

Draft Appendix G

**BATH AND NORTH EAST SOMERSET COUNCIL
POLICY - NON DOMESTIC RATE RELIEF**

Introduction

The Localism Act of 2011 (“the Act”) amended the discretionary powers available to Councils with effect from 1st April 2012. Specifically, section 69 of the Act amended section 47 of the Local government Finance Act 1988 (“the 88 Act”). Section 47 of the 88 Act enables the Local Authority to grant relief to any ratepayer, including profit making organisations and individuals, with the proviso that awarding relief is in the interests of its Council Tax payers

Any use of this additional discretionary power would normally have to be funded in full by the local authority, as government funding is not normally available to offset the cost of granting this relief.

Since the introduction of The Act, the Government has introduced a number of measures aimed at providing business rate relief to qualifying ratepayers whilst guaranteeing to reimburse local authorities for the local share of discretionary relief by way of a grant under section 31 of the Local Government Act 2003 (“the 2003 Act”).

This additional Appendix to the Bath and North East Somerset Council Non Domestic Rate Relief Policy gives guidance to officers administering claims for discretionary relief under discretionary powers provided by the Act.

Appendix G covers:

1. Expanded Retail Discount

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1) Expanded Retail Discount

THIS IS A SUMMARY OF THE RELIEF SCHEME AND MUST BE READ IN CONJUNCTION WITH DCLG GUIDANCE.

THE AUTHORITY IS ADOPTING A SCHEME THAT FOLLOWS DCLG GUIDANCE ON PROPERTY CRITERIA AND ELIGIBILITY. THE AUTHORITY WILL ONLY OFFER RELIEF THAT WILL BE FUNDED FULLY BY CENTRAL GOVERNMENT.

A COPY OF THE RELEVANT GUIDANCE CAN BE FOUND AT:

<https://www.gov.uk/government/publications/business-rates-expanded-retail-discount-2021-to-2022-local-authority-guidance/business-rates-expanded-retail-discount-2021-to-2022-local-authority-guidance>

Background

On 3 March 2021 the government confirmed that the Expanded Retail Discount would continue to apply in 2021/22 at 100% for three months, from 1 April 2021 to 30 June 2021, and at 66% for the remaining period, from 1 July 2021 to 31 March 2022. The government confirmed that there would be no cash cap on the relief received for the period from 1 April 2021 to 30 June 2021. From 1 July 2021, relief will be capped at £105,000 per business, or £2 million per business where the business is in occupation of a property that was required, or would have been required, to close, based on the law and guidance applicable on 5 January 2021.

Which properties will benefit from relief?

Hereditaments that meet the eligibility for Expanded Retail Discount will be occupied hereditaments which meet all the following conditions for the chargeable day:

a. they are wholly or mainly being used:

- i. as shops, restaurants, cafes, drinking establishments, cinemas and live music venues,
- ii. for assembly and leisure; or
- iii. as hotels, guest & boarding premises and self-catering accommodation,

The Government consider shops, restaurants, cafes, drinking establishments, cinemas and live music venues to mean:

i. 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

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- 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: 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

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

iv. Hereditaments which are being used as cinemas

v. 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

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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).
- There may be circumstances in which it is difficult to tell whether an activity is a performance of live music or, instead, the playing of recorded music. Although we would expect this would be clear in most circumstances, guidance on this may be found in Chapter 16 of the statutory guidance issued in April 2018 under section 182 of the Licensing Act 2003^{[footnote 4](#)}.

The Government consider assembly and leisure to mean:

i. 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

ii. Hereditaments that are being used for the assembly of visiting members of the public.

- Public halls
- Clubhouses, clubs and institutions

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

i. 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 for the above qualifying purposes. In a similar way to other reliefs (such as charity relief), this is a

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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 relief.

As the grant of the relief is discretionary, the council may choose not to grant the relief if it considers it inappropriate, for example where granting the relief would go against the authority's wider objectives for the local area.

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

- 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

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

How much relief will be available?

Subject to the above-mentioned cash caps, the total amount of government-funded relief available for each property for 2021/22 under this scheme is:

- a. For chargeable days from 1 April 2021 to 30 June 2021 100% of the chargeable amount, and
- b. for chargeable days from 1 July 2021 to 31 March 2022, 66% of the chargeable amount.

The relief will be awarded after all other reliefs have been awarded.