

City of Wolverhampton Council

**Business Rates Discretionary Relief
(Retail Discount) Policy**

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1. Introduction

- 1.1. This policy sets out circumstances in which reductions in rate liability will be granted to occupied retail premises.
- 1.2. In the Budget 2018 the Government announced its intention to provide relief to retail businesses on a temporary basis. The Government advised Councils to use discretionary powers under Section 47 of the Local Government Finance Act 1988 (as amended by the Localism Act) to develop a scheme for relief and agreed that provided Government guidance is followed, Councils would be reimbursed with the full cost of any relief granted.
- 1.3. The amount of relief available under this policy is one third of the bill after mandatory reliefs and other discretionary reliefs funded by Section 31 grants have been applied. There is no relief under this scheme if the rateable value (RV) of the property is £51,000 or more.
- 1.4. This policy will only continue for the period of reimbursement by the Government, which currently relates to 2019/20 and 2020/21.

2. Purpose and principles of the policy

- 2.1. The purpose of this policy is to
 - a) Ensure that all applications are treated in a fair, consistent and equal manner
 - b) Set a framework for how ratepayers can apply for this relief
 - c) Make clear the limited criteria under which relief will be awarded
- 2.2. Each application will be considered on its individual merit but in making a decision on the award the decision maker will give due consideration to the requirements of the Policy Framework.
- 2.3. This policy has been written in line with Government guidance and awards will only be considered where the conditions to receive full reimbursement from Government are met. Any amendments to Government guidance that further restrict the scope of awards qualifying for full reimbursement will take precedence over this policy.

3. Requirements for applications

- 3.1. Applications will not generally be required as eligibility can be determined from data held by the Council.
- 3.2. The Council will request any supporting evidence it considers necessary to properly assess the merits of the application.
- 3.3. The ratepayer must allow a Council Officer access to the property by appointment during normal working hours within two weeks of the Council receiving the application if it is necessary to verify the use of the property.
- 3.4. Ratepayers must continue to pay any amount of rates that fall due whilst an application is under consideration.

4. Decision making framework

- 4.1. Relief will be granted to occupied business premises with a rateable value of less than £51,000 that are wholly or mainly being used as eligible shops, restaurants, cafes and drinking establishments as follows:
- a) Premises that are being used for the sale of goods to visiting members of the public:
e.g. florist, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets, 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)
 - b) Premises that are being used for the provision of services to visiting members of the public:
e.g. hair dressers, nail bars, beauty salons, tanning shops, 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
 - c) Premises that are being mainly used for the sale of food and/ or drink to visiting members of the public:
e.g. restaurants, takeaways, sandwich shops, coffee shops, pubs, bars.
- 4.2. Relief will not be granted where the premises are being used for the provision of the following services:
- a) Financial services:
e.g. banks, building societies, cash points, bureau de change, payday lenders, betting shops, pawn brokers, cheque cashing shops
 - b) Other services:
e.g. estate agents, letting agents, employment agencies
 - c) Medical services:
e.g. vets, dentists, doctors, osteopaths, chiropractors
 - d) Professional services:
e.g. solicitors, accountants, insurance agents/ financial advisers, tutors.
 - e) Post office sorting office
 - f) Any premises that are not reasonably accessible to visiting members of the public.
- 4.3. In addition, the following establishments are considered to be not eligible for relief under this policy.
- a) Cinemas, theatres and museums
 - b) Nightclubs and music venues
 - c) Conference centres
 - d) Sports clubs, gyms or other membership establishments
 - e) Establishments wholly or mainly offering material of an adult or sexual nature
 - f) Bookmakers, amusement arcades and other gambling establishments
 - g) Nurseries, crèche and educational establishments

- 4.4. The above lists in 4.2 and 4.3 are not exhaustive and a decision will be made by a duly authorised officer on whether any other premises should be considered to be wholly or mainly used for eligible retail purposes.
- 4.5. The definition of retail applied here is the sale of goods and services to the public in relatively small quantities for use or consumption. To qualify for the relief premises must be **wholly or mainly**¹ being used for retail purposes as a shop, restaurant, cafe or drinking establishment. This is a test on use rather than occupation. Premises which are occupied but not wholly or mainly used as a shop, restaurant, cafe or drinking establishment **will not** qualify for the relief.
- 4.6. Establishments used for other assembly or leisure purposes are not considered to be eligible for this relief.
- 4.7. Ratepayers who occupy more than one property can claim the relief on each of their eligible properties subject to State Aid limits.
- 4.8. Relief will be calculated on a daily basis on the net liability after all other reliefs using the following formula:

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

Where:

V is the daily charge for the property for the chargeable day after the application of any mandatory relief and any other discretionary reliefs that are Government funded ("Section 31 grants").

5. Duration of awards

- 5.1. Relief will be applied from 1 April 2019 or the date of occupation if later.
- 5.2. A revised bill will be issued reflecting any relief granted.
- 5.3. If a business moves out of a property, the relief will be apportioned to the date of leaving.
- 5.4. The maximum period of award will be for the financial years 2019/20 and 2020/21.
- 5.5. The period of the relief may be extended if the Government extends the period for which it will reimburse the Council for the cost of the relief.
- 5.6. Ratepayers are required to notify the Council immediately of any change in circumstances that may affect their entitlement to relief.

6. State aid

- 6.1. Relief will not be awarded in any circumstances where it appears that an award will result in the ratepayer receiving state aid that is above the current De Minimis level. Each application must be accompanied by a statement signed by the appropriate person representing the business setting out the amount of state aid, including but not limited to

¹ More than 50% of premises floor space, by use

discretionary rate relief, which the ratepayer has received within the previous three years. Applications will not be considered until this statement is received.

7. Review process

- 7.1. There is no statutory right of appeal against a decision made by the Council regarding discretionary rate relief. However, the Council recognises that ratepayers should be entitled to have a decision reviewed if they are dissatisfied with the outcome.
- 7.2. The letter notifying of the outcome of an application for relief will include instructions on how to request a review and the address where any request for review should be sent.
- 7.3. The council will accept a written request for a review of its decision. The request should include the reasons for requesting a review and any supporting information.
- 7.4. A request for review must be made within one calendar month of the date of the decision letter.
- 7.5. Reviews will be considered by an officer independent of the original decision maker.
- 7.6. The applicant will be notified of the outcome of the review in writing.
- 7.7. This review process does not affect a ratepayer's legal right to seek leave to challenge a decision by way of Judicial Review.