

Business Support Overview and Scrutiny Committee

BRIEFING NOTE – No. 2/2016

Date: 17 February 2016

To: All Members of the Business Support Overview and Scrutiny Committee

Purpose: This briefing note was as a result of discussion at the meeting of this Committee on 2 February 2016

Heading: Retail Relief

Background

In the Autumn Statement 2013, Government announced its intention that for 2014-15 and 2015-16, occupiers of shops, pubs and restaurants with a rateable value below £50,000 should receive a discount of £1,000 on their rates bills.

As this was a temporary measure, the Government did not change the rules on when a property becomes entitled to relief. Instead they provided the relief by reimbursing local authorities that used their discretionary relief powers (under section 47 of the Local Government Finance Act 1988) to grant relief in prescribed circumstances. The reimbursement is via a section 31 grant claimed via the National Non-Domestic Rate 1 and 3 returns.

On 11 February 2014 the Cabinet adopted the schemes for the relief of business rates, including retail relief for the 2014/15 and 2015/16 years only, and delegated to the Chief Finance Officer, in consultation with the Portfolio Holder for Finance, the detailed application of those schemes (Decision 30/2014).

The amount of relief was increased to £1,500

Current Position

As at 31 January, retail relief had been awarded to 661 accounts during 2015/16 totalling £964k (compared to 731 accounts in 2014/15 totalling £483k).

Anyone wishing to apply for relief must complete an application form including a 'de minimis' declaration that awarding retail relief would not breach state aid rules. This declaration clearly states that the relief is for 2014/15 and 2015/16 only. The on-line NDR information leaflet also states that the relief is for 2014/15 & 2015/16 only. As such, there should be no expectation that relief will be awarded in 2016/17.

In order to further clarify the situation, officers are intending to write to current recipients of retail relief to inform them of it ending on 31 March 2016.

The Council operates a hardship relief scheme for businesses suffering genuine hardship that meet certain qualifying criteria.

Further Information – Jon Poulson, Revenue and Benefits Manager ext. 3700.