



CABINET – 29TH JANUARY 2020

**SUBJECT: TO DETERMINE A SPECIFIC DISCRETIONARY RATE RELIEF SCHEME
IN RESPECT OF WELSH GOVERNMENT (WG) 2019/20 GRANT FUNDING**

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE
SERVICES**

1. PURPOSE OF REPORT

- 1.1 The Welsh Government (WG) has made funding available for a discretionary rate relief scheme for the financial year 2019-20 only; this funding is in addition to the WG 'High Street and Retail Rate Relief [HSRRR] Scheme'. Relief granted by the Authority under this discretionary scheme will be met by way of a specific cash-limited grant but, before any relief is awarded, the Authority must determine the details of the scheme.

2. SUMMARY

- 2.1 This report gives details of £221k funding provided by WG for a new discretionary rate relief scheme for 2019-20 only and provides 2 options with a recommendation that the resolution at Appendix 2 is adopted.

3. RECOMMENDATIONS

- 3.1 It is recommended that Cabinet determines that the resolution detailed in Appendix 2 is adopted by the Authority with immediate effect and that the resolution in Appendix 1 is not adopted for the reasons stated in paragraph 5.3 of the report.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that the Authority fully utilises the WG grant funding in respect of any rate relief awarded as detailed in the resolution in Appendix 2. Additional assistance will be provided to the high street and retail sector which is commonly known to be adversely affected by the current level of business rates payable.
- 4.2 Awarding additional relief to those ratepayers already receiving some relief under the HSRRR Scheme would minimise the bureaucracy for both businesses applying for the relief and the local authority in administering it. There would be no need for new applications to be made by those already receiving HSRRR and the eligible cases are already known to the Business Rate Team.

5. THE REPORT

- 5.1 WG has made £221k funding available for a discretionary rate relief scheme for the financial year 2019-20 only; this funding is in addition to the WG 'High Street and Retail Rate Relief [HSRRR] Scheme' which was implemented earlier this year. There is no provision for WG to revise this amount and so care must be taken to ensure that the Authority adopts a scheme that avoids any over spend. It is intended that the relief under this scheme will be made available subject to the Authority adopting the appropriate resolution.
- 5.2 Members are advised that as at 1st December 2019, 506 ratepayers have been awarded HSRRR for 2019-20; approximately 50% of those ratepayers still have some business rates to pay. In addition, a further 148 ratepayers are potentially eligible but have yet to apply for HSRRR, despite the Council's Business Rate Team sending 2 sets of application forms and, in some cases, directly telephoning the ratepayer urging them to apply.
- 5.3 The first option for this discretionary rate relief scheme would be to prioritise certain areas, namely the five main town centres of Bargoed, Blackwood, Caerphilly, Risca and Ystrad Mynach, situated within the County Borough and only award rate relief to those qualifying businesses situated within those areas in accordance with the criteria and conditions set out in Appendix 1, subject to State Aid limits. Apart from the conditions noted in Appendix 1, and the prioritising of the five areas named above, the eligibility criteria for this option would largely be the same as those set out for the 2019-20 'High Street and Retail Rate Relief [HSRRR] Scheme'. While this scheme could result in an award of relief of up to £1,400 per case for around 160 ratepayers, limiting the relief to ratepayers trading in certain areas could be contentious. Therefore, for the reasons listed below, this approach has its shortcomings and is therefore not recommended: -
- it may be difficult to justify from an equalities viewpoint;
 - ratepayers situated outside the prioritised areas may feel aggrieved at not being eligible for this relief; and
 - a smaller number of businesses will benefit under this option due to the limited qualifying areas.
- 5.4 The second option is the preferred option and aims to provide additional rate relief for the financial year 2019-20 to businesses in the high street and retail sector situated across the whole of the Authority's area, subject to State Aid limits. The eligibility criteria for this option would largely be the same as those set out for the 2019-20 'High Street and Retail Rate Relief [HSRRR] Scheme', with a few additional criteria and conditions set out in Appendix 2. This scheme could result in an award of relief of up to £850 per case for around 260 ratepayers. While the maximum individual award amount is lower in value, this option has several advantages:
- it would guarantee that, within Caerphilly County Borough, a greater number of businesses will benefit from this assistance;
 - it would be easier to justify from an equalities viewpoint.
- 5.5 Neither option would require ratepayers who have already applied for HSRRR in 2019/20 to complete another application form; this reduces the administrative burden for ratepayers and the Business Rate Team, minimises delays in getting the rate relief awarded and satisfies the requirements regarding State Aid rules (ratepayers must sign a declaration on the application form that they are entitled to receive the rate relief).

- 5.6 Relief is to be provided under Section 47 of the Local Government Finance Act 1988 in accordance with the criteria and conditions specified in Appendix 1 or Appendix 2 of this report, whichever resolution is preferred by Cabinet.
- 5.7 Appendices 1 and 2 provide the proposed criteria and conditions for each of the 2 suggested options; both options are based on the WG HSRRR Scheme Guidance attached at Appendix 3.
- 5.8 In order to qualify for this rate relief, each resolution requires that the ratepayer completes an application form issued by the Authority relating to the 2019-20 WG 'High Street and Retail Rate Relief [HSRRR] Scheme' by 31st March 2020.
- 5.9 Members should be aware that the HSRRR Scheme has been widely publicised via the local press and Council's website and social media outlets. In addition, Members are referred to point 5.2 of this report which explains that application forms have been issued to all potentially eligible ratepayers. Therefore, while the Authority would normally make the business community aware of a one-off rate relief scheme through its usual communication channels, because both of the options set out in this report are based on the ratepayer having already successfully applied for HSRRR for 2019/20, publicity will not be necessary to ensure take-up of this specific Scheme.
- 5.10 Members are advised that Steve Wilcox, Principal Officer for Town Centres and Business Support, has been consulted and is in complete agreement with the reasons given in this report for the preferred option because the more businesses we can offer assistance to, the better; he has no negative comments or alternative suggestions.
- 5.11 The Authority will have to bear the administration costs of awarding rate relief under this Scheme, although these should be minimal.
- 5.12 Full details of the scheme options, including the qualifying criteria, are included in the resolutions in Appendices 1 and 2. For information, the WG HSRRR Scheme Guidance is also attached in Appendix 3.

5.13 **Conclusion**

The report gives details of a new rate relief scheme funded by WG and attaches at Appendices 1 and 2 details of the new scheme options. It is recommended, for reasons explained in the report, that the scheme set out at Appendix 2 be adopted. In order to implement the new Scheme, Members are advised to approve the recommendation at point 3.1.

6. **ASSUMPTIONS**

- 6.1 It is assumed that the recommendation in the report will maximise the use of the grant funding in terms of the amount of rate relief awarded, whilst minimising the staff/administrative costs incurred in awarding the rate relief.

7. **LINKS TO RELEVANT COUNCIL POLICIES**

- 7.1 The adoption of the Scheme attached at Appendix 2 will support eligible businesses by reducing the amount of business rates payable, which in turn may help create

employment opportunities and increase entrepreneurial activities which is a key theme of 'A Foundation for Success 2018-2023' – Regeneration Strategy.

7.2 Corporate Plan 2018-2023

This section shows how the report content (project, proposal, information or decision) contributes towards or impacts the Corporate Well-being Objectives, which are:

Objective 2 - Enabling employment – the awarding of rate relief under the Scheme will reduce the amount of business rates payable by businesses operating within the County Borough, which in turn should help those businesses to sustain the employment of residents.

8. WELL-BEING OF FUTURE GENERATIONS

8.1 Effective financial management is a key element in ensuring that the Well-being Goals in the Well-being of Future Generations Act (Wales) 2015 are met.

- A prosperous Wales – maximising the take-up of this WG-funded business rate relief scheme will minimise the amount of rates payable by eligible businesses which helps them to continue trading.
- Long Term – It is hoped that eligible local businesses will be able to continue trading which will enable future generations to benefit in the long-term from a diverse number of local retailers, which should also improve the economic, social, environmental and cultural well-being of residents.

9. EQUALITIES IMPLICATIONS

9.1 An EIA Screening Form attached at Appendix 4 determined that a full Equality Impact Assessment is not required for this proposal. The impact of this proposal is LOW and no adverse impact on any specific protected characteristic group has been identified. The additional one-off discretionary rate relief will have a positive impact for those businesses that are eligible to receive it by further reducing the amount of business rates payable for the 2019/20 financial year.

9.2 As the same ratepayers that received HSRRR are being targeted for this additional one-off discretionary rate relief, reference was made to the Equality Impact Assessment (EIA) carried out for the HSRRR Scheme in 2019. No adverse impact was identified in the EIA carried out for the 2019/20 HSRRR Scheme which concluded there was a neutral impact on all of the people or groups of people with protected characteristics because the proposal is not aimed at a specific group within the eligible ratepayer group. No evidence was identified to suggest that the WG scheme would have a differential impact on any group. As the same ratepayers are involved in this proposal, the same conclusions have been drawn and so there is no need for an EIA report in respect of the preferred option/proposal.

10. FINANCIAL IMPLICATIONS

- 10.1 There are no direct financial implications to the Authority provided the expenditure for the rate relief awarded under the scheme does not exceed the WG funding amount of £221k.
- 10.2 The preferred option for the 'Discretionary Rate Relief Scheme 2019-20' as set out in Appendix 2 would result in a one-off payment to qualifying businesses of up to £850, based on the current assessment of around 262 businesses that may be eligible to apply. These figures are subject to change due to the daily amendments made to the Authority's rating list. The actual amount payable to each business will be determined by the number of applications received.
- 10.3 No funding is available to support the administration of the Scheme and so this will have to be undertaken using existing resources.

11. PERSONNEL IMPLICATIONS

- 11.1 There are none in respect of this report.

12. CONSULTATIONS

- 12.1 There are no consultation responses which have not been reflected in this report.

13. STATUTORY POWER

- 13.1 Local Government Finance Act 1988, Government of Wales Act 2006 and Local Government Act 1972, 2000 and 2003. The decision as to discretionary rate relief scheme to adopt for 2019-20 may be taken by Cabinet. The Interim Head of Business Improvement Services and Acting S151 Officer will use delegated powers to award the relief.

14. URGENCY (CABINET ITEMS ONLY)

- 14.1 This report could be subject to a "call-in" procedure whereby the relevant Scrutiny Committee can ask for the implementation of the decision to be delayed until it has considered the matter and, if the Scrutiny Committee is so inclined, to ask Cabinet to reconsider its decision.

Author: John Carpenter, Finance Manager (Revenues)
E-mail: carpewj@caerphilly.gov.uk

Consultees: Christina Harrhy, Interim Chief Executive, harrhc@caerphilly.gov.uk

Richard Edmunds, Corporate Director for Education and Corporate Services, edmunre@caerphilly.gov.uk

Robert Tranter, Head of Legal Services and Monitoring Officer, trantrj@caerphilly.gov.uk

Stephen Harris, Interim Head of Business Improvement Services and Acting S151 Officer, harrisr@caerphilly.gov.uk

Lynne Donovan, Head of People Services, donovl@caerphilly.gov.uk

Cllr. Eluned Stenner, Cabinet Member for Finance, Performance & Planning, stenne@caerphilly.gov.uk

Cllr. Sean Morgan, Deputy Leader and Cabinet Member for Regeneration, Transportation & Sustainability, morgas@caerphilly.gov.uk

Steve Wilcox, Principal Officer - Town Centres & Business Support, wilcosj@caerphilly.gov.uk

Anwen Cullinane, Senior Policy Officer (Equalities, Welsh Language and Consultation), cullima@caerphilly.gov.uk

Cllr. James Pritchard, Chair of Policy and Resources Scrutiny Committee, prtcj@caerphilly.gov.uk

Cllr. Gez Kirby, Vice Chair of Policy and Resources Scrutiny Committee, kirbyg@caerphilly.gov.uk

Background Papers:

Contact Finance Manager (Revenues) (ext. 3421)

Appendices:

Appendix 1: Resolution – ‘Discretionary Rate Relief Scheme 2019-20’ Option 1

Appendix 2: Resolution – ‘Discretionary Rate Relief Scheme 2019-20’ Option 2

Appendix 3: ‘High Street and Retail Rate Relief [HSRRR] Scheme’

Appendix 4: ‘CCBC EIA Screening Form’

Option 1

**Resolution: Terms and Conditions of the Caerphilly County Borough Council
Business Rates 'Specific Discretionary Relief Scheme In Respect Of Welsh Government
(WG) Grant Funding For 2019-20**

1. This document sets out the detailed criteria which the Authority will use to determine the award of rate relief under its 'Specific Discretionary Relief Scheme'. The document does not replace existing legislation on the eligible properties or any other relief.
2. The relief is being offered in respect of the rate liability period from 1 April 2019 to 31 March 2020. No decision has been made by the Welsh Government (WG) as to whether the relief will be made available for subsequent years.
3. This relief aims to support high street and retail businesses that fall within the five main town centres of Bargoed, Blackwood, Caerphilly, Risca and Ystrad Mynach, situated within the County Borough.
4. The Authority will utilise a WG grant of £221k to enable a flat rate of relief to be awarded under the 'Specific Discretionary Relief Scheme' on the business rates bill for the financial year 2019-20 for those properties situated within the areas listed in point 3 above, shown in the Authority's rating records which fall within the eligibility criteria set out in the 2019-20 WG 'High Street and Retail Rate Relief [HSRRR] Scheme', where the ratepayer has submitted a properly completed application form and an amount of HSRRR has been awarded for 2019-20. Relief awarded under the 'Specific Discretionary Relief Scheme' is to be **limited to properties situated within the town centre areas listed in point 3** of this Appendix.
5. Where ratepayers have already submitted a properly completed application form for HSRRR for 2019-20, and an amount of HSRRR has been awarded, those ratepayers will not be required to complete an additional application form.
6. The amount does not vary with rateable value and there is no taper. There is no relief available under this scheme for properties with a rateable value of more than £50,000.
7. The relief itself will be calculated on a pro-rata basis. Retrospective adjustments and applications will not be considered due to the limited funding available.
8. Where the net rate liability is less than the maximum possible award of 'Specific Discretionary Relief Scheme' relief, the amount of 'Specific Discretionary Relief Scheme' relief will be no more than the value of the net rate liability.
9. Ratepayers that occupy more than one property will be entitled to this relief for each of their eligible properties, subject to State Aid de minimis limits.
10. As this is a temporary measure, WG has provided the funding for this relief by including it within each local authority's 2019-20 Revenue Support Grant. Local authorities should use their discretionary rate relief powers (under section 47 of the Local Government Finance Act 1988) to administer the relief.

11. Due to the State Aid requirements, the Authority must hold a properly completed HSRRR application form from each ratepayer receiving relief under this Scheme.
12. As the grant of the relief is discretionary, the Authority may choose not to grant the relief if they consider that appropriate.
13. State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary rate relief to ratepayers is likely to amount to State Aid. However rate relief awarded under the 'Specific Discretionary Relief Scheme' will be State Aid compliant where it is provided in accordance with the De Minimis Regulation (1407/2013).
14. The De Minimis Regulation allows 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).

Option 2

**Resolution: Terms and Conditions of the Caerphilly County Borough Council
Business Rates 'Specific Discretionary Relief Scheme In Respect Of Welsh Government
(WG) Grant Funding For 2019-20**

1. This document sets out the detailed criteria which the Authority will use to determine the award of rate relief under its 'Specific Discretionary Relief Scheme'. The document does not replace existing legislation on the eligible properties or any other relief.
2. The relief is being offered in respect of the rate liability period from 1 April 2019 to 31 March 2020. No decision has been made by the Welsh Government (WG) as to whether the relief will be made available for subsequent years.
3. This relief aims to support businesses in the high street and retail sector situated across the whole of the Authority's area.
4. The Authority will utilise a WG grant of £221k to enable a flat rate of relief to be awarded under the 'Specific Discretionary Relief Scheme' on the business rates bill for the financial year 2019-20 for **all** those properties shown in the Authority's rating records which fall within the eligibility criteria set out in the 2019-20 WG 'High Street and Retail Rate Relief [HSRRR] Scheme', where the ratepayer has submitted a properly completed application form and an amount of HSRRR has been awarded for 2019-20.
5. Where ratepayers have already submitted a properly completed application form for HSRRR for 2019-20, and an amount of HSRRR has been awarded, those ratepayers will not be required to complete an additional application form.
6. The amount does not vary with rateable value and there is no taper. There is no relief available under this scheme for properties with a rateable value of more than £50,000.
7. The relief itself will be calculated on a pro-rata basis. Retrospective adjustments and applications will not be considered due to the limited funding available.
8. Where the net rate liability is less than the maximum possible award of 'Specific Discretionary Relief Scheme' relief, the amount of 'Specific Discretionary Relief Scheme' relief will be no more than the value of the net rate liability.
9. Ratepayers that occupy more than one property will be entitled to this relief for each of their eligible properties, subject to State Aid de minimis limits.
10. As this is a temporary measure, WG has provided the funding for this relief by including it within each local authority's 2019-20 Revenue Support Grant. Local authorities should use their discretionary rate relief powers (under section 47 of the Local Government Finance Act 1988) to administer the relief.
11. Due to the State Aid requirements, the Authority must hold a properly completed HSRRR application form from each ratepayer receiving relief under this Scheme.

12. As the grant of the relief is discretionary, the Authority may choose not to grant the relief if they consider that appropriate.
13. State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary rate relief to ratepayers is likely to amount to State Aid. However 'Local Needs Scheme' rate relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulation (1407/2013).
14. The De Minimis Regulation allows 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).



Llywodraeth Cymru
Welsh Government

Non-domestic Rates

High Street and Retail Rates Relief in Wales - 2019-20

Guidance

Contents

About this guidance.....	1
Introduction	1
Section 1	2
How will the relief be provided?	2
How will the scheme be administered?	2
Which properties will benefit from relief?	2
How much relief will be available?	5
Changes to existing hereditaments, including change in occupier	6
State Aid.....	7
Section 2 – State Aid	8
‘De Minimis’ declaration.....	9
Refusal of High Street and Retail Rates Relief form	10

Non-domestic Rates – High Street and Retail Rates Relief

Guidance

About this guidance

1. This guidance is intended to support local authorities in administering the High Street and Retail Rates Relief scheme (“the relief”) announced by the then Cabinet Secretary for Finance on 10 December 2018. This guidance applies to Wales only.
2. This guidance sets out the criteria which the Welsh Government will use to determine the funding for local authorities for relief provided to high street and retail properties. The guidance does not replace any existing non-domestic rates legislation or any other relief.
3. Enquiries on the scheme should be sent to:
localtaxationpolicy@gov.wales
4. The relief is being offered from 1 April 2019 and will be available until 31 March 2020.

Introduction

5. This relief is aimed at high street businesses and retailers in Wales, for example shops, pubs, restaurants and cafes.
6. The Welsh Government will provide grant funding to the 22 Unitary Authorities to continue the High Street and Retail Rates Relief scheme to eligible ratepayers for 2019-20. The enhanced scheme aims to provide support for eligible retail businesses by offering up to £2,500 discount on the non-domestic rates bill per property, to retailers occupying premises with a rateable value of £50,000 or less in the financial year 2019-20, subject to State Aid limits.
7. This document provides guidance on the operation and delivery of the scheme.

Section 1

High Street and Retail Rates Relief

How will the relief be provided?

8. As this is a temporary measure, we are providing the relief by reimbursing local authorities that use their discretionary relief powers under section 47 of the Local Government Finance Act 1988. It will be for individual local authorities to adopt a scheme and decide in each individual case when to grant relief under section 47. The Welsh Government will then reimburse local authorities for the relief that is provided in line with this guidance via a grant under section 58A of the Government of Wales Act 2006.

How will the scheme be administered?

9. It will be for local authorities to determine how they wish to administer the scheme to maximise take-up and minimise the administrative burden for ratepayers and for local authority staff. Subject to State Aid considerations set out in paragraphs 29 to 33.
10. Local authorities are responsible for providing ratepayers with clear and accessible information on the details and administration of the scheme. If, for any reason, an authority is unable to provide this relief to eligible ratepayers from 1 April 2019, consideration should be given to notifying eligible ratepayers that they qualify for the relief and that their bills will be recalculated.

Which properties will benefit from relief?

11. Properties that will benefit from this relief will be occupied high street business and retail properties such as shops, restaurants, cafes and drinking establishments, with a rateable value of £50,000 or less. More detailed eligibility criteria and exceptions to the relief are set out in paragraphs 15 to 19.
12. Relief should be granted to businesses as a payment based on occupation between 1 April 2019 and 31 March 2020. It is recognised that there may be some instances where a local authority is retrospectively notified of a change of occupier. In such cases, if it is clear that the ratepayer was in occupation on or after the 1 April 2019, the local authority may use its discretion in awarding relief.

Level of support: up to £2,500

13. Eligible ratepayers will be retailers whose property has a rateable value between £6,001 and £50,000 on 1 April 2019. It is expected that retailers with a rateable value of £6,000 and below will receive full Small Business Rate Relief (SBRR), however it is left to the discretion of authorities to determine if there are properties not in receipt of SBRR that should be eligible for this relief.
14. **Unlike previous years, the 2019-20 scheme is not limited to high street premises but will include all properties within Wales meeting the wider retail criteria.**

15. It is intended that, for the purposes of this scheme, retail properties such as, “shops, restaurants, cafes and drinking establishments” will mean the following (subject to the other criteria in this guidance).

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, newsagents, hardware stores, supermarkets, etc)
- Opticians
- Pharmacies
- Post offices
- Furnishing shops or display rooms (such as carpet shops, double glazing, garage doors)
- Car or caravan showrooms
- Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale or hire)

ii. Hereditaments that are being used for the provision of the following services to visiting members of the public

- Hair and beauty services
- Shoe repairs or key cutting
- Travel agents
- Ticket offices, eg. for theatre
- Dry cleaners
- Launderettes
- PC, TV or domestic appliance repair
- Funeral directors
- Photo processing
- DVD or video rentals
- Tool hire
- Car hire
- Cinemas
- Estate and letting agents

iii. Hereditaments that are being used for the sale of food and / or drink to visiting members of the public

- Restaurants
- Drive-through or drive-in restaurants
- Takeaways
- Sandwich shops
- Cafés

- Coffee shops
 - Pubs
 - Wine Bars
16. To qualify for the relief a hereditament listed in (i) to (iii) should be wholly or mainly used as a shop, restaurant, café or drinking establishment. 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 relief.
17. The above list is not intended to be exhaustive as it would be impossible to list all the many and varied retail uses that exist. There will also be mixed uses. However, it is intended to be a guide for local authorities as to the types of uses that the Welsh Government considers for this purpose to be high street and retail. Local authorities should determine for themselves whether particular properties not listed are broadly similar in nature to those above and, if so, to consider them eligible for the relief. Conversely, properties that are not broadly similar in nature to those listed above should not be eligible for the relief.
18. As the grant of the relief is discretionary, local authorities may choose not to grant the relief if they consider that appropriate, for example where granting the relief would go against the local authority's wider objectives for the local area.

Types of hereditaments that are not considered to be eligible for High Street and Retail Rates Relief

19. The list below sets out the types of uses that the Welsh Government does not consider to be retail use for the purpose of this relief and would not be deemed eligible for the relief. However, it will be for local authorities to determine if hereditaments are similar in nature to those listed below and if they would not be eligible for relief under the scheme.
- i. ***Hereditaments that are being used wholly or mainly for the provision of the following services to visiting members of the public***
- Financial services (eg. banks, building societies, cash points, ATMs, bureaux de change, payday lenders, betting shops, pawn brokers)
 - Medical services (eg. vets, dentists, doctors, osteopaths, chiropractors)
 - Professional services (eg. solicitors, accountants, insurance agents, financial advisers, tutors)
 - Post office sorting office
 - Tourism accommodation, eg. B&Bs, hotel accommodation and caravan parks
 - Sports clubs
 - Children's play centres
 - Day nurseries
 - Outdoor activity centres
 - Gyms
 - Kennels and catteries
 - Show homes and marketing suites
 - Employment agencies

There are a number of further types of hereditaments which the Welsh Government believes should not be eligible for the High Street Relief Scheme.

ii. *Hereditaments with a rateable value of more than £50,000*

It is recognised there are some retail businesses with rateable value above the £50,000 relief who will not be eligible for this relief. However, local authorities have the option to use their discretionary powers to offer discounts outside this scheme to such businesses if it is in the interests of the local community to do so.

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

If a hereditament is not reasonably accessible to visiting members of the public, it will be ineligible for relief under the scheme even if there is ancillary use of the hereditament that might be considered to fall within the descriptions in paragraph 15 (i), (ii) or (iii).

iv. *Hereditaments that are not occupied*

Properties that are not occupied on 1 April 2019 should be excluded from this relief. However, under the Empty Property Relief scheme, empty properties will receive a 100% reduction in rates for the first three months (and in certain cases six) of being empty.

v. *Hereditaments that owned, rented or managed by a local authority*

Hereditaments owned, rented or managed by a local authority such as Visitor Centres, Tourist Information shops and council run coffee shops/gift shops attached to historic buildings, are exempt from this scheme.

vi. *Hereditaments that are in receipt of mandatory charitable rates relief*

These properties already receive mandatory charitable relief which gives an 80% reduction in liability and authorities may also choose to provide discretionary charitable relief which can reduce the remaining liability to nil. As such, these properties will not be eligible for High Street Rate Relief.

How much relief will be available?

20. The total amount of government funded relief available for each property for 12 months under this scheme is up to £2,500. This relief can be provided in addition to SBRR and Transitional Rate Relief. High Street and Retail Rates Relief should be applied against the net bill after these two reliefs have been applied. Any hardship or discretionary relief awarded by the local authority should be considered by the local authority once all other rates reliefs have been awarded.

21. The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis. The following formula should be used to determine the amount of relief to be granted for a particular hereditament in the financial year:

$$\text{Amount of relief to be granted} = A \times (B / C)$$

Where:

A is the funding amount of £2,500

B is the number of days in the financial year that the hereditament is eligible for relief; and

C is the number of days in the financial year

22. When calculating the relief, if the net liability before High Street and Retail Rates Relief is £2,500 or less, the maximum amount of this relief will be no more than the value of the net rate liability. This should be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.
23. Ratepayers that occupy more than one property will be entitled to High Street and Retail Rates Relief for each of their eligible properties, subject to State Aid de minimis limits.

Changes to existing hereditaments, including change in occupier

24. Empty properties becoming occupied after 1 April 2019 will qualify for this relief.
25. If there is a change in occupier part way through the financial year, after relief has already been provided to the hereditament, the new occupier will qualify for the relief on a pro-rata basis based on the remaining days of occupation using the formula in paragraph 21 of this guidance.

State Aid

26. 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. High Street and Retail Rates Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulation (1407/2013).
27. The De Minimis Regulation allows 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). Local authorities should familiarise themselves with the terms of this State Aid exemption, in particular the types of undertaking that are excluded from receiving De Minimis aid, the relevant definition of undertaking and the requirement to convert the aid into Euros.
28. To administer De Minimis it is necessary for the local authority to establish that the award of aid will not result in the undertaking having received more than €200,000 of De Minimis aid. Note that the threshold only relates to aid provided under the De Minimis Regulations (aid under other exemptions or outside the scope of State Aid is not relevant to the De Minimis calculation).
29. Section 3 of this guidance contains a sample De Minimis declaration which local authorities may wish to use. Where local authorities have further questions about De Minimis or other aspects of State Aid law, they should seek advice from their legal department in the first instance.
30. Desk instructions covering the administration of De Minimis schemes are available at:

<http://gov.wales/funding/state-aid/de-minimis-aid/?lang=en>

http://ec.europa.eu/competition/state_aid/legislation/de_minimis_regulation_en.pdf

Section 2 – State Aid

Sample paragraphs that could be included in letters to ratepayers about High Street and Retail Rates Relief for 2019-20

The Cabinet Secretary for Finance announced on 10 December 2018 that an additional £23.6 million of funding would be available to extend and expand the existing High Street and Retail Rates Relief scheme for 2019-20.

Relief of up to £2,500 will be provided to eligible occupied retail properties with a rateable value of £50,000 or less in 2019-20. Your current rates bill includes this High Street and Retail Rates Relief.

Awards such as High Street and Retail Rates Relief are required to comply with the EU law on State Aid¹. In this case, this involves returning the attached declaration to this authority if you have received any other De Minimis State Aid, including any other High Street and Retail Rates Relief you are being granted for premises other than the one to which this bill and letter relates, and confirming that the award of High Street and Retail Rates Relief does not exceed the €200,000 an undertaking² can receive under the De Minimis Regulations EC 1407/2013.

Please complete the declaration and return it to the address above. In terms of declaring previous De Minimis aid, we are only interested in public support which is De Minimis aid (State Aid received under other exemptions or public support which is not State Aid does not need to be declared).

If you have not received any other De Minimis State Aid, including any other High Street and Retail Relief you are being granted for premises other than the one to which this bill and letter relates, you do not need to complete or return the declaration.

If you wish to refuse to receive the High Street and Retail Rates Relief granted in relation to the premises to which this bill and letter relates, please complete the attached form and return it to the address above. You do not need to complete the declaration. This may be particularly relevant to those premises that are part of a large retail chain, where the cumulative total of High Street and Retail Rates Relief received could exceed €200,000.

Under the European Commission rules, you must retain this letter for three years from the date on this letter and produce it on any request by the UK public authorities or the European Commission. (You may need to keep this letter longer than three years for other purposes). Furthermore, information on this aid must be supplied to any other public authority or agency asking for information on 'De Minimis' aid for the next three years.

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

2 An undertaking is an entity which is engaged in economic activity. This means that it puts goods or services on a given market. The important thing is what the entity does, not its status. Thus a charity or not for profit company can be undertakings if they are involved in economic activities. A single undertaking will normally encompass the business group rather than a single company within a group. Article 2.2 of the de minimis Regulations (Commission Regulation EC/ 1407/2013) defines the meaning of 'single undertaking'.

‘De Minimis’ declaration

Dear []

NON-DOMESTIC RATES ACCOUNT NUMBER: _____

The value of the non-domestic rates High Street and Retail Rates Relief to be provided to [name of undertaking] by [name of local authority] is £ [] (Euros []).

This award shall comply with the EU law on State Aid on the basis that, including this award, [name of undertaking] shall not receive more than €200,000 in total of De Minimis aid within the current financial year or the previous two financial years). The De Minimis Regulations 1407/2013(as published in the Official Journal of the European Union L352 24.12.2013) can be found at:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF>.

Amount of De Minimis aid	Date of aid	Organisation providing aid	Nature of aid
€	1 April 2019 – 31 March 2020	Local authorities (for the High Street and Retail Rates Relief total, you do not need to specify the names of individual authorities)	High Street and Retail Rates Relief

I confirm that:

- 1) I am authorised to sign on behalf of _____ [name of undertaking]; and
- 2) _____ [name of undertaking] shall not exceed its De Minimis threshold by accepting this High Street and Retail Rates Relief.

SIGNATURE:

NAME:

POSITION:

BUSINESS:

ADDRESS:

DATE:

Refusal of High Street and Retail Rates Relief form

Name and address of premises	Non-domestic rates account number	Amount of High Street and Retail Rates Relief

I confirm that I wish to refuse High Street and Retail Rates Relief in relation to the above premises.

I confirm that I am authorised to sign on behalf of _____ [name of undertaking].

SIGNATURE:

NAME:

POSITION:

BUSINESS:

ADDRESS:

DATE:



CCBC - Equality Impact Assessment Screening Form

This completed form must be appended to any report being submitted for a decision if it determines that a full Equality Impact Assessment is not required

SECTION 1

Which service area and directorate are you from?	
Service Area:	Business Rates, Corporate Finance
Directorate:	Corporate Services Education

For the majority of these questions, you can tick more than one box as more than one option may be relevant

Q1(a) WHAT ARE YOU SCREENING FOR RELEVANCE?					
Service/Function	Policy/Procedure	Project	Strategy	Plan	Proposal
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Q1(b) Please name and describe here: *(Press F1 for guidance – top row on keyboard)*

The Welsh Government (WG) has provided £221k funding to Caerphilly CBC within the 2019-20 Revenue Support Grant for a one-off discretionary rate relief scheme for the financial year 2019-20. This funding is in addition to the WG High Street and Retail Rate Relief (HSRRR) Scheme for 2019-20 which is aimed at helping certain retail business rate payers. It is proposed that the parameters of the HSRRR Scheme for 2019-20 are used as the basis for determining the eligibility of certain ratepayers to the additional rate relief being considered in this screening.

Therefore, subject to the parameters of the 2019-20 HSRRR Scheme and State Aid limits, it is proposed that the additional £221k funding is used to either:

1. Prioritise certain areas, namely the five main town centres of Bargoed, Blackwood, Caerphilly, Risca and Ystrad Mynach, situated within the County Borough and only award rate relief to those qualifying businesses situated within those areas, where the ratepayer has submitted a properly completed application form and an amount of HSRRR has been awarded for 2019-20. This option is not recommended as it may be difficult to justify from an equalities viewpoint; ratepayers situated outside the prioritised areas may feel aggrieved at not being eligible for this relief and a smaller number of businesses will benefit under this

option due to the limited qualifying areas;

or

2. The preferred option is to allow all businesses in the high street and retail sector situated across the whole of the Authority's area to be eligible for this one-off discretionary rate relief, where the ratepayer has submitted a properly completed application form and an amount of HSRRR has been awarded for 2019-20. This option has several advantages as it would guarantee that, within Caerphilly County Borough, a greater number of businesses will benefit from this assistance and it would be easier to justify from an equalities viewpoint

WG did not carry out an Equality Impact Assessment (EIA) for its 2019-20 HSRRR Scheme, however, an EIA was carried out by Caerphilly CBC. No adverse impact was identified. Furthermore, there was a neutral impact on the people or groups of people with protected characteristics because the proposal is not aimed at a specific group within the eligible ratepayer group. No evidence was identified to suggest that the WG scheme would have a differential impact on any group.

A report is to be taken to Cabinet proposing the adoption of Option 2 outlined above for the reasons contained within the Cabinet report.

Q2(a) WHAT DOES Q1a RELATE TO?

Direct front line service delivery (High)	Indirect front line service delivery (Medium)	Indirect back room service delivery (Low)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q2(b) DO YOUR CUSTOMERS/CLIENTS ACCESS THIS...?

Because they need to (High)	Because they have to (Medium)	Because it is automatically provided to everyone in the county borough (Medium)	On an internal basis i.e. staff (Low)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q3 WHAT IS THE POTENTIAL IMPACT ON THE FOLLOWING... High, Medium and Low do not mean the same as positive or negative – a high impact could be a positive impact on a particular group... Is your proposal likely to impact disproportionately in any way (good or bad) on a particular group?

	High Impact (High)	Medium Impact (Medium)	Low Impact (Low)	Don't Know (High)
Children/Young People	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Older People (50+)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Any other age group	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Race (including refugees)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Asylum Seekers	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gypsies & Travellers	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Religion or (non-)belief	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender Reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Welsh Language	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Poverty/social exclusion	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Carers (inc. Young carers)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Community Cohesion	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Marriage & Civil Partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pregnancy & Maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Q4 WHAT ENGAGEMENT / CONSULTATION / CO-PRODUCTIVE APPROACHES WILL YOU UNDERTAKE? Please provide details below – either of your planned activities or your reasons for not undertaking engagement. (Press F1 for guidance – top row on keyboard)

The proposal is to use the one-off funding for discretionary rate relief to enhance the HSRRR relief provided to the high street and retail sector. As the same ratepayers that received HSRRR are being targeted for this additional rate relief, and no adverse impact was identified in the EIA for the HSRRR Scheme, there is no need to undertake a consultation for the recommended option/proposal contained in the Cabinet report. The recommended proposal is not aimed at a specific group within the eligible ratepayer group.

Q5(a) HOW VISIBLE IS THIS INITIATIVE TO THE GENERAL PUBLIC?		
High Visibility (High)	Medium Visibility (Medium)	Low Visibility (Low)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

(b) WHAT IS THE POTENTIAL RISK TO THE COUNCIL'S REPUTATION? (Consider the following impacts – legal, financial, political, media, public perception etc...)		
High Risk (High)	Medium Risk (Medium)	Low Risk (Low)
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Q6 Will this initiative have an impact (however minor) on any other Council service?	
Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>
If Yes, please provide details below	

Q7 HOW DID YOU SCORE? Please tick the relevant box		
<p>Q3 counts as one despite the large number of groups – use the highest recorded impact when calculating your score.</p> <p>This is not an exact science – a high result might not necessarily result in a full EIA report e.g. it may be governed by other legislation or by Welsh Government, resulting in a lack of control at our end.</p> <p>The most important thing is your answer to Q8...</p>		
Mostly <u>HIGH</u> and/or <u>MEDIUM</u> → HIGH PRIORITY →	<input type="checkbox"/>	EIA to be completed. Please go to Section 2.
Mostly <u>LOW</u> → LOW PRIORITY/NOT RELEVANT →	<input checked="" type="checkbox"/>	Do not complete EIA. Go to Q8 followed by Section 2.

Q8 If you determine that this initiative is not relevant for an EIA report; you must provide a full explanation here. Please ensure that you cover all of the relevant protected characteristic groups. (Press F1 for guidance – top row on keyboard)

In relation to Q7, the impact is LOW and no adverse impact on any specific protected characteristic group has been identified. The additional one-off discretionary rate relief will have a positive impact for those businesses that are eligible to receive it.

The proposal is to use one-off Welsh Government funding for discretionary rate relief to enhance the HSRRR relief provided to the high street and retail sector which is known to be adversely affected by liability to pay business rates. HSRRR relief reduces the amount of business rates payable for those ratepayers whose properties are eligible within the WG scheme guidance, and where ratepayers confirm they are using a property for a qualifying purpose and are not prevented from receiving the rate relief under de minimis State Aid rules. As the same ratepayers that received HSRRR are being targeted for this additional one-off discretionary rate relief, reference is made to the Equality Impact Assessment (EIA) carried out for the HSRRR Scheme in 2019.

No adverse impact was identified in the EIA carried out for the 2019/20 HSRRR Scheme which concluded there was a neutral impact on all of the people or groups of people with protected characteristics because the proposal is not aimed at a specific group within the eligible ratepayer group. No evidence was identified to suggest that the WG scheme would have a differential impact on any group. As the same ratepayers are involved in this proposal, the same conclusions have been drawn and so there is no need for an EIA report in respect of the preferred option/proposal.

SECTION 2

Screening Completed by:

Name:	John Carpenter
Job Title:	Finance Manager (Revenues)
Date:	16/12/2019

Head of Service Approval:

Name:	Stephen Harris
Job Title:	Interim Head of Business Improvement & Acting S151 Officer
Date:	03/01/2020