



# Doncaster Council

## Report

---

16th January, 2019

To: Mayor Jones

**Proposals for a Retail Rate Relief Scheme for Business Rates for 2019/20 and 2020/21 and extension of the Business Rates discount for local newspaper office space in 2019/20**

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Mayor Jones	All	Yes

### EXECUTIVE SUMMARY

1. The Government announced in the budget on 29 October 2018 that it will provide a Business Rates Retail Relief scheme for occupied retail properties with a rateable value of less than £51,000 that are wholly or mainly being used as shops, restaurants, cafés and drinking establishments. The relief will apply in each of the years 2019/20 and 2020/21. The value of relief will be one third of the bill and must be applied after all other mandatory and discretionary reliefs. In the same announcement the Government extended the provisions for a £1,500 discount for local newspapers' office space for another year in 2019/20. The Local Newspapers Relief Scheme was introduced in 2017/18 and was originally intended to last just two years.
2. From an analysis of Business Rates records, we estimate that **1,400** local businesses may qualify for the new Retail Relief if they do not fall foul of the State Aid rules and are therefore not eligible for relief. Our initial estimate of the value of Retail Relief we are likely to grant is **£2.9 million**. There are currently no properties in Doncaster that will qualify for the £1,500 business rates discount for newspaper office space. However, it is proposed that an extension of the discount scheme previously agreed for 2017/18 and 2018/19 is approved in the event that any new premises meeting the criteria emerge during 2019/20.
3. The Government is not introducing new legislation for these reliefs. Instead, local authorities are expected to use their discretionary relief powers under Section 47 of the Local Government Finance Act 1988 (as amended) to grant the relief in line with the relevant eligibility criteria. Local authorities will be compensated for the cost of granting the reliefs through a Section 31 grant from Government.

4. The legislation states that the Authority may only grant relief if it would be reasonable to do so having regard to the interests of Council Tax payers in its area. Given the Government has committed to reimburse local authorities for both the Retail Relief granted in 2019/20 and 2020/21 and for the local newspaper offices discount in 2019/20, it is deemed to be in the interests of local Council Tax payers to award the reliefs. Awarding the reliefs will also support the Council's priority outcome of supporting Doncaster businesses to flourish.
5. The Ministry of Housing, Communities & Local Government (MHCLG) have issued guidance for the new Retail Relief scheme. Local authorities are required to have regard to any relevant government guidance when deciding whether to grant relief.

### **EXEMPT REPORT**

6. The report is not exempt.

### **RECOMMENDATIONS**

7. It is recommended that Mayor Jones:
  - A. Approves the proposed scheme of Retail Rate Relief at **Appendix 1** which will potentially benefit around 1,400 local businesses with relief totalling around £2.9 million;
  - B. Approves the proposal to award Retail Relief up-front to all businesses identified as eligible from the general scheme criteria and the use of a State Aid De Minimis declaration process requiring businesses to notify the Council if they do **not** meet State Aid conditions. (A sample De Minimis declaration is included in the MHCLG guidance which the Authority proposes to use for this purpose. The sample declaration is included at the end of the proposed scheme document at Appendix 1);
  - C. Approves the extension of the Business Rates discount of £1,500 for local newspaper office space in 2019/20. This scheme was previously agreed by Council in January 2017 to apply for the years 2017/18 and 2018/19 and is shown at **Appendix 2**.

### **WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?**

8. Around 1,400 local businesses are eligible for Retail Relief over the next two years under these proposals. The relief will support these businesses by reducing the amount they have to pay in business rates in 2019/20 and 2020/21. In addition to the eligible businesses, the citizens of Doncaster generally will benefit from the scheme as the relief supports these businesses and, in turn, the economy, to thrive.
9. There are currently no eligible businesses in Doncaster for the Business Rates discount for local newspaper office space in 2019/20. However, any new qualifying businesses emerging in 2019/20 would benefit from the extension of this relief scheme.

## BACKGROUND

10. As part of the Autumn 2018 budget, the Government announced that it will provide a business rates Retail Relief scheme for occupied retail properties with a rateable value of less than £51,000 that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments. The relief will apply in each of the years 2019/20 and 2020/21. The value of relief will be one third of the bill and must be applied after all other mandatory and discretionary reliefs. In the same announcement the Government extended the provisions for a £1,500 discount for local newspapers' office space for another year in 2019/20. The Local Newspapers Relief Scheme was introduced in 2017/18 and was originally intended to last just two years.
11. MHCLG have issued guidance for the Retail Relief scheme which includes details of the kind of premises that should benefit from the relief:
  - i. Hereditaments that are being used for the sale of goods to visiting members of the public;
  - ii. Hereditaments that are being used for the provision of certain services to the public;
  - iii. Hereditaments that are being used for the sale of food and/or drink to visiting members of the public.

The full list of premises included in the MHCLG guidance is shown at **Appendix 3**. The guidance points out that the list is not intended to be exhaustive and that it is for local authorities to determine for themselves whether particular properties not listed are broadly similar in nature to those specified in the guidance and, if so, consider them eligible for the relief.

12. To qualify for the Retail Relief, the hereditament should be wholly or mainly being used as a shop, restaurant, café 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.
13. The MHCLG guidance also sets out the types of uses that the Government does **not** consider to be retail use for the purpose of the new Retail Relief:
  - i. Hereditaments that are being used for the provision of the following services to visiting members of the public;
    - a. Financial services (e.g. banks, building societies, cash points, bureaux de change, payday lenders, betting shops, pawn brokers)
    - 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 offices
  - ii. Hereditaments that are not reasonably accessible to visiting members of the public.

The MHCLG guidance also states that it considers cinemas, theatres, nightclubs, music venues, gyms and museums to be outside the scope of the new Retail Relief scheme. The guidance also points out that it is for local authorities to determine for themselves whether particular properties are broadly similar in nature to those included above and, if so, to consider them **not** eligible for the relief.

14. The total amount of government-funded relief available for each property for 2019/20 and 2020/21 under the Retail Relief scheme is one third of the bill after mandatory reliefs, including Small Business Rates Relief (SBRR) and other discretionary reliefs funded by Section 31 grants, have been applied.
15. The eligibility for the Retail Relief and the relief itself will be assessed and calculated on a daily basis using the following prescribed formula:

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

V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and any other discretionary reliefs, excluding those where local authorities have used their discretionary relief powers introduced by the Localism Act which are not funded by Section 31 grants.

16. From an analysis of Business Rates records, there are approximately 3,400 premises that meet the general criteria for the Retail Relief (rateable value < £51k and wholly or mainly being used as shops, restaurants, cafés and drinking establishments). However, after taking into account other reliefs including SBRR, exemptions and empty premises, there are potentially around **1,400** premises that are eligible for the new relief. Ratepayers that occupy more than one property will be entitled to Retail Relief for each of their eligible properties, subject to State Aid De Minimis limits.
17. The MHCLG guidance confirms that the Retail Relief amounts to State Aid but that the relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations. The De Minimis Regulations for State Aid allow a business to receive up to €200,000, (around £173,000), of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years).
18. The MHCLG guidance states that it is necessary for local authorities to establish that the award of Retail Relief will not result in the business having received more than €200,000 of De Minimis aid. The guidance also includes a sample De Minimis declaration for authorities to use to discharge this responsibility. The declaration allows for the up-front award of relief to all businesses identified as eligible from the general scheme criteria and that businesses are then only required to return the declaration if they do **not** meet the State Aid conditions. It is proposed that Doncaster Council will award the new Retail Relief up-front to the circa **1,400** businesses meeting the general scheme criteria, but that the relief will then be cancelled for any businesses that return the De Minimis declaration confirming that they do not meet the State Aid conditions.

19. As part of the March 2016 budget, the Government announced funding for local authorities to award business rates relief of up to £1,500 per year for 2017/18 and 2018/19 for local newspapers' office space. Doncaster Council approved a scheme of relief on 26<sup>th</sup> January 2017 which is attached at **Appendix 2**. In the Autumn 2018 budget, the Government extended the provisions for the local newspapers' office space relief for another year in 2019/20. To be eligible for the relief, the Authority must be satisfied that the property is occupied by a local newspaper and be wholly or mainly used as office premises for journalists and reporters. There are currently no premises in Doncaster that meet the criteria for this relief, however, continuation of the previous scheme agreed in 2017 for 2019/20 is proposed in the event that any new qualifying businesses emerge during 2019/20.
20. Central Government will reimburse billing authorities and those major precepting authorities for the actual cost to them under the rates retention scheme of the Retail Relief that falls within the definitions of the MHCLG guidance and the local newspaper office space relief. Local authorities will be asked to provide an estimate of their likely cost for providing the relief in their National Non-Domestic Rate Return 1 (NNDR1) for 2019/20 and 2020/21. Local authorities will also be asked to provide outturn data on the actual total cost for providing the relief, as per the usual process via the National Non-Domestic Rate Return 3 (NNDR3) forms for 2019/20 and 2020/21. Any required reconciliations will then be conducted at these points.

## **OPTIONS CONSIDERED**

### **21. Option 1: Do Nothing**

The Government has not legislated for these relief schemes but has, instead, advised that local authorities can use their discretionary relief powers under Section 47 of the Local Government Finance Act 1988, as amended, to grant relief. However, as Central Government is providing funding for the schemes, and they will benefit local business and contribute towards the corporate priority of supporting local businesses to flourish, this option is not recommended.

### **Option 2: Award relief under different criteria to the government guidance and eligibility criteria**

Using section 47 discretionary relief powers, the Council could decide on different criteria to award the reliefs other than that specified in the government guidance. However, this option is not recommended as the relief would not then be funded via Section 31 Central Government grant and the cost of the relief would have to be met by the Council.

### **Option 3: Award relief in line with the government guidance and eligibility criteria**

The government guidance for the new Retail Relief scheme recognises that changing consumer behaviour presents a significant challenge for retailers in our town centres. Central Government will reimburse billing authorities and those major precepting authorities for the actual cost to them under the rates retention scheme of the relief that falls within the definitions in the MHCLG guidance. This is the recommended option for the new Retail Relief scheme for 2019/20 and 2020/21 and the extension of the £1,500 discount for local newspapers' office space in 2019/20.

## REASONS FOR RECOMMENDED OPTION

22. **Option 3** is the recommended option as this supports the Government's intentions to recognize the challenges faced by smaller retailers and ensures the Council is fully reimbursed for the relief awarded.

## IMPACT ON THE COUNCIL'S KEY OUTCOMES

23.

	<b>Outcomes</b>	<b>Implications</b>
	<p><b>Doncaster Working:</b> Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> <li>• Better access to good fulfilling work</li> <li>• Doncaster businesses are supported to flourish</li> <li>• Inward Investment</li> </ul>	<p>Awarding relief to eligible businesses will support businesses to flourish and support the development of Doncaster's economy.</p>
	<p><b>Doncaster Living:</b> Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> <li>• The town centres are the beating heart of Doncaster</li> <li>• More people can live in a good quality, affordable home</li> <li>• Healthy and Vibrant Communities through Physical Activity and Sport</li> <li>• Everyone takes responsibility for keeping Doncaster Clean</li> <li>• Building on our cultural, artistic and sporting heritage</li> </ul>	
	<p><b>Doncaster Learning:</b> Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> <li>• Every child has life-changing learning experiences within and beyond school</li> <li>• Many more great teachers work in Doncaster Schools that are good or better</li> <li>• Learning in Doncaster prepares young people for the world of work</li> </ul>	

	<p><b>Doncaster Caring:</b> Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> <li>• Children have the best start in life</li> <li>• Vulnerable families and individuals have support from someone they trust</li> <li>• Older people can live well and independently in their own homes</li> </ul>	
	<p><b>Connected Council:</b></p> <ul style="list-style-type: none"> <li>• A modern, efficient and flexible workforce</li> <li>• Modern, accessible customer interactions</li> <li>• Operating within our resources and delivering value for money</li> <li>• A co-ordinated, whole person, whole life focus on the needs and aspirations of residents</li> <li>• Building community resilience and self-reliance by connecting community assets and strengths</li> <li>• Working with our partners and residents to provide effective leadership and governance</li> </ul>	<p>The proposals will maximise use of the government funding for relief whilst not exceeding this, thus ensuring there is no cost to the Council.</p>

## RISKS AND ASSUMPTIONS

24. There is a risk of failure to identify qualifying businesses and award the reliefs accordingly. This risk will be managed by thorough checking of Business Rates records to ensure all qualifying businesses are identified, and publicity of the schemes on the Council's website.
25. Failure to award relief in line with the Government's criteria and guidance could risk that the Council is not properly reimbursed for relief awarded which does not comply with the Section 31 grant conditions. This risk will be managed by close monitoring of relief awarded throughout the year and quality control checking of awards.
26. The expected level of Retail Relief of £2.9 million is based on current businesses that meet the general scheme criteria (rateable value < £51k and wholly or mainly being used as shops, restaurants, cafés and drinking establishments). By awarding relief up-front to these businesses, there is a risk that relief will be given to businesses that do not meet the State Aid conditions. This risk will be managed by sending a De Minimis declaration to all the businesses and ensuring relief is cancelled for any businesses that return the declaration stating that they do **not** meet the State Aid conditions. This is compliant with the government guidance.

### **LEGAL IMPLICATIONS [Officer Initials SRF Date 21/12/18]**

27. Local authorities can grant discretionary rate relief as described in this report using its powers under section 47 of the Local Government Finance Act 1988, as amended by the Localism Act 2011.
28. The legislation states that the local authority may only grant relief if it would be reasonable to do so having regard to the interests of Council Tax payers in its area. Given that the Government has provided funding for the schemes, it is deemed to be in the interests of the Authority's Council Tax payers to award the relief. The legislation also requires a local authority to have regard to any relevant guidance issued by the Secretary of State when deciding whether to grant relief.
29. As identified in the body of the report, such rate relief may amount to State Aid and therefore rate relief can only be given if it complies with the De Minimis levels as described in the report.

### **FINANCIAL IMPLICATIONS [Officer Initials AT Date 19/12/18 ]**

30. Central Government will reimburse billing authorities and those major precepting authorities, i.e. South Yorkshire Fire and Rescue for Doncaster, for the cost of grant the relief via a grant under section 31 of the Local Government Act 2003. Therefore, it is not estimated to be detrimental to the Council's financial position to grant the relief.

### **HUMAN RESOURCES IMPLICATIONS [Officer Initials KG Date 17/12/2018.]**

31. There are no specific HR implications associated with the preferred approach as it is anticipated that the administration of the schemes will be managed within existing resources. If alternative approaches are adopted and this requires significant manual intervention, additional resources may be required to administrate this scheme.

### **TECHNOLOGY IMPLICATIONS [Officer Initials PW Date 17/12/2018]**

32. There are no direct ICT implications in relation to this decision. The Northgate Business Rates system has the functionality to award relief although manual intervention will be required to calculate the relief for each qualifying business.

### **HEALTH IMPLICATIONS [Officer Initials RS By Email Date 17/12/2018]**

33. There are no direct health implications arising from this report. However, good quality work is important for good health and wellbeing. Business Rate relief is one way to support local businesses fulfil their wider social value including paying the living wage, maximising work-life balance for employees and providing greater employment security.



## **EQUALITY IMPLICATIONS [Officer Initials: MB Date...14/12/2018]**

34. There are no equality implications associated with this report.

### **CONSULTATION**

35. There is no statutory requirement to consult on these relief schemes. Given the Council is proposing to award relief strictly in accordance with the government guidance for the schemes and will be fully re-imbursed by Central Government, it was not considered necessary to undertake any general consultation.

### **BACKGROUND PAPERS**

36. There are no background papers to this report.

### **REPORT AUTHOR & CONTRIBUTORS**

Marian Bolton  
Head of Revenues and Benefits  
01302 735341  
[Marian.bolton@doncaster.gov.uk](mailto:Marian.bolton@doncaster.gov.uk)

Alan Stoves  
Revenues Manager  
01302 735585  
[Alan.stoves@doncaster.gov.uk](mailto:Alan.stoves@doncaster.gov.uk)

**Steve Mawson  
Chief Financial Officer  
& Assistant Director of Finance**

**DONCASTER METROPOLITAN BOROUGH COUNCIL**

**BUSINESS RATES DISCRETIONARY RETAIL RELIEF SCHEME**

**Background**

1. Local Authorities have the power to grant Discretionary Rate Relief to Ratepayers that meet certain criteria. The amount of relief granted is used to reduce the amount the Ratepayer owes in Business rates.
2. As part of the 2018 Budget, the Government announced that it will provide a Business Rates Retail Discount for occupied retail properties with a rateable value of less than £51,000, in the financial years 2019/20 and 2020/21. The value of the discount should be one third of the bill, and must be applied after mandatory reliefs and discretionary reliefs funded by section 31 grants have been applied. The property has to be wholly or mainly being used for the qualifying purpose.
3. As this is a measure for the years 2019/20 and 2020/21 only, the Government is not changing the legislation around awarding reliefs available to properties. Instead the Government will, in line with the eligibility criteria set out in their guidance, 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 will be for individual local billing authorities to adopt a local scheme and determine in each individual case when, having regard to the government guidance, to grant relief under section 47. Central Government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003).

**Legislation**

4. S47 of the Local Government Finance Act 1988, as amended by the Localism Act, states the Authority may only grant relief if it would be reasonable to do so having regard to the interests of Council Tax payers in its area. It also requires a local authority to have regard to any relevant guidance issued by the Secretary of State when deciding whether to grant relief.
5. 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).
6. 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).
7. To administer De Minimis aid it is necessary for the local authority to establish that the award of aid will not result in the undertaking having received more than €200,000 of De Minimis aid.

8. The UK is scheduled to leave the EU on 29 March 2019. If there is an Implementation Period, the State Aid rules will continue to apply as now and will be subject to control by the EU Commission as at present. If the UK leaves the EU without a negotiated Withdrawal Agreement, the Government has announced its intention to transpose EU State Aid rules into UK domestic legislation, with only technical modifications to correct deficiencies with the transposed EU law to ensure the regime operates effectively in a domestic context. Local authorities should therefore continue to apply State Aid rules, including De Minimis, to the relief for 2019/20 and 2020/21.

### **Who Pays For The Relief Granted?**

9. Central Government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003). The Government expects local government to grant relief to qualifying ratepayers.

### **The Council's Policy**

#### **Purpose**

10. The purpose of this Policy is to specify how the Council will operate its discretionary powers in the Local Government Finance Act 1988 and to indicate the factors we will consider when deciding if Retail Relief can be awarded.
11. The Council will consider awarding Retail Rate Relief to all ratepayers who meet the qualifying criteria as specified in this scheme. We will deal with each application for relief on its merits and treat all ratepayers that receive Retail Rate Relief equally and fairly. We will share information with other public bodies and grant funders to prevent and detect fraud and duplication of aid and assistance in respect of Business Rates.

#### **Consultation**

12. Due to the very short timescales from receiving the guidance from the Government it has not been possible to undertake public consultation on this policy. The scheme is also fully in line with the government guidance and eligibility criteria for the scheme.

#### **How the Discretionary Retail Rate Relief will be awarded**

13. Doncaster Council will automatically calculate and award the relief to those properties that meet the qualifying criteria set out below. The Ministry for Housing, Communities and Local Government have said that it is necessary for local authorities to establish that the award of Retail Relief will not result in the business having received more than €200,000 of De Minimis aid. In order to discharge this responsibility all Retail Relief recipients will be issued with a De Minimis declaration, an example of which is shown at Annex 1. Ratepayers are only required to return the declaration if they do not meet the State Aid conditions. For any ratepayers that return the declaration indicating they do not meet State Aid criteria, the relief will then be cancelled.
14. The declaration must be completed by the ratepayer or a person authorised to sign on behalf of the ratepayer.

A person authorised to sign on behalf of the ratepayer is:-

- a partnership – a partner of the partnership;
- a trust – a trustee of that trust;
- a body corporate – a director of that body, and

in any other case a person duly authorised to sign on behalf of the ratepayer.

We may request any reasonable evidence in support of the declaration.

### **Period of Award**

15. The start date of the relief will normally be the 1<sup>st</sup> April 2019.

16. For applications where the qualifying criteria are not met until after this date, the start date of the relief will be the date that the qualifying conditions are met up to and including 31<sup>st</sup> March 2021 (which is the last date that relief will be awarded for).

17. The minimum period of relief that can be awarded is one day.

18. The maximum period of relief that can be awarded is 24 months. All applications will cease on the 31<sup>st</sup> March 2021, or from such date that one or all of the qualifying criteria are not met, if sooner.

19. No relief will be awarded for a period prior to 1<sup>st</sup> April 2019 or from 1<sup>st</sup> April 2021 onwards, unless advised by the Secretary of State.

### **How we will decide whether to award Discretionary Rate Relief**

20. Relief may be awarded where:-

- the rateable value is less than £51,000;
- the property is occupied;
- the property is wholly or mainly being used for retail purposes.

Examples of types of use for retail relief purposes are :-

- ***Properties 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)

- ***Properties 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

- ***Properties 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

21. 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.

22. The list is not intended to be exhaustive, if a use is broadly similar to those above, it will be considered eligible for relief. Conversely, if properties are not broadly similar in nature to those listed they will not be eligible for relief.

23. Examples of types of use that are **not** considered to be retail use for the purposes of the relief are:-

- ***Properties 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)
- Post office sorting office

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

## How much will we award?

24. 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. Of course, councils may use their discretionary powers to offer further discounts outside this scheme. However, where an authority applies a locally funded relief, sometimes referred to as a hardship fund, under section 47 this must be applied after the Retail Relief.
25. The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis. The following formula should be used to determine the amount of relief to be granted for a chargeable day for particular hereditament in the financial year 2019/20:

Amount of relief to be granted =

$$\frac{V}{3} \text{ where}$$

V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and any other discretionary reliefs, excluding those where local authorities have used their discretionary relief powers introduced by the Localism Act which are not funded by section 31 grants

This should be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.

26. Ratepayers that occupy more than one property will be entitled to retail relief on each of their eligible properties subject to EU State Aid De Minimis limits.
27. A new hereditament created because of a split or merger during the financial year or a change of use will be considered afresh for the relief from that date.

## How Payments will be made

28. All relief awarded will be credited to the ratepayers Business Rates account.

## Notifications

29. The Council will notify all businesses identified as eligible for Retail Rate Relief.

The notification will include the following information:-

- The period of the award.
- The amount of Rate Relief to be awarded for the period.

## **Overpayments**

30. The Council will recover all overpayments of Retail Rate Relief through the organisation's Business Rates account.

## **Right of Appeal**

31. If you are aggrieved by a decision made under this scheme, you must write and tell us why you think the decision is wrong, e.g. whether the published criteria has been properly applied.

32. Your case will then be considered by someone who has not been involved in the original determination.

33. They will thoroughly check all the information we hold regarding the property and any further information you have provided. They will decide whether or not the criteria have been properly applied. They could then: -

- Decide not to change the decision;
- Change the decision and award Retail Rate Relief

They will write to tell you what has happened, normally within 21 days of reconsidering your appeal.

## **Fraud**

34. The Council is committed to the fight against fraud in all its forms. An organisation who tries to fraudulently apply for Retail Rate Relief by falsely declaring their circumstances or providing a false statement or evidence in support of their application, may have committed an offence under the Theft Act 1968. Where we suspect that such a fraud may have occurred, the matter will be investigated in line with the Council's Anti-Fraud Strategy. This may lead to criminal proceedings being instigated.

## **Publicity**

35. The Council will include information about Retail Rate Relief in the Business Rates Section of the Council's website.

## **Review**

36. The policy will be reviewed periodically and at the end of the 2020/21 year, taking into account any changes in legislation or guidance from Central Government regarding the funding for this relief.

## Annex 1

### **Disclaimer letter to be issued to ratepayers about Retail Discount for 2019/20 and 2020/21**

At Autumn Budget 2018, the Chancellor announced that eligible retailers will receive a one third discount on their business rates bills for two years from April 2019.

Relief will be provided to eligible occupied retail properties with a rateable value of less than £51,000 in 2019/20 and 2020/21. Your current rates bill includes this Retail Discount.

Awards such as Retail Discount are required to comply with the EU law on State Aid. In this case, this involves returning the attached declaration to this authority if you have received any other *de minimis* State Aid, including any other Retail Discount you are being granted for premises other than the one to which this bill and letter relates, and confirming that the award of Retail Discount does not exceed the €200,000 an undertaking can receive under the *de minimis* Regulations EC 1407/2013.

Please complete the declaration and return it to the address above. In terms of declaring previous *de minimis* aid, we are only interested in public support which is *de minimis* aid. (State Aid received under other exemptions or public support which is not State Aid does not need to be declared.)

If you have not received any other *de minimis* State Aid, including any other Retail Discount you are being granted for premises other than the one to which this bill and letter relates, you do not need to complete or return the declaration.

If you wish to refuse to receive the Retail Discount granted in relation to the premises to which this bill and letter relates, please complete the attached form and return it to the address above. You do not need to complete the declaration. This may be particularly relevant to those premises that are part of a large retail chain, where the cumulative total of Retail Discount received could exceed €200,000.

Under the European Commission rules, you must retain this letter for three years from the date on this letter and produce it on any request by the UK public authorities or the European Commission. (You may need to keep this letter longer than three years for other purposes). Furthermore, information on this aid must be supplied to any other public authority or agency asking for information on '*de minimis*' aid for the next three years.



**'De minimis' declaration**

Dear [ ]

NON-DOMESTIC RATES ACCOUNT NUMBER: \_\_\_\_\_

The value of the non-domestic rates Retail Discount to be provided to [name of undertaking] by [name of local authority] is £ [ ] (Euros [ ]).

This award shall comply with the EU law on State Aid on the basis that, including this award, [name of undertaking] shall not receive more than €200,000 in total of *De minimis* aid within the current financial year or the previous two financial years). The *de minimis* Regulations 1407/2013 (as published in the Official Journal of the European Union L352 24.12.2013) can be found at:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF>

Amount of de-minimis aid	Date of aid	Organisation providing aid	Nature of aid

I confirm that:

- 1) I am authorised to sign on behalf of \_\_\_\_\_ [name of undertaking];  
and
- 2) \_\_\_\_\_ [name of undertaking] shall not exceed its *De minimis* threshold by accepting this Retail Discount.

SIGNATURE:  
NAME:  
POSITION:  
BUSINESS:  
ADDRESS:  
DATE:

## Refusal of Retail Discount form

Name and address of premises	Non-domestic rates account number	Amount of Retail Discount

I confirm that I wish to refuse Retail Discount in relation to the above premises.

I confirm that I am authorised to sign on behalf of \_\_\_\_\_ [name of undertaking].

SIGNATURE:

NAME:

POSITION:

BUSINESS:

ADDRESS:

DATE:

**DONCASTER METROPOLITAN BOROUGH COUNCIL**

**BUSINESS RATES DISCRETIONARY LOCAL NEWSPAPER RELIEF SCHEME**

**Background**

1. Local Authorities have the power to grant Discretionary Rate Relief to Ratepayers that meet certain criteria. The amount of relief granted is used to reduce the amount the Ratepayer owes in Business rates.
2. As part of the March 2016 budget, the Government announced that it will provide funding for Business Rates Relief of up to £1,500 per year for two years for some properties occupied by local newspapers and used wholly or mainly for the purposes of office premises for journalists and reporters.
3. As this is a measure for the years 2017/18 and 2018/19 only, the Government is not changing the legislation around awarding reliefs available to properties. Instead it has provided guidance from the Department of Communities and Local Government in December 2016. This sets out the criteria which Central Government will use to reimburse local authorities, who use their discretionary relief powers.
4. The council would like to support qualifying local newspapers by utilising its discretionary powers through the application of this policy.

**Legislation**

5. S47 of the Local Government Finance Act 1988, as amended by the Localism Act 2011, states the Authority may only grant relief if it would be reasonable to do so having regard to the interests of Council Tax payers in its area. It also requires a local authority to have regard to any relevant guidance issued by the Secretary of State when deciding whether to grant relief.
6. Providing discretionary relief to ratepayers is likely to amount to State Aid. However Local Newspaper Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013).
7. The De Minimis Regulations allow an undertaking to receive up to €200,000, around £168,000, of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years).
8. To administer De Minimis aid it is necessary for the local authority to establish that the award of aid will not result in the undertaking having received more than €200,000, around £168,000 of De Minimis aid. Exchange rates will be calculated using the currency converter shown on the link below.

[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro/inforeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm)

**Who Pays For The Relief Granted?**

9. Central government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003). The Government expects local government to grant relief to qualifying ratepayers.

## **Purpose**

10. The purpose of this Policy is to specify how the Council will operate its discretionary powers and to indicate the factors we will consider when deciding if this relief can be awarded.
11. The Council will consider awarding relief to all ratepayers who meet the qualifying criteria. We will deal with each application on its merits and treat all organisations that apply for this relief equally and fairly. We will share information with other public bodies and grant funders to prevent and detect fraud and duplication of assistance in respect of Business Rates.

## **Consultation**

12. Due to the very short timescales from receiving the guidance from the Government it has not been possible to undertake public consultation or consultation on this policy. The Mayor and Cabinet and major preceptor representative of South Yorkshire Fire have been consulted.

## **Claiming Discretionary Local Newspaper Relief**

13. In order to receive relief the council have to be satisfied that the qualifying criteria are met. For each award a State Aid declaration must be submitted by the ratepayer to declare any other aid received and to confirm they do not exceed the De Minimis threshold.
14. We will award relief in circumstances where we consider an organisation may be entitled to relief and will provide a form/ declaration to assist in identifying those Businesses entitled to relief. The form/declaration must be completed by the ratepayer or a person authorised to sign on behalf of the ratepayer.
15. We may request any reasonable evidence in support of the application.

## **Period of Award**

16. The start date of the relief will normally be the 1<sup>st</sup> April 2017.
17. For applications where the qualifying criteria are not met until after this date, the start date of the relief will be the date that the qualifying conditions are met up to and including 31<sup>st</sup> March 2019 (which is the last date that relief will be awarded based on the current information from Government).
18. The minimum period of relief that can be awarded is one day.
19. Entitlement to relief will cease on the 31<sup>st</sup> March 2019, however should funding be extended the policy to award relief may also be extended. Entitlement to relief will cease from such date that one or all of the qualifying criteria are not met, if sooner.
20. No relief will be awarded for a period prior to 1<sup>st</sup> April 2017.

## **How we will decide whether to award Discretionary Rate Relief?**

21. Relief may be awarded where:-

- The property is wholly or mainly used as office premises for journalists and reporters
- The ratepayer is a local newspaper

### **How much will we award?**

22. The total amount of relief available for each property for each of the years under this scheme is £1,500.
23. Local Newspaper Relief will be awarded after taking in to consideration other reliefs, excluding relief awarded under the existing Discretionary Rate Relief Policy and will be no more than the net rate liability if this is less than £1,500.
24. Ratepayers that occupy more than one property will be entitled to local newspaper relief on only one of their eligible properties subject to EU State Aid De Minimis limits.
25. A new hereditament created because of a split or merger during the financial year or a change of use will be considered afresh for the relief from that date.
26. Relief is limited to a maximum of one discount per newspaper title and per hereditament.
27. The level of relief does not vary with rateable value.

### **How Payments will be made**

28. All relief awarded will be credited to the ratepayer's Business Rates account.

### **Notifications**

29. The Council will inform the ratepayer applying in writing of the outcome of their application for Local Newspaper Relief.
30. Where the application is not successful, the notification will provide reasons why we have decided not to award Local Newspaper Relief and the applicant's right to ask us to look at the decision again.
31. Where the application is successful, the notification will include the following information:-
  - The period of the award.
  - The amount of Relief to be awarded for the period.

### **Overpayments**

32. The Council will recover all overpayments of Local Newspaper Relief through the organisation's Business Rates account.

### **Examples**

33. A local newspaper with two offices would only be able to claim discount for one of them.
34. An office shared by three separate local newspaper titles will only be eligible for a single discount.

## **Right of Appeal**

35. If you are aggrieved by a decision made under this policy, you must write and tell us why you think the decision is wrong, e.g. whether the published criteria has been properly applied.
36. Your case will then be considered by someone who has not been involved in the original determination.
37. They will thoroughly check all the information we hold regarding the property along with the details in the relief application and any further information you have provided. They will decide whether or not the criteria have been properly applied. They could then: -
  - Decide not to change the decision;
  - Change the decision and award Local Newspaper Relief
38. They will write to tell you what has happened, normally within 21 days of reconsidering your appeal.

## **Fraud**

39. The Council is committed to the fight against fraud in all its forms. An organisation who tries to fraudulently apply for Local Newspaper Relief by falsely declaring their circumstances or providing a false statement or evidence in support of their application, may have committed an offence under the Theft Act 1968. Where we suspect that such a fraud may have occurred, the matter will be investigated in line with the Council's Anti-Fraud Strategy. This may lead to criminal proceedings being instigated.

## **Publicity and Information**

40. The Council will include information about Local Newspaper Rate Relief in the Business rates Section of the Council's website and other appropriate places.

## **Review**

41. The policy will be reviewed periodically, taking into account any changes in legislation or guidance from Central Government regarding the funding for this relief.

### **Extract from MHCLG guidance: “Which properties will benefit from the Retail 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.

We 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
- 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