

LGSS LOCAL DISCRETIONARY RETAIL DISCOUNT 2019-20 AND 2020-21 GUIDANCE AND APPLICATION FORMS

What is on Local Retail Discount

The Government announced in the Budget on 29 October 2018 that it will provide a Business Rates Retail Discount scheme for certain occupied shops, restaurants, cafes and drinking establishments with a rateable value of less than £51,000 in each of the years 2019-20 and 2020-21. The value of discount for qualifiers should be one third of the bill, and must be applied after mandatory reliefs and other discretionary reliefs funded by grants have been applied. Where an authority applies a locally funded relief, this must be applied after the Retail Discount

Why

The Government recognises that changing consumer behaviour presents a significant challenge for retailers in our town centres and is taking action to help the high street evolve.

You may qualify if

- Your property is occupied
- You are wholly or mainly selling retail goods or services on and from the property (see below for the qualification criteria for retail definitions for this scheme)
- The Rateable Value of your property is less than £51,000
- You/your organisation/group undertaking have not & will not receive discretionary reliefs (not just Rates) with a value over €200,000 for all your businesses under De Minimis State Aid rules over a three year rolling period. Remember that Local Discretionary Relief and Supporting Small Business Relief both count under De Minimis rules.

What do I have to do now if I think I qualify?

Please complete and return the enclosed application form confirming your entitlement but please read the qualification criteria notes carefully before deciding whether you might qualify and whether you can apply. You may need to take advice from your accountants if you are unsure about State Aid.

Please note the Discretionary Retail Rate Relief scheme will only run from 1 April 2019 to 31st March 2021 and applications must be received no later than six months after the end of the financial year to which any relief is to apply.

Signed and completed forms can be scanned and returned by email by to revenues@horsham.gov.uk.

Occupying qualifiers will receive Rate Demands showing the award within the 2019 and 2020 financial years but any prior year balances or instalment arrears due in the interim should be made without delay.

If you decide you don't qualify or would breach State Aid limits and wish to decline the offer:-

Please send an email to revenues@horsham.gov.uk confirming this so that we don't chase you for a reply.

DISCRETIONARY RETAIL RELIEF APPLICATION FORM 2019-20 AND 2020-21

For certain occupied Retail properties with a Rateable Value below £51,000 or below

SECTION 1	
Property address for which Discretionary Retail Rate Relief is now sought	
The property Reference Number or Rate Account Reference Number shown on your Rate Demand	
Briefly describe what the property is wholly or mainly used for and the nature of goods/services provided?	
What percentage (%) of the property area is currently used wholly or mainly for the sale of retail goods or services	
Can visiting members of the public gain free access to the retail area during normal business hours without restrictions or appointments	
What other uses are made of the rated property (e.g. office/storage, non-retails areas)	
The occupation date where the effective date is after 31 st March 2019 (State N/A if occupied pre 01 April 2019)	
Name of occupier (Either sole trader name, or all partners names, or Ltd/PLC/LLP Company name or other incorporated Organisation name)	
Trading Name	
Your Contact Address (where different from business address)	YES / NO
Daytime Contact Telephone Number	
Email Address	

OCCUPATION AND STATE AID STATEMENT

I declare that the above property is currently wholly or mainly occupied for the retail provision of goods or services by me/my Company/my Organisation and that, by reference to the Government guidance, the usage is largely or broadly similar to the qualifying categories but not largely or broadly similar to the ineligible categories. I confirm that I have not exceeded the De Minimis State Aid threshold but will notify the Council immediately should the relief threshold be exceeded by any award resultant from this application.

SIGNATURE, CAPACITY AND DATE

Signature of Ratepayer & printed Name (Not to be completed by an agent)	
Capacity of person signing (e.g. sole trader, partner, Director, Company secretary, Trustee, Accountant)	
Date	

I UNDERSTAND THAT IF DISCRETIONARY RELIEF IS GRANTED FOR ANY DATES BETWEEN 1 APRIL 2019 AND 31 MARCH 2021, BUT I THEN VACATE THE PROPERTY OR IT CEASES TO BE WHOLLY OR MAINLY OCCUPIED FOR THE RETAIL PROVISION OF GOODS OR SERVICES ON OR FROM THE RATED PROPERTY OR THE USAGE IS NOT CONSISTENT WITH GOVERNMENT GUIDELINES ON QUALIFYING RV OR USAGE, RELIEF WILL BE CANCELLED FROM THE RELEVANT DATE.

QUALIFICATION CRITERIA

The Government announced in the Autumn Budget of 29 October 2018 that, subject to recipients not breaching De Minimis State Aid limits, it will provide funding to allow Councils to provide up to 1/3rd rate relief for certain occupied retail premises with a Rateable Value below £51,000 for 2019 and 2020.

Subject to certain exclusions (see below), properties that will benefit from the relief will be occupied hereditaments with a rateable value below £51,000 that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments.

For the purposes of Retail Relief, the Government considers 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: 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: 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.

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 authorities as to the types of uses that government considers for this purpose to be retail. Authorities should determine for themselves 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 should not be eligible for the relief.

The list below sets out the types of uses that government does not consider to be retail use for the purpose of this relief.

Again, it is for local authorities to determine for themselves whether particular properties are broadly similar in nature to those below and, if so, to consider them not eligible for the relief

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)
- Post office sorting office

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

iii., Hereditaments which are unoccupied and those which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief. In a similar way to other relief's (such as charity relief), this is a test on use rather than occupation.

The relief will be applied against the net bill after all other reliefs have been applied.

A ratepayer in receipt of other relief's amounting to 100% such as Small Business Rate Relief for a property with an RV below £12,000 or a Charity receiving relief top up to 100% should not apply for retail Relief in 2019 or 2020 as there will be no financial benefit.

Applications should be fully completed and signed by the ratepayer rather than an agent

An agent may not be aware of all of the De Minimis State Aid awards received by the undertaking. Agents receiving this application form on behalf of their client are advised to forward it to their client for completion and return. In the case of any rejected applications, the Council will designate a senior officer for appeal purposes where it has received a signed and fully completed application form from the liable party itself and where the ratepayer is not satisfied with the reason for rejection

State Aid Guidance

Awards such as Retail Relief are required to comply with the EU law on State Aid (1). In this case, this involves returning the attached application / declaration form and confirming that the award of Retail Relief does not and will not result in your undertaking (6) exceeding the €200,000 it can receive under the De Minimis Regulations

To administer De Minimis it is necessary for the local authority to establish (before granting the relief) that the undertaking will not exceed the €200,000 limit. Please note that the threshold only relates to aid provided under the De Minimis Regulations (aid under other exemptions or outside the scope of State Aid is not relevant to the De Minimis calculation).

For information at Nov 2018, 1 GBP = 1.12173 EUR and 200000 EUR = 178296
GBP.http://ec.europa.eu/budget/contracts_grants/info_contracts/infoeuro/index_en.cfm

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.

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)¹.

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

(2) The 'New SME Definition user guide and model declaration' provides further guidance:
http://ec.europa.eu/enterprise/policies/sme/files/sme_definition/sme_user_guide_en.pdf

(3) http://ec.europa.eu/budget/contracts_grants/info_contracts/infoeuro/infoeuro_en.cfm

(4) Detailed State Aid guidance can also be found at:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/15277/NationalStateAidLawRequirements.pdf

(5) Further information on State Aid law can be found at <https://www.gov.uk/state-aid>

(6) An undertaking is an entity which is engaged in economic activity. This means that it puts goods or services on a given market. The important thing is what the entity does, not its status. Thus a charity or not for profit company can be undertakings if they are involved in economic activities. A single undertaking will normally encompass the business group rather than a single company within a group. Article 2.2 of the De Minimis Regulations (Commission Regulation EC/ 1407/2013) defines the meaning of 'single undertaking'.