

Report of the Cabinet Member for Finance and Strategy

Cabinet – 16 July 2015

BUSINESS RATES – TEMPORARY RETAIL RATE RELIEF SCHEME (WALES)

Purpose:	To provide information and to consider the adoption of the temporary retail relief scheme relating to Business Rates that was introduced by Welsh Government (WG) in 2014 and is continued for the current financial year.
Policy Framework:	None.
Reason for Decision:	Legislative requirement and Welsh Government grant funding condition.
Consultation:	Legal, Finance and Access to Services.
Recommendation(s):	It is recommended that: 1) The details of the scheme in this report are noted. 2) The retail relief scheme as outlined in paragraph 2.0 of the report is adopted.
Report Author:	Martin Webborn
Finance Officer:	Mike Hawes
Legal Officer:	Tracey Meredith
Access to Services Officer:	Sherill Hopkins

1.0 Introduction

- 1.1 The Welsh Government (WG) introduced the temporary retail rate relief scheme to reduce Business Rates (BR) in certain circumstances in 2014 and has extended the scheme for the current financial year. Guidance to the Scheme is found at:
<http://gov.wales/docs/det/publications/150408walesretailen.pdf>
- 1.2 The rate relief under the scheme is available for 2015/16 and WG has offered funding to each local authority in Wales under section 31 of the Local Government Act 2003 to re-imburse authorities for expenditure up

to a defined limit incurred for the purpose of providing relief under the scheme. The funding is subject to authorities formally accepting the grant offer.

- 1.3 It is a condition of the grant that the relief under the scheme is provided by way of discretionary rate relief under section 47 of the Local Government Finance Act 1988. The qualifying criteria for the Retail Relief Scheme have been set by WG and there are no powers to vary. The local discretionary rate relief scheme currently used to grant relief to charities and other organisations does not require amendment.
- 1.4 Arrangements are in place for applications to be available for the Retail Relief Scheme in hard copy and on the Council web-site.

2.0 Wales Retail Relief Scheme

2.1 Funding of up to £1,619,087 is being made available to the Authority to grant relief of up to £1,500 against the BR bill for certain occupied retail properties with a rateable value of £50,000 or less in the financial year 2015-16, subject to state aid limits

2.2 The main objective of this scheme is to support businesses in Wales that are responding to the challenges that result from the changing retail environment. It is also aimed at contributing to the development of sustainable and vibrant town centres.

2.3 To benefit from the scheme properties must be:

a) Either:

- (i) Used for the sale of goods to visiting members of the public.
- (ii) Used for the provision of certain services, or
- (iii) Used for the sale of food and/or drink to visiting members of the public.

2.4 WG has set out the uses that it **does not** consider to be retail use for the purpose of this relief:

a) Either:

- (i) The provision of financial, medical or professional services, post office sorting offices, tourism accommodation, sports clubs, children's play centres, day nurseries, outdoor activity centres, gyms, kennels and catteries, show homes and marketing suites and employment agencies or,
- (ii) Premises that are not reasonably accessible to visiting members of the public.

3.0 Implementation of the Schemes

3.1 WG has provided the following to authorities:

- Guidance for the Retail Relief scheme,
- A grant offer letter (which requires formal acceptance following adoption of the schemes)
- A template application form for the Retail Relief scheme.

3.2 The temporary scheme outlined above should be adopted as specified in the recommendations above.

3.3 The most recent estimates suggest approximately 1100 cases are eligible to apply and applications will be issued to eligible ratepayers. This will involve significant extra workload for the BR team.

4.0 Financial Implications

4.1 WG has specified the amount of funding available for the scheme and any award made in excess of the amounts may have to be met by the Authority.

4.2 There is an amount of £1,500 to support the administration and marketing costs of the Retail Relief Scheme.

5.0 Legal Implications

5.1 None.

6.0 Equality and Engagement Implications

6.1 An EIA Screening Form has been completed with the agreed outcome that a full EIA report is not required, as the qualifying criteria for the Retail Relief scheme has been set by WG and there is no power to vary. Applications will be considered from all eligible ratepayers and relief awarded as per the criteria set out in this report

Background Papers: None

Appendices: None