

# South Ribble Borough Council



## Local Discount Discretionary Rate Relief Policy

### Effective 1<sup>st</sup> April 2019

The Council has adopted a new Local Discount Discretionary Rate Relief Policy in response to the Chancellor of the Exchequer's Autumn statement on the 29<sup>th</sup> October 2018. This policy is in addition to the existing Discretionary Rate Relief policy effective from 1<sup>st</sup> April 2013. This policy only covers the announcements made in the above statement, it makes no additions or amendments to our existing policy. All awards will be made under Section 47 of the Local Government Finance Act 1988 (as revised).

This policy relates to the following area only:-

### Retail Discount

South Ribble has taken into account the guidance issued by the Ministry of Housing, Communities & Local Government therefore:-

### Which properties will benefit from relief?

Properties that will benefit from the relief will be occupied hereditaments with a rateable value of less than £51,000, that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments

South Ribble consider shops, restaurants, cafes and drinking establishments to mean:

#### **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
- DVD/ video rentals
- 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

To qualify for the relief the hereditament should be wholly or mainly being used as a shop, restaurant, cafe or drinking establishment. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

The list set out above is not intended to be exhaustive as it would be impossible to list the many and varied retail uses that exist. There will also be mixed uses. However, it is intended to be a guide for recipients as to the types of uses that South Ribble Borough Council considers for this purpose to be retail. South Ribble Borough Council will determine whether particular properties not listed are broadly similar in nature to those above and, if so, to consider them eligible for the relief. **Conversely, properties that are not broadly similar in nature to those listed above will not be eligible for the relief.**

**Which properties that will not qualify for this relief?**

The list below sets out the types of uses that South Ribble Borough Council does not consider to be retail use for the purpose of this relief. South Ribble Borough Council will determine whether particular properties are broadly similar in nature to those below and, if so, to consider them not eligible for the relief under our local scheme.

**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, bureau 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)
- Amusement Arcades
- Post office sorting office

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

## **How much relief will be available?**

The total amount of relief available for each property for 2019-20 and 2020-21 under this policy is one third of the bill, after mandatory reliefs and other discretionary reliefs have been applied.

Awards of this discount will only be made after entitlement to all other reliefs has been determined. The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis.

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. It is the responsibility of the applicant to ensure they do not receive relief which results in rules governing State Aid are not broken.

## **State Aid**

State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. However, Retail Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013). The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years).

South Ribble will not require an application for any relief awarded under these provisions, but do still require that all businesses that receive the relief must declare that any benefit they receive under these powers does not exceed the current State Aid restrictions. **It is the businesses' sole responsibility to ensure these limits are not exceeded.** This declaration must be made on the form designed for this purpose. Further information regarded State Aid law can be obtained at <https://www.gov.uk/state-aid>.

An appropriate/responsible officer within the council has the authority to decide upon any application for this relief made under this policy taking into account the contents of this policy, the council's priorities and policies and in addition the guidance provided by the Ministry of Housing, Communities & Local Government - Retail Discount Guidance.