

Meeting date: 13 February 2020

Report to: Full Cabinet



Subject/report title: BUSINESS RATES – RETAIL RELIEF SCHEME 2020-21 & PUBS DISCOUNT SCHEME 2020-21

Report from: Director of Resources and Deputy Chief Executive

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Wards affected:

- All Wards | Bickenhill | Blythe | Castle Bromwich | Chelmsley Wood |
 Dorridge/Hockley Heath | Elmdon | Kingshurst/Fordbridge | Knowle |
 Lyndon | Meriden | Olton | Shirley East | Shirley South |
 Shirley West | Silhill | Smith's Wood | St Alphege

Public/private report: Public

Exempt by virtue of paragraph:

1. Purpose of Report

- 1.1 To provide details of the National Non-Domestic Rates Retail Relief Scheme 2020-21 announced by Government on 27 January 2020 and to present a policy to Cabinet for approval.
- 1.2 To provide details of the National Non-Domestic Rates Pubs Discount Scheme announced by Government on 27 January 2020 and to present a policy to Cabinet for approval.

2. Decision(s) recommended

- 2.1 Cabinet is asked to approve the Council's Retail Relief Scheme for 2020-21 attached at Appendix A.
- 2.2 Cabinet is asked to approve the Council's Pub Discount Scheme for 2020-21 attached at Appendix B.

3. Matters for Consideration

- 3.1 The Government announced via a Written Ministerial Statement on 27 January 2020 additional business rates measures that will apply from 1 April 2020. The measures will see an increase in the retail relief discount from one-third to 50 per cent and the

introduction of a discount of £1,000 to eligible pubs with a rateable value of less than £100,000.

RETAIL RELIEF SCHEME

- 3.2 The Government announced in the Budget on 29 October 2018 that it would provide a business rates retail relief discount to apply in the years 2019-20 and 2020-21. The discount was one-third of the business rates bill.
- 3.3 The Government did not amend legislation, instead the Council was given discretionary power under Section 47 of the Local Government Finance Act 1988 (as amended by the Localism Act) to apply the discount to those business who were eligible.
- 3.4 Guidance from the Ministry of Housing, Communities & Local Government stated that local authorities should have in place a policy for the award of retail relief. Full cabinet approved our Retail Relief Policy for 2019-20 & 2020-21 on 7 February 2019.
- 3.5 The Written Ministerial Statement of 27 January 2020 confirms that the value of the retail relief will be increased from one-third to 50% in 2020-21. The discount will be awarded after mandatory reliefs and other discretionary reliefs have been applied.
- 3.6 As the value of the discount has increased this requires a change to our policy. A revised policy is attached at appendix A for approval. This has been drafted using guidance provided by the Government.
- 3.7 Properties that will benefit from the relief remain unchanged and will be occupied hereditaments with a rateable value of less than £51,000, that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments. In addition to this the relief has been extended to include cinemas and live music venues. Further information detailing the types of properties that are eligible are set out in section 2 of the policy with those properties that are not eligible set out in section 3.
- 3.8 Based on a high level analysis of our current data this indicates that there are currently 448 businesses in the area with a rateable value less than £51,000 and who fall within the criteria described in 3.7.
- 3.9 Subject to approval of the policy relief will automatically be awarded to those businesses that are eligible. Businesses will be required to declare if the award of relief will exceed its State Aid De Minimis threshold and in these cases relief will be cancelled.

PUB DISCOUNT SCHEME

- 3.10 The Government recognises the important role that pubs play in urban and rural communities across the country. In a Written Ministerial Statement on 27 January 2020 a £1,000 business rates discount was announced for public houses with a rateable value of less than £100,000. The discount will be available for one year from 1 April 2020.
- 3.11 The Government has not amended legislation to award this discount, instead the Council has been given discretionary power under Section 47 of the Local

Government Finance Act 1988 (as amended by the Localism Act) to apply the discount to those pubs which are eligible.

- 3.12 Guidance from the Ministry of Housing, Communities & Local Government state that local authorities should have in place a policy for the award of the Pubs Discount. The proposed policy, attached at Appendix B, has been drafted using the guidance provided by the Government.
- 3.13 Properties that will benefit from the discount will be eligible occupied properties with a rateable value of less than £100,000. There is no definitive description of a traditional pub or public house in law which could be readily used by local authorities to determine eligibility. However the Government has confirmed their policy intention of what they consider as eligible pubs and this is shown in section 2 of the policy. Those properties excluded from the discount are shown in section 3.
- 3.14 Based on a high level analysis of our current data this indicates that there are currently 20 pubs in the area with a rateable value less than £100,000 and who fall within the scope of the discount.
- 3.15 Subject to approval of the policy the discount will automatically be awarded to those pubs that are eligible. Pubs will be required to declare if the award of the discount will exceed its State Aid De Minimis threshold and in these cases the discount will be cancelled.

4. What options have been considered and what is the evidence telling us about them?

- 4.1 Government guidance indicates that local authorities should adopt a local scheme to grant retail relief and the pub discount scheme.

5. Reasons for recommending preferred option

- 5.1 Adopting a local scheme allows the Council to award the retail relief and pub discount to support businesses and pubs that meet the qualifying criteria.

6. Implications and Considerations

- 6.1 How the proposals in this report contribute to the delivery of Council Plan priorities:

Priority:	Contribution:
Securing inclusive economic growth.	Provides support to eligible businesses and pubs.
Planning & delivery for Solihull’s low carbon future (to include biodiversity implications).	None
Managing demand and expectation for public services.	None
Developing our approach to services	None

for adults and children with complex needs.	
Making the best use of our people and physical assets.	None

6.2 Consultation and Scrutiny:

6.2.1 This report has not been presented to a Scrutiny Board.

6.3 Financial implications:

6.3.1 The financial implications of awarding both the retail relief and the pub discount will be met in full by the Government using its provisions under Section 31 of the Local Government Act 2003.

6.4 Legal implications:

6.4.1 None

6.5 Risk implications:

6.5.1 Assessment identified that there are no net 'red' risks that need to be reported.

6.6 Equality implications:

6.6.1 The retail relief and pub discount will be awarded automatically to those properties who meet the criteria. Information will also be placed on the Council's website so that the policies and criteria are transparent.

7. List of appendices referred to

7.1 Appendix A – Solihull Council's proposed Retail Relief Scheme 2020-21

7.2 Appendix B – Solihull Council's proposed Pub Discount Scheme 2020-21

8. Background papers used to compile this report

8.1 None

9. List of other relevant documents

9.1 None