

## **Retail Discount Scheme 2020-2021**

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.

### **Which properties will benefit from the discount?**

Properties that will benefit from the discount will be occupied hereditaments that are wholly or mainly being used:

- a) as shops, restaurants, cafes, drinking establishments, cinemas and live music venues,
- b) for assembly and leisure; or
- c) as hotels, guest & boarding premises and self-catering accommodation.

For the purpose of this discount, we consider shops, restaurants, cafes, drinking establishments, cinemas and live music venues to mean:

#### **1. Hereditaments that are being used for the sale of goods to visiting members of the public:**

- Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off-licences, 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)

#### **2. Hereditaments 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
- Tool hire
- Car hire
- Employment agencies
- Estate agents and letting agents
- Betting shops

#### **3. 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

#### **4. Hereditaments which are being used as cinemas**

#### **5. Hereditaments that are being used as live music venues:**

- Live music venues are hereditaments wholly or mainly used for the performance of live music for the purpose of entertaining an audience. Hereditaments cannot be considered a live music venue for the purpose of business rates relief where a venue is wholly or mainly used as a nightclub or a theatre, for the purposes of the Town and Country Planning (Use Classes) Order 1987 (as amended).
- Hereditaments can be a live music venue even if used for other activities, but only if those other activities (i) are merely ancillary or incidental to the performance of live music (e.g. the sale/supply of alcohol to audience members) or (ii) do not affect the fact that the primary activity for the premises is the performance of live music (e.g. because those other activities are insufficiently regular or frequent, such as a polling station or a fortnightly community event).

We consider assembly and leisure to mean:

#### **1. Hereditaments that are being used for the provision of sport, leisure and facilities to visiting members of the public (including for the viewing of such activities).**

- Sports grounds and clubs
- Museums and art galleries
- Nightclubs
- Sport and leisure facilities
- Stately homes and historic houses
- Theatres
- Tourist attractions
- Gyms
- Wellness centres, spas, massage parlours
- Casinos, gambling clubs and bingo halls

#### **2. Hereditaments that are being used for the assembly of visiting members of the public.**

- Public halls
- Clubhouses, clubs and institutions

We consider hotels, guest & boarding premises and self-catering accommodation to mean:

#### **1. Hereditaments where the non-domestic part is being used for the provision of living accommodation as a business:**

- Hotels, Guest and Boarding Houses
- Holiday homes
- Caravan parks and sites

To qualify for the discount the hereditament should be wholly or mainly being used as a shop, restaurant, café, drinking establishment, cinemas and live music venues. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the

discount. For the avoidance of doubt, hereditaments which have closed temporarily due to the government's advice on COVID19 should be treated as occupied for the purposes of this relief.

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.

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

### **1. 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, bureaux de change, short-term loan providers)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents/financial advisers)
- Post office sorting offices

### **2. Hereditaments that are not reasonably accessible to visiting members of the public**

Generally speaking, the government also does not consider other assembly or leisure uses beyond those listed at paragraph 11 to be retail uses for the purpose of the discount. For example, theatres and museums are outside the scope of the scheme, as are nightclubs. Hereditaments used for sport or physical recreation (e.g. gyms) are also outside the scope of the discount.

### **How much discount will be available?**

The total amount of discount available for each property for **2020-2021** under this scheme is 100% of the rates bill, after mandatory reliefs and, other discretionary reliefs have been applied, excluding those

where local authorities have used their wider discretionary relief powers introduced by the Localism Act

The eligibility for the discount and the discount itself will be assessed and calculated on a daily basis.

Ratepayers that occupy more than one property will be entitled to a discount for each of their eligible properties.

### **Applying for Discount**

There is no application form for the discount and has already been applied to the bills of ratepayers that we have identified as being eligible. However, for new ratepayers, or those who feel they may be eligible and are not yet receiving the discount, please contact the Business Rates Team on 01670 624885.

You should note there is no charge for discussing your potential entitlement with the Council, therefore we would encourage ratepayers to speak to the Council direct about the discount rather than employing a third party to do this, who may make a charge for this service.

### **State Aid**

The Government's assessment is that, given the impact of Covid-19 in the sectors receiving the relief, the business rates expanded retail, leisure and hospitality discount 2020-21 is not a state aid.

The Government has considered this matter in discussions with the European Commission and is content with this analysis following those discussions.

The Council will apply the relief to all eligible properties.