary reliefs reimbursed by Section.31 grants

- 6.1. If a property is eligible for relief under other schemes for which section 31 grant is payable, relief should be first awarded under those schemes, for example Local Discretionary Relief or Supporting Small Businesses Relief.
- 6.2. Ratepayers can be eligible for both Local Discretionary Relief and the Retail Relief Scheme.

Application process

- 7.1. The scheme entitlement is established based on information already held within the Council's Business Rates system. Therefore, awards will be applied automatically where entitlement is found and this will be shown on the bill. Further explanation of all the reliefs available will be detailed in the explanatory notes which are published on the council's website and referred to on the bill. Ratepayers may request we review their account where no automatic award has been made.

Appeals process

- 8.1. There is no statutory right of appeal against a decision regarding Retail Relief, since it is a local discretionary relief. Decisions can be challenged by way of judicial review

in the normal way, but are unlikely to be set aside unless the decision was so unreasonable that no reasonable person could have reached it ('Wednesbury Rules').

- 8.2. However, the Council recognises that ratepayers should be entitled to have a retail relief decision reviewed if dissatisfied with the outcome. Only the ratepayer, or authorised agent may appeal against the decision not to award relief or the level of relief awarded. Appeals must be made within four weeks of the notification of decision.
- 8.3. The appeal process for this relief will follow our current appeal procedure for discretionary rate relief:-
 - Appeals must be in writing specifying reasons why a decision should be amended and supported by relevant new or additional evidence.
 - An appeal will be deemed to be discontinued if further evidence requested from the ratepayer has not been received within four weeks of the request.
 - Appeals against decisions made under delegated authority by Revenues Manager will be considered by Head of Revenues and Benefits and the Chief Finance Officer.

State aid limits

- 9.1. European Union competition rules generally prohibit Government subsidies to businesses. Non-domestic rate relief can constitute state aid. Generally speaking, this can apply to all discretionary reliefs for commercial bodies. There is, however a "de minimis" threshold for this of €200,000 for any business over a rolling three year period under EC1407/2013. This is a cumulative figure for all Government grants including business rates relief.
- 9.2. 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.
- 9.3. If the UK leaves the EU without a negotiated Withdrawal Agreement, the Government has announced its intention to transpose EU State Aid rules into UK domestic legislation, with only technical modifications to correct deficiencies with the transposed EU law to ensure the regime operates effectively in a domestic context
- 9.4. The Council has been advised by central government to continue to apply State Aid rules, including De Minimis, to the relief for 2019/20 and 2020/21. This relief will be applied following legislative requirements and any constraints placed on the authority by government at the appropriate time.
- 9.5. If we award relief that you feel would lead to you exceeding the threshold you must contact us for the relief to be cancelled.