

## **The Vale of Glamorgan Council**

### **Cabinet Meeting: 24 April, 2017**

#### **Report of the Leader**

### **Non Domestic Rates - High Street Rates Relief Scheme 2017-18**

#### **Purpose of the Report**

1. To confirm adoption of a High Street Rates Relief Scheme for 2017/2018 in respect of qualifying business premises within the Vale of Glamorgan area under discretionary relief powers in accordance with section 47 of the Local Government Finance Act 1988.

#### **Recommendations**

1. THAT Cabinet recommends to full Council the following:
  - Adopts the High Street Rates Relief Scheme for 2017-18 in accordance with the provisions contained in Section 47 of the Local Government Finance Act 1988.
  - Resolves to award relief to all qualifying businesses as in accordance with the Non-domestic Rates High Street Rates Relief Guidance issued by the Welsh Government at [Appendix A](#).
  - Resolves to automatically award entitlement to those qualifying business that can be identified through records held by the Council.
  - Resolves to award entitlement to the remaining businesses that may be eligible following receipt of a valid application form.
2. That the use of Article 14.14 of the Council's Constitution (urgent decision procedure) be authorised in respect of recommendation 1 above.

#### **Reasons for the Recommendations**

- 1-2. To enable a scheme to be adopted using discretionary relief powers under section 47 of the Local Government Finance Act 1988 for the provision of High Street Rates Relief for qualifying business premises within the Vale of Glamorgan area for the period 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018.

## **Background**

2. An announcement was made on the 17<sup>th</sup> December 2016 by the Cabinet Secretary for Finance and Local Government, Mark Drakeford AM, regarding an extra £10 million being made available to help High Street retailers with their non-domestic rates.
3. On the 1<sup>st</sup> February 2017 the Welsh Government requested data in relation to the number of properties that would potentially qualify within the Vale of Glamorgan area based on Welsh Government draft proposals of the scheme.
4. On the 13<sup>th</sup> March 2017 the Welsh Government confirmed that the provisional grant funding for the Vale of Glamorgan Council based on the figures provided was £563,398.51 with an additional administrative grant of £5,825.71 to assist with the implementation of the scheme.
5. The scheme was subsequently finalised by the Welsh Government in consultation with Local Government to identify the types of businesses that would be eligible for the relief.

## **Relevant Issues and Options**

6. The relief is aimed at High Street retailers in Wales and includes those retailers that have seen an increase in their rates as a result of the 2017 revaluation undertaken by the Valuation Office Agency.
7. There are two levels of support available; Tier 1 which is the lower level of support up to a maximum of £500 and Tier 2 which is the higher level of support up to a maximum of £1,500.
8. In order to ensure maximum take-up, whilst minimising the administrative burden for ratepayers and local authority staff, where qualifying businesses can be identified then any entitlement will automatically be awarded without the need of an application.
9. The remaining businesses who may qualify for assistance will be sent an application form in order for the Council to determine their eligibility.
10. An exercise has been carried out to extract data from the Council's business rates system and the estimated number of business ratepayers who may potentially qualify for relief under the scheme is 711.
11. Once the level of award has been applied to the account of eligible businesses the ratepayer will receive an amended account showing the amount credited to the account under the scheme. The amended account will set out revised instalments payable for the remainder of the financial year. Where the account has been paid in full, a refund will be made.

## **Eligibility Criteria**

12. The relief to businesses is a one-off payment based on occupation as at the 31<sup>st</sup> March 2017 (providing the same occupier continues to be in occupation on the 1<sup>st</sup> April 2017). Where the Council is retrospectively notified of a change of occupier and it is clear that the ratepayer was in occupation on the 1<sup>st</sup> April 2017, then relief will be awarded.
13. The Welsh Government has provided two tiers of non-domestic rates relief to eligible High Street retailers occupying premises with a rateable value of £50,000 or less in the financial year 2017-18.

14. Tier 1 – Eligible ratepayers will be High Street retailers whose properties have a rateable value of between £6,001 and £12,000 for the financial year 2017-18 and who meet the following criteria:
- Are in receipt of Small Business Rates Relief on the 1<sup>st</sup> April 2017; and/or
  - Are in receipt of Transitional Relief on the 1<sup>st</sup> April 2017.
15. Tier 2 – Eligible ratepayers will be High Street retailers whose properties have a rateable value of between £12,001 and £50,000 for the financial year 2017-18 and who meet the following criteria:
- Are not in receipt of Small Business Rates Relief or Transitional Relief on the 1<sup>st</sup> April 2017; and
  - Have had an increase in their liability on the 1<sup>st</sup> April 2017 as a result of the 2017 revaluation.
16. It is recognised by the Welsh Government that there will be a small number of ratepayers whose properties have a rateable value of £12,000 or above who are in receipt of Transitional Relief. These properties will qualify for Tier 1 relief. In addition, there may also be a small number of ratepayers whose properties have a rateable value of £12,000 who are not in receipt of Transitional Relief and who are on the very upper threshold of the Small Business Rates Relief taper and hence receive no relief. These ratepayers will also be eligible for Tier 1 relief.
17. The various types of businesses eligible for relief will be occupied High Street properties such as shops, restaurants, cafes and drinking establishments. More detailed eligibility criteria are shown in the Welsh Governments Non-domestic Rates High Street Rates Relief Guidance at [Appendix A](#).
18. A model resolution is attached at [Appendix C](#) for the Council to adopt this discretionary relief.

### **Consultation and Equality Impact Assessment**

19. The Welsh Government has previously consulted in relation to the Welsh Retail Relief Scheme which was introduced in April 2015 and there has been no significant change since this scheme was introduced. The High Street Relief Scheme is an extension to the Welsh Retail Relief Scheme.
20. As there no evidence of significant change it is not considered proportionate to produce a revised equality impact assessment, to be consistent with the stance of the Welsh Government with regard to its own related equality impact assessment.

### **Resource Implications (Financial and Employment)**

21. The Welsh Government has confirmed that the provisional funding in respect of awards for High Street Retail Relief for the Vale of Glamorgan Council will be £563,398.51. This amount is based on provisional figures supplied in respect of the number of anticipated qualifying properties in the area.
22. The Cabinet Secretary for Finance and Local Government has agreed to provide one-off funding in recognition of the administrative costs incurred by Councils in developing and implementing the High Street Relief Scheme. The share of the funding allocation to the Vale of Glamorgan Council is £5,825.71.

## **Sustainability and Climate Change Implications**

23. There are no direct climate change implications.

## **Legal Implications (to Include Human Rights Implications)**

24. The council will be required to implement the High Street Relief Scheme in line with Welsh Government Regulations and Guidance.

## **Crime and Disorder Implications**

25. There are no direct crime and disorder implications.

## **Equal Opportunities Implications (to include Welsh Language issues)**

26. The Welsh Government has assessed the equality implications when implementing the Welsh Retail Relief Scheme and produced the relevant Equality Impact Assessment which is attached at [Appendix B](#). The High Street Rates Relief is a continuation of this scheme.

## **Corporate/Service Objectives**

27. The service objective is to administer Non-domestic rates and award reliefs to eligible ratepayers.

## **Policy Framework and Budget**

28. The matter is for Executive decision by Cabinet and thereafter for consideration by Council.

## **Consultation (including Ward Member Consultation)**

29. Not applicable.

## **Relevant Scrutiny Committee**

30. Corporate Performance and Resources.

## **Background Papers**

None

## **Contact Officer**

Carys Lord

## **Officers Consulted**

Operational Manager Exchequer  
Exchequer Manager

## **Responsible Officer:**

Head of Finance