



Torridge District Council

Business Rates Retail Discount Policy

For the financial years 2019/20 and 2020/21

For retail properties that are:

1. Occupied with a Rateable Value less than £51,000
2. Wholly or mainly being used as retail establishments

Introduction

The Government announced in the Budget on 29 October 2018 that it will provide a Business Rates Retail Discount for occupied retail properties with a rateable value of less than £51,000 in each of the financial years 2019-20 and 2020-21.

The value of the discount will be one third of the remaining bill, after all other mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied.

As this relief is for the financial years 2019-20 and 2020-21 only, the Government is not changing the legislation around the reliefs available to properties. Instead the Government will 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 is necessary that individual local billing authorities adopt a local scheme, in line with the guidance provided by Government. The Government expects us to apply and grant relief to qualifying ratepayers from the start of the 2019/20 billing cycle.

Properties that will benefit from relief

Properties that will benefit from the relief will be identified by the Council and will be occupied hereditaments with a rateable value of less than £51,000, that are wholly or mainly being used as retail establishments.

The list set out below is not intended to be exhaustive; however, it is intended to be a guide as to the types of uses that the Government considers for this purpose to be retail. The Council will determine whether particular properties not listed are broadly similar in nature to those listed and, if so, to consider them eligible for the relief.

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, stationers, off licences, chemists, 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 (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
- 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

The list below sets out the types of uses that the Government does not consider to be retail use for the purpose of this relief.

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, bureaux 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 offices

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

The government also does not consider other assembly or leisure uses beyond those listed to be retail uses for the purpose of the discount. For example, cinemas, theatres, museums, nightclubs, and hereditaments used for sport or physical recreation (eg gyms) are outside the scope of the scheme. Where there is doubt, the local authority should exercise their discretion with reference to the above and knowledge of their local tax base.

Conclusion

The total amount of government-funded relief available for each property for 2019-20 and 2020/21 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 introduced by the Localism Act which are not funded by section 31 grants.

There is no relief available under this scheme for properties with a rateable value of £51,000 or more.

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.