

Guidance Notes

The Government announced in the Autumn Statement on 5 December 2013 that it will provide a relief of up to £1,000 to all occupied retail properties with a rateable value of £50,000 or less that are wholly or mainly used as shops, restaurants, cafes and drinking establishments in each of the years 2014-15 and 2015-16.

Relief is awarded under section 47 of the Local Government Finance Act 1988 as amended by the Localism Act and is subject to State Aid de minimis limits.

Which properties will benefit from relief?

The Local Authority considers shops, restaurants, cafes and drinking establishments to mean:

i. 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, 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. Properties that are being used for the provision of the following services to visiting members of the public:

Hair and beauty services (such as: hairdressers, 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. Properties 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

Which properties will **NOT** benefit from relief?

Properties 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

How do properties qualify for relief?

To qualify for the relief the property should be wholly or mainly being used as a shop, restaurant, cafe or drinking establishment. Therefore, properties which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

How much relief will be available?

Local Authorities can grant relief up to £1,000 to all occupied retail properties with a rateable value of £50,000.

Relief is assessed and calculated on a daily basis. Therefore, if you vacate the property before the end of the financial year, relief will be apportioned accordingly.

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

If your rate demand notice is less than £1,000 you will receive the full amount of your demand notice in Retail Relief.

State Aid

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 (EU1407/2013).

The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years).

Please note: If the European Commission considers that you are not eligible for De Minimis Aid the amount of aid awarded will be recoverable from you with interest. It is therefore important that you are confident that you meet the De Minimis Aid criteria.

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