

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Executive Director – Commercialisation (S.151)

To: Cabinet Portfolio Holder for Finance
(Cllr Coupland)

(Author: Sharon Hammond, Head of Revenues and Benefits

Subject: Business Rates - Discretionary Rate Relief

Purpose: To review and decide expanded retail discount scheme decisions, in line with the review provisions contained in the Discretionary Rate Relief Policy

Recommendation(s):

To determine that the business hereditament concerned, Store and Premises, Newhaven, Risegate, Gosberton, Lincs, PE11 4EZ (property reference: 70058571), does not meet the criteria of the Expanded Retail Discount scheme and therefore ratepayer Bates Environmental Ltd cannot receive the relief.

1.0 BACKGROUND

- 1.1 The Government announced in the Budget on 29 October 2018 that it would provide a Business Rates Retail Discount, to apply in the years 2019/20 and 2020/21. In response to the coronavirus pandemic, in the Budget on 11 March the Government announced that it would increase the discount to 100% and extend it to include the leisure and hospitality sectors. Following the announcement on 23 March 2020 of further measures to limit the spread of coronavirus, the Government confirmed that some of the exclusions for this relief have been removed, so that retail, leisure, and hospitality properties that will have had to close as a result of the restriction measures will now be eligible for the relief.
- 1.2 This relief applies to occupied retail, leisure and hospitality properties in the year 2020/21. There will be no rateable value limit on the relief. For the avoidance of doubt, hereditaments which have closed temporarily due to the government's advice on COVID-19 should be treated as occupied for the purposes of this relief.
- 1.3 As this is a measure for 2020/21 only, the Government is not changing the legislation relating to the 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 under section 47 of the Local Government Finance Act 1988 (as amended), to grant relief. It is for individual local billing authorities to adopt a local scheme and determine in each individual case when, having regard to this guidance, to grant relief under section 47.
- 1.4 South Holland has adopted a local scheme in line with the Government guidance and will have regard to this guidance, to determine whether or not to grant relief under section 47.

- 1.5 A copy of the Government Guidance that South Holland District Council have adopted as their local scheme can be found in Appendix A
- 1.6 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).
- 1.7 Those businesses that qualify for the Retail Discount and have a Rateable Value (RV) below £51,000 will also be entitled to a Retail, Hospitality and Leisure Grant, which is fully funded by central Government. For those business with a RV up to £15,000 there is a £10,000 grant available and for those with an RV between £15,001 and £50,999 entitled to £25,000. Along with the business rates relief these grants form part of the Governments response designed to support businesses following Covid19.
- 1.8 Bates Environmental Ltd occupy two business hereditaments within South Holland. The largest being a vehicle repair workshop at 56-60 Station Street, Donnington, Spalding (property reference 70031038). The RV for this hereditament is £17,500 with a gross rates of £8,732.00 for 2020/21 Business Rates. This is used wholly or mainly (over 50%) for maintenance and repair of their vehicles. Whilst they enquired for the Retail Discount and associated grant on this hereditament they have been advised that as it is not used by visiting members of the public for retail purposes it does not meet the criteria of the scheme.
- 1.9 The second property is a store and premises at Newhaven, Risegate Road, Gosberton (property reference: 70058571). The RV for this hereditament is £4,550 with gross rates of £2,270.45 for 2020/21 Business Rates. Whilst the company has been advised that this hereditament does not qualify under the Retail Discount scheme (as it is not for visiting members of the public) they have requested a review of this decision.
- 1.10 Under the Expanded Retail Discount scheme in order to qualify for the relief the occupied hereditament needs to be being wholly or mainly (over 50%) used for the sale of goods to visiting members of the public.
- 1.11 Bates Environmental Ltd have advised that they are a retail business and as such they believe they should be able to claim the Retail Rates relief for this site, and also the Covid-19 Grant.
- 1.12 Whilst recognising this hereditament is used in connection with its retail business it is being used mainly or wholly (over 50%) for storage of goods sold on line and not for sale to visiting members of the public. It is therefore recommended that this assessment is not awarded the Retail Discount as it does not meet the criteria of the Extended Retail Discount Scheme. As a result it will be excluded from receiving the Retail, Hospitality and Leisure Grant.
- 1.13 The Economic Development team will proactively engage with this Ratepayer to discuss support.

2.0 **OPTIONS**

- 2.1 To determine that the business hereditament concerned, Store and Premises, Newhaven Risegate Road, Gosberton, Lincs, PE11 4EZ (property reference:

70058571) does not meet the criteria of the Extended Retail Discount scheme and therefore ratepayer Bates Environmental Ltd cannot receive the relief.

- 2.2 To determine that the business hereditament concerned Store and Premises, Newhaven Risegate Road, Gosberton, Lincs, PE11 4EZ (property reference: 70058571) does meet the criteria of the Extended Retail Discount scheme and therefore ratepayer Bates Environmental Ltd can receive the relief.

3.0 REASONS FOR RECOMMENDATION(S)

- 3.1 Due to nature of the use of the hereditament the ratepayer does not meet the criteria for the relief

4.0 EXPECTED BENEFITS

- 4.1 None

5.0 IMPLICATIONS

In preparing this report, the report author has considered the likely implications of the decision - particularly in terms of Carbon Footprint / Environmental Issues; Constitutional & Legal; Contracts; Corporate Priorities; Crime & Disorder; Data Protection; Equality & Diversity/Human Rights; Financial; Health & Wellbeing; Reputation; Risk Management; Safeguarding; Staffing; Stakeholders/Consultation/Timescales; Transformation Programme; Other. Where the report author considers that there may be implications under one or more of these headings, these are identified below.

5.1 Constitution & Legal

- 5.1.1 This review process is undertaken in accordance with the provisions of the Councils Discretionary Rate Relief Policy.

5.2 Financial

- 5.2.1 Subject to businesses meeting eligibility criteria, the full cost of any relief award under this scheme, and associated Retail, Leisure and Hospitality Grant would be funded by central Government.

6.0 WARDS/COMMUNITIES AFFECTED

- 6.1 None

7.0 ACRONYMS

- 7.1 RV – Rateable Value

Background papers:- N/a

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Key Decision: No

Exempt Decision: Yes

This report refers to a Mandatory Service

**Confidential Appendix C and D attached to this report:
(Please note that Appendices C and D are not for publication by virtue of Paragraphs 1 (Information relating to any individual), 2 (Information which is likely to reveal the identity of any individual) and 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information))**

Appendices attached to this report:

Appendix A	Business Rates, Expanded Retail Discount 2020/21: Coronavirus Response Local Authority Guidance
Appendix B	South Holland Discretionary Relief Policy
Appendix C	Email to Ratepayer to advise hereditament does not meet the Expanded Retail Discount Scheme (RESTRICTED)
Appendix D	Ratepayer challenge to decision (RESTRICTED)