



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

9TH APRIL 2019

**NON-DOMESTIC RATES
WALES HIGH STREET AND RETAIL RATES RELIEF 2019-20**

**REPORT OF DIRECTOR OF FINANCE AND DIGITAL SERVICES IN DISCUSSIONS
WITH THE RELEVANT PORTFOLIO HOLDER (CLLR M NORRIS)**

Author(s): Mr Matthew Phillips, Head of Service (Revenues & Benefits)

1. PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to provide Members with information about the latest (extended) Wales High Street and Retail Relief Scheme (“the scheme”) that will provide rate relief for businesses, which has been announced by the Welsh Government (WG) and is effective from 1st April 2019.

2. RECOMMENDATIONS

It is recommended that Cabinet:

- a) Note the details of the scheme detailed in this report; and
- b) Agree that for the financial year 2019/20, the scheme shall apply to the types of premises described in this report and that the Director of Finance & Digital Services be authorised to apply the relief to qualifying ratepayers.

3 REASONS FOR RECOMMENDATIONS

- 3.1 To ensure that all qualifying businesses that will benefit from this WG scheme receive the appropriate level of relief on their rates bill in a timely manner.

4. BACKGROUND

- 4.1 This purpose of the scheme is to:
- a. Continue to support businesses in Wales that are responding to the challenges of the changing retail environment i.e. internet shopping, with many high street traders having to adapt to changing consumer preferences in how people shop;
 - b. Contribute to the development of sustainable and vibrant town centres; and
 - c. Help businesses who continue to be affected by the independent revaluation exercise undertaken in 2017 by the Valuation Office Agency.

- 4.2 The scheme for 2018/19 included a maximum award of either £250 (for premises with a rateable value up to £12,000) or £750 (for premises with a rateable value of between £12,000 and £50,000). The scheme provided total relief of £137,350 to 504 business ratepayers in Rhondda Cynon Taf in 2018/19.
- 4.3 WG has announced that for 2019/20 the scheme will provide relief of up to £2,500 on the business rates bill for all occupied retail properties with a rateable value of £50,000 or less (subject to State Aid limits). Details of the types of businesses that will benefit from the scheme are set out in Appendix 1 and those that are not entitled to relief under the scheme are set out in Appendix 2.
- 4.4 It is estimated by WG that the 2019/20 scheme will provide support to around 15,000 small and medium sized businesses across Wales. In Rhondda Cynon Taf, it is estimated that around 1,200 businesses could qualify for approximately £1.8M of support through this scheme.
- 4.5 As this is a temporary measure, the relief will be provided by reimbursing local authorities that use their discretionary relief powers (under Section 47 of the Local Government Finance Act 1988).
- 4.6 As the rate relief will be awarded by councils under existing Discretionary Rate Relief powers and as this is a 'national policy', local Discretionary Rate Relief policies adopted by councils do not need to be amended.
- 4.7 It will be for individual Councils to decide to grant relief under section 47 but WG will reimburse Councils for the relief that is provided in line with this guidance (using a grant under Section 31 of the Local Government Act 2003).

5 EQUALITY AND DIVERSITY IMPLICATIONS

- 5.1 The matters set out in this report are factual; there are no equality and diversity implications. Once adopted, the Council is obliged to comply with the Welsh Government's rules in applying the Scheme.

6 CONSULTATION / INVOLVEMENT

- 6.1 There are no consultation requirements emanating from the recommendations set out in the report.

7 FINANCIAL IMPLICATION(S)

- 7.1 There are no direct financial implications to the Council in adopting this scheme. The full value of the rate relief awarded will be reimbursed to the Council through an initial payment early in 2019/20 and a final 'top up' payment once the 2019/20 scheme closes on 31st March 2020.

8 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 8.1 The proposed discretionary High Street and Retail Rate Relief Scheme is in accordance with the Council's statutory powers under Section 47 of the Local Government Finance Act 1988 and Welsh Government statutory guidance. The eligibility criteria and the nature of the rates relief is prescribed by the Guidance and the cost to the Council in terms of the reduced income is funded by Welsh Government grant under Section 31 of the Local Government Act 2003.
- 8.2 For the scheme to be applied in Rhondda Cynon Taf, the Council needs to formally resolve to adopt the scheme locally in exercise of its discretionary powers under section 47(1) (a) of the 1988 Act and the Director of Finance and Digital Services will administer the scheme and make the necessary determinations in accordance with the Council's 'officer scheme of delegation'.

9 LINKS TO THE CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT.

- 9.1 The proposals are aligned to the Council's Corporate Plan priorities, one of which is 'Building a strong economy', and the Wellbeing of Future Generations (Wales) Act 2015 and in particular "A more prosperous Wales".

10 CONCLUSION

- 10.1 The Wales High Street and Retail Relief scheme will provide much needed financial support to approximately 1,200 local businesses in Rhondda Cynon Taf in 2019/20 in the form of a reduction in their Non Domestic Rates bill, of up to £2,500.

Appendix 1

Examples of the types of retail premises that **may** qualify for assistance under the Wales High Street and Retail Relief Scheme:

- 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, newsagents, hardware stores, supermarkets, etc.)
 - Opticians
 - Pharmacies
 - 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
 - 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
 - Cinemas
 - Estate and letting agents
- Properties that are being used for the sale of food and / or drink to visiting members of the public:-
 - Restaurants, including drive through/drive in restaurants
 - Takeaways
 - Sandwich shops
 - Cafés
 - Coffee shops
 - Pubs
 - Wine Bars

Appendix 2

Examples of the types of retail premises that **will not** qualify for assistance under the Wales High Street and Retail Relief Scheme:

- Properties being used wholly or mainly for the provision of the following services to visiting members of the public:
 - Financial services (e.g. banks, building societies, cash points, ATMs, bureaux de change, payday lenders, betting shops, pawn brokers)
 - Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
 - Professional services (e.g. solicitors, accountants, insurance agents, financial advisers, tutors)
 - Post office sorting office
 - Tourism accommodation, e.g. B&Bs, hotel accommodation and caravan parks
 - Sports clubs
 - Children's play centres
 - Day nurseries
 - Outdoor activity centres
 - Gyms
 - Kennels and catteries
 - Show homes and marketing suites
 - Employment agencies

In addition, the following properties will not be eligible to relief under the scheme:

- a) Properties with a rateable value of more than £50,000
- b) Properties that are not reasonably accessible to the visiting members of the public
- c) Properties that are not occupied
- d) Properties that are owned, rented or managed by a local authority
- e) Properties that are in receipt of mandatory charitable relief

Other Information:-

Relevant Scrutiny Committee

Finance & Performance Scrutiny Committee

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

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2019-20**

Background Papers

NONE

Officer to contact:

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