



NEW FOREST DISTRICT COUNCIL

NATIONAL NON-DOMESTIC RATES

EXPANDED RETAIL DISCOUNT
POLICY

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1. Introduction

In the Budget on 29 October 2018, the Chancellor announced that a new discount for occupied retail properties with a rateable value of less than £51,000 in each of the years 2019/20 and 2020/21. The value of the discount will be one-third of the bill.

In the budget on 11 March 2020 the Government announced that it would increase the discount to 100% and extend it to the leisure and hospitality sectors. This discount will apply to occupied retail, leisure and hospitality properties in the year 2020/21. There will be no rateable value limit on the relief.

In the budget on 3 March 2021 the Government announced that it would extend the 100% discount for three months, to 30 June 2021.

This document provides guidance about the operation and delivery of the policy. As stated in Section 8, this policy will be updated in line with government guidance.

2. Legislation

The Government is not changing the legislation. Instead the Government will, in line with the eligibility criteria for the discount, reimburse billing authorities that use their discretionary relief powers, under Section 47 of the Local Government Finance Act 1988, as amended, to grant the discount.

Central government will fully reimburse local authorities for the local share of the discretionary relief Scheme (using a grant under section 31 of the Local Government Act 2003).

In view of the fact that such expenditure will be reimbursed, the Government expects billing authorities to grant Expanded Retail Discount to all qualifying ratepayers.

3. Who is eligible for the relief?

Properties that will benefit from the discount will be *occupied* hereditaments that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments, and from 1 April 2020 cinemas, live music venues, assembly, leisure, hotels, guest and boarding premises and self-catering accommodation. Hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the discount.

Hereditaments which have closed temporarily due to the government's advice on COVID19 will be treated as occupied for the purposes of this relief.

The Ministry of Housing, Communities and Local Government (MHCLG) issued guidance to local authorities to identify the types of hereditament they consider to be qualifying premises for the purposes of reimbursement to local authorities by Central Government via a grant under Section 31 of the Local Government Act 2003.

The MHCLG guidance is available to view at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/873622/Expanded_Retail_Discount_Guidance.pdf

And updated guidance can be found at [Business rates: expanded retail discount 2021 to 2022 - local authority guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/business-rates-expanded-retail-discount-2021-to-2022-local-authority-guidance)

This local policy is consistent with the guidance.

The list is not intended to be exhaustive and the Council will need to determine for itself whether particular properties not listed are broadly similar in nature and if so, to consider them eligible for the discount. Conversely, properties that are not broadly similar in nature to those listed should not be eligible for the discount.

i. Hereditaments that are being used for the sale of goods to visiting members of the public:

- Shops (such as: florist, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, 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: hairdressers 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

From 1 April 2020 the following hereditaments will be eligible:

- Employment agencies
- Estate agents and letting agents
- Betting shops

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

From 1 April 2020 the following hereditaments will be eligible for the discount.

iv. Hereditaments which are being used as cinemas

v. Hereditaments that are being used as live music venues

- live music venues are hereditaments wholly or mainly used for the performance of live music for the purpose of entertaining an audience. Hereditaments cannot be considered a live music venue for the purpose of the relief where a venue is wholly or mainly used as a nightclub or a theatre.
- Hereditaments can be a live music venue even if used for other activities, but only if those other activities are merely ancillary or incidental to the performance of live music or do not affect the fact that the primary activity for the premises is the performance of live music,

vi. Hereditaments that are being used for the provision of sport, leisure and facilities to visiting members of the public (including for the viewing of such activities).

- Sports grounds and clubs
- Museums and art galleries
- Nightclubs
- Sport and leisure facilities
- Stately homes and historic houses
- Theatres
- Tourist attractions
- Gyms
- Wellness centres, spas, massage parlours
- Casinos, gambling clubs and bingo halls

vii. Hereditaments that are being used for the assembly of visiting members of the public.

- Public halls
- Clubhouses, clubs and institutions

viii. Hereditaments where the non-domestic part is being used for the provision of living accommodation as a business.

- Hotels, Guest and Boarding Houses
- Holiday homes
- Caravan parks and sites

To qualify for the discount the hereditament should be wholly or mainly being used for the above qualifying purposes. Therefore, hereditaments which are occupied but not wholly or mainly used for qualifying purposes will not qualify for the relief.

In addition to the hereditaments set out in **i.** to **viii.** above, the list below sets out the types of uses that Government does not consider to be retail and will not be eligible for the discount for the purpose of this policy:

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 and payday lenders)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors)
- Post office sorting office

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

4. How much relief will be available?

The amount of government funded discount available for each hereditament under the scheme is one-third of the bill for 2019/20 and 100% for 2020/21, after mandatory rate reliefs and discretionary reliefs funded under Section 31 grants have been applied, for example the small business rates relief. For 2021/22 the 100% discount is for the period 1 April 2021 to 30 June 2021. From 1 July 2021 to 31 March 2022 eligible businesses will receive a 66% discount.

5. Award Period

The Government have stated that the scheme only applies for the 2019/20, 2020/21 and 2021/22 years.

Where there is a change of circumstances, such that the eligibility criteria shown above are no longer met, the decision to award expanded retail discount will be reviewed and where necessary the amount of discount will be recalculated and amended.

6. Applications for Expanded Retail Discount

For 2020/21 the Revenues Team will review our business rate system and where a ratepayer is currently in receipt of the discount the percentage reduction will be increased from one-third to 100%. The team will also continue to try and identify potential recipients and apply the discount. Text will be added to the business rates bill and our website. New businesses will have to apply for the discount using a form on our website.

7. State Aid

State Aid law is the means by which the European Union regulates state funded support to businesses. Whilst the UK left the EU on 31 January 2020, the Withdrawal Agreement negotiated by the Government and the EU provides that during a transition period State aid rules will continue to apply as now and will be subject to control by the EU Commission as at present.

The Government has notified the EU of its intention to bring forward a change to the UK's treatment of non-domestic property and seek clearance under Article 107(3)(b) of the Treaty on the Functioning of the EU. This policy will adhere to Government guidance and any future changes to State Aid and Subsidy Limitations regulations.

8. Decision Making

Decisions will be made by the Business Rate team, in conjunction with the Revenues Manager, in accordance with the eligibility criteria.

Applicants will be notified of the outcome of their application and if unsuccessful, will be given the opportunity to appeal the decision.

The Service Manager reserves the right to make changes to this policy in line with updates in guidance as issued by the Ministry of Housing, Communities and Local Government.

9. Appeals

An appeal against a decision not to award expanded retail discount will be considered by the Service Manager (Revenue and Benefits). The outcome of the appeal will be communicated in writing within one month of receipt.