

Report

Council



Part 1

Date: 29 September 2020

Subject **National Non-Domestic Rates: Discretionary Relief: Retail, Leisure and Hospitality Rate Relief Scheme 2020-21**

Purpose The purpose of this report is to obtain retrospective Council approval for the Welsh Government's Retail, Leisure and Hospitality Rate Relief Scheme for 2020-21.

Author Head of Finance

Ward All

Summary Following the announcement of the Covid-19 coronavirus lockdown, a number of businesses were prohibited from trading or saw their revenue greatly reduce.

In response to this Covid-19 coronavirus emergency Welsh Government made available grant funding for billing authorities to deliver in 2020-21, the Retail, Leisure and Hospitality Rate Relief Scheme to reduce the rates payable to zero for qualifying properties. The Welsh Government agreed to reimburse the Council in full for any awards made under the scheme.

As the rate relief was for 2020-21 and there was a need to act quickly, the matter was agreed as urgent under the constitution and was approved by the Leader.

This report seeks retrospective Council approval for the scheme.

Proposal **It is proposed the Council agrees to adopt the Welsh Government's Retail, Leisure and Hospitality Rate Relief Scheme for 2020-21 by making the appropriate determination and decision, as required by Sections 47(1)(a) and 47(3) respectively of the Local Government Finance Act 1988, and set out in the Appendix to this report**

Action by Head of Finance to implement the Scheme and make discretionary awards using delegated powers.

Timetable Effective from 1 April 2020

This report was prepared after consultation with:

- Head of Law & Regulation
- Head of People & Business Change
- Head of Regeneration, investment & Housing

Signed

Background

In response to the coronavirus covid-19 emergency Welsh Government made available funding for billing authorities to deliver in 2020-21, an all Wales Retail, Leisure and Hospitality Rate Relief Scheme.

The Scheme is fully funded by Welsh Government and will enable those businesses that are in the retail, leisure or hospitality sector to benefit from not having to pay any business rates in 2020-21.

The scheme covers all businesses that occupy premises with a rateable value of less than £500,000 and operate in the retail, leisure or hospitality sector.

The means of making the awards of Retail, Leisure and Hospitality Rate Relief is the Council's discretionary powers under section 47 of the Local Government Finance Act 1988.

Under normal operating conditions the Council would have made a formal determination (Section 47(1)(a)) and decision (Section 47(3)) to adopt the scheme so that this discretionary power could be exercised by the Head of Finance under delegated powers. When the scheme was announced it was not possible for Council to meet and approve the scheme due to the coronavirus emergency. There was a pressing need to award the relief to relieve the financial burden on affected businesses, therefore as permitted under the constitution, the Leader of the Council made the determination on behalf of the Council. Council is now required to ratify the scheme formally for completeness.

The report approved by the Leader of Council is provided at appendix 1 and provides full details of the scheme.

The scheme was rolled out quickly to qualifying businesses and they were notified that they had no rates to pay at the start of the financial year before the first instalment was due. The scheme has been positively received and to date around 800 businesses have benefitted from the scheme.

As detailed in the original report, the Council will be reimbursed for the rates income foregone as a result of the Scheme when calculating monies to be paid over to the Welsh Government 'pool'.

Financial Summary

There are no direct financial implications to the Council in adopting the scheme. The full value of discretionary awards is reimbursed by the Welsh Government, Staff resources will be prioritised appropriately within the revenues team to meet the administration requirements of the scheme.

Risks

The risk assessed when the scheme introduced was:

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Failure to implement the scheme will result in Newport ratepayers being financially disadvantaged	H	L	Adoption of the scheme will allow relief awards to be awarded and rate bills reduced to zero.	Head of Finance

Links to Council Policies and Priorities

The adoption of the schemes fits with the Council's aims to improve the local economy, and the well-being of its citizens

Options Available and considered

The scheme was approved by the Leader of the Council in order to ensure that city businesses benefitted from the scheme quickly and while they were experiencing the immediate financial pressures of the national lockdown.

Council is now being asked to retrospectively approve the scheme for completeness.

Preferred Option and Why

To formally adopt the Scheme.

Comments of Chief Financial Officer

This is a key part of the UK/WG support package for businesses and was agreed by the Leader in absence of full Council meetings. This enabled the relief to be given before any payments were due and taken. The scheme is fully funded by Welsh Government.

Comments of Monitoring Officer

The proposed Retail, Leisure and Hospitality Rate Relief Scheme for 2020-21 is in accordance with the Council's statutory powers under the Local Government Finance Act 1988 to grant discretionary business rates relief. This is a national scheme, which fully funded by Welsh Government and enables the Council to grant rate relief for qualifying businesses in the retail, leisure or hospitality sector.

Full Council is required to make a formal determination under Section 47(1) (a) of the 1988 Act and a formal decision under Section 47(3) to adopt the scheme. The power to award discretionary rate relief in accordance with the scheme is then delegated to the Head of Finance under the officer scheme of delegation.

Because of the suspension of Council meetings during the COVID-19 lock-down period, then the Leader of the Council took an urgent decision to adopt the scheme as from April 2020, in accordance with the urgent decision making powers under Standing Order 24.1, where a decision can be taken outside the budget framework when it is not practical to call a quorate meeting of full Council. However, full Council are now being asked to ratify that decision and formally confirm adoption of the scheme

Comments of Head of People and Business Change

There are no staffing implications arising directly from this paper.

The rate relief scheme is intended to support retail, leisure and hospitality businesses during the Coronavirus and assist in preventing business closures in these sectors. As such, the scheme is in line with the Council's Well-being Objective "To promote economic growth and regeneration whilst protecting the environment."

The scheme supports businesses within sectors that are highly significant to the city's economy and recognised as cornerstones of the Newport offer. Its implementation has therefore been an important element of the Council's Covid-19 response.

Comments of Cabinet Member

The Cabinet Member responsible is fully aware of the background to this report, in particular the need to make the early decision under emergency powers and the need now to bring this to full Council for formal ratification.

Local issues

None

Scrutiny Committees

N/A

Equalities Impact Assessment and the Equalities Act 2010

Once adopted, the Council is obliged to comply with the Welsh Government's rules in applying the Scheme. These are detailed in the Appendix to this report.

Children and Families (Wales) Measure

N/A

Wellbeing of Future Generations (Wales) Act 2015

This scheme is being delivered in collaboration with Welsh Government and is intended to help prevent businesses failing as a result of Covid-19 and to help sustain the local economy for the short and long term.

When developing the Retail, Leisure and Hospitality Rate Relief Scheme 2020-21, consideration was given to the wellbeing duty contained in section 3 of the Well-being of Future Generations (Wales) Act 2015. This included consideration of how the policy would contribute to supporting the wellbeing goals under section 4 of that Act, and the wellbeing objectives set by the Welsh Ministers, whilst acting in accordance with the sustainable development principle. Providing this scheme will assist ratepayers and, as such, it will help to contribute to the achievement of the wellbeing goals of a prosperous Wales and a more equal Wales.

Crime and Disorder Act 1998

N/A

Consultation

N/A

Background Papers

The Welsh Government's Guidance on the Retail, Leisure and Hospitality Rate Relief Scheme 2020-21 is available here:



MA-RE-0992-20 -
Retail, Leisure and H

Appendix 1

Report Council



Part 1

Date: 30 March 2020

Subject National Non-Domestic Rates: Discretionary Relief: Retail, Leisure and Hospitality Rate Relief Scheme 2020-21

Purpose The purpose of this report is for to agree that Newport City Council adopts the Welsh Government's Retail, Leisure and Hospitality Rate Relief Scheme for 2020-21.

Author Head of Finance

Ward All

Reason for Urgency

Due to the Covid-19 coronavirus situation, a number of businesses are prohibited from trading, others have seen their trade drastically reduced. In response, Welsh Government has issued details of a fully funded scheme to give 100% rate relief for one year for businesses occupying properties in the retail, leisure or hospitality industry.

Business rate bills have already been issued for 2020-21 and payments will start to become due in early April 2020. It is therefore vital that the business rate relief is applied as soon as possible to these businesses to relieve the financial burden of making rate payments at a time when they are not allowed to trade.

For this reason and to expedite the help available for businesses this report is being treated as urgent.

Summary

In response to the Covid-19 coronavirus emergency situation the Welsh Government has made available grant funding for billing authorities to deliver in 2020-21, the Retail, Leisure and Hospitality Rate Relief Scheme to reduce the rates payable to zero for qualifying properties. The Welsh Government has agreed to reimburse the Council in full for any awards made under the scheme and it is envisaged that around 800 businesses will benefit from not having to pay rates by way of this relief.

The scheme will deliver:

1. Full relief from business rates for 2020-21 for qualifying properties which are broadly used for retail, leisure or hospitality and have a rateable value of less than £500,000.

Proposal It is proposed that the Leader of the Council agrees to adopt the Welsh Government's Retail, Leisure and Hospitality Rate Relief Scheme for 2020-21 by making the appropriate determination and decision, as required by Sections 47(1)(a) and 47(3) respectively of the Local Government Finance Act 1988, and set out in the Appendix to this report

Action by Head of Finance to implement the Scheme and make discretionary awards using delegated powers.

Timetable Effective from 1 April 2020

This report was prepared after consultation with:

- Head of Law & Regulation
- Head of People & Business Change
- Head of Regeneration, investment & Housing

Signed

Background

In response to the coronavirus covid-19 emergency Welsh Government has made available funding for billing authorities to deliver in 2020-21, an all Wales Retail, Leisure and Hospitality Rate Relief Scheme.

The Scheme is fully funded by Welsh Government and will enable those businesses that are in the retail, leisure or hospitality sector to benefit from not having to pay any business rates in 2020-21.

The scheme covers all businesses that occupy premises with a rateable value of less than £500,000 and operate in the retail, leisure or hospitality sector.

The means of making the awards of Retail, Leisure and Hospitality Rate Relief is the Council's discretionary powers under section 47 of the Local Government Finance Act 1988.

Under normal operating conditions the Council would make a formal determination (Section 47(1)(a)) and decision (Section 47(3)) to adopt the scheme so that this discretionary power may be exercised by the Head of Finance under delegated powers. However this is not possible due to the coronavirus emergency and the need to award the relief as soon as practicable to relieve the financial burden on affected businesses, therefore the Leader of the Council will make the determination on behalf of the Council.

The Council will be reimbursed for the rates income foregone as a result of the Scheme when calculating monies to be paid over to the Welsh Government 'pool'.

The Retail, Leisure and Hospitality Rate Relief Scheme forms part of a package of Welsh Government measures available to support businesses during the coronavirus covid-19 emergency.

The relief will be applied directly to all businesses identified as operating in one of the named sectors and no application is required. It is anticipated that there will be a small number of businesses where it is not possible to identify from rating records the nature of their business, these businesses will need to contact the Business Rates Team to claim the rate relief.

If the scheme is adopted, around 800 businesses will benefit from not having to pay rates in 2020-21 and an adjusted 2020-21 rates bill will be issued before the first payment is due in April 2020. Any businesses subsequently identified that meet the criteria of the scheme will be issued with adjustment notices as soon as practicable thereafter.

Financial Summary

There are no direct financial implications to the Council in adopting the scheme. The full value of discretionary awards is reimbursed by the Welsh Government,. Staff resources will be prioritised appropriately within the revenues team to meet the administration requirements of the scheme.

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Failure to implement the scheme will result in Newport ratepayers being financially disadvantaged	H	L	Adoption of the scheme will allow relief awards to be awarded and rate bills reduced to zero.	Head of Finance

Links to Council Policies and Priorities

The adoption of the schemes fits with the Council's aims to improve the local economy, and the well-being of its citizens

Options Available and considered

- Adopt the Wales Retail, Leisure and Hospitality Rate Relief Scheme 2020-21
- Decide not to adopt the Scheme

Preferred Option and Why

Adopt the Scheme so that as many retailers as possible may benefit from not having to pay business rates.

Comments of Chief Financial Officer

This is a key part of the UK/WG support package for businesses and needs to be agreed by the Leader in absence of full Council meetings. This will enable the relief to be given before any payments are due and taken. The scheme is fully funded by Welsh Government and whilst the detail of that is not yet in place, the principle is.

Comments of Monitoring Officer

The proposed decision is in accordance with the Council's statutory powers under the Local Government Finance Act 1988 to grant discretionary business rates relief. This is a national scheme, which is fully funded by the Welsh Government and will enable the Council to grant rate relief for qualifying businesses in the retail, leisure or hospitality sector. Full Council is required to make a formal determination under Section 47(1) (a) of the 1988 Act and a formal decision under Section 47(3) to adopt the scheme. The power to award discretionary rate relief in accordance with the scheme is then delegated to the Head of Finance under the officer scheme of delegation.

Because of the suspension of Council meetings during the COVID-19 lock-down period, then this decision will need to be taken by the Leader of the Council in accordance with the urgent

decision making powers under Standing Order 24.1, where a decision can be taken outside the budget framework when it is not practical to call a quorate meeting of full Council. The decision can be ratified by Council in due course and the reasons for the urgency in adopting the scheme in this way will be reported to Audit Committee in due course.

Comments of Head of People and Business Change

There are no HR related issues arising directly from this report.

Adoption of the Welsh Government's Retail, Leisure and Hospitality Rate Relief Scheme is in line with the Council's Well-being Objective to "Promote economic growth and regeneration whilst protecting the environment" and will support the "Newport Offer" intervention within Newport's Well-being Plan.

Comments of Cabinet Member

Local issues

None

Scrutiny Committees

N/a

Equalities Impact Assessment and the Equalities Act 2010

Once adopted, the Council is obliged to comply with the Welsh Government's rules in applying the Scheme. These are detailed in the Appendix.

Children and Families (Wales) Measure

n/a

Wellbeing of Future Generations (Wales) Act 2015

When developing the Retail, Leisure and Hospitality Rate Relief Scheme 2020-21, consideration was given to the wellbeing duty contained in section 3 of the Well-being of Future Generations (Wales) Act 2015. This included consideration of how the policy would contribute to supporting the wellbeing goals under section 4 of that Act, and the wellbeing objectives set by the Welsh Ministers, whilst acting in accordance with the sustainable development principle. Providing this scheme will assist ratepayers and, as such, it will help to contribute to the achievement of the wellbeing goals of a prosperous Wales and a more equal Wales.

Crime and Disorder Act 1998

n/a

Consultation

n/a

Background Papers

The Welsh Government's Guidance on the Retail, Leisure and Hospitality Rate Relief Scheme 2020-21 is available here:



MA-RE-0992-20 -
Retail, Leisure and F

Resolution

- (a) The Council determines that, unless hereditaments are excepted under (b) below, Section 47(1)(a) (discretionary relief) of the Local Government Finance Act 1988 will apply as regards the hereditaments described in 'The Scheme' in accordance with the rules described in relation to those hereditaments.

It is reasonable for the Council to make this decision having regard to the interests of persons liable to pay council tax set by the Council.

- (b) Relief is not available under this resolution in respect of any hereditament which is occupied by -
- the Welsh Ministers, a Minister of the Crown or government department,
 - any public authority (including any local authority),
 - the holder of any public office, or
 - the Crown
- (c) The Council decides, under Section 47(3) of the Local Government Finance Act 1988, that during the billing year 2020-21 'The Scheme' shall apply to the hereditaments described, and that the Head of Finance use his delegated powers to apply the relief.

The Scheme to be Adopted

Introduction

The relief is intended to be a temporary measure for 2020-21 only, aimed at businesses operating in the retail, leisure and hospitality sector in Wales, for example shops, pubs, restaurants and cafes.

The Welsh Government will provide relief, eligible retailers occupying premises with a rateable value of £500,000 or less in the financial year 2020-21.

Properties that will benefit from this relief will be occupied properties such as shops, hotels, restaurants, cafes and drinking establishments, with a rateable value of £500,000 or less on 1 April 2020.

Level of Support

Eligible ratepayers must be occupying premises and have a rateable value of less than £500,000 for the financial year 2020-21 and meet the criteria set out by Welsh Government, see appendix for full details.

State Aid

Whilst the UK left the EU on 31 January 2020, the Withdrawal Agreement negotiated by the UK Government and the EU provides that during a transition period State Aid rules will continue to apply as now and will be subject to control by the EU Commission as at present.

The UK Government has notified the EU of its intention to bring forward an immediate change to the UK's tax treatment of non-domestic property, in response to the ongoing

Covid-19 emergency, and to seek clearance under Article 107(3)(b) of the Treaty on the Functioning of the European Union. Subject to this approval, the Expanded Retail Discount Scheme will become a notified state aid scheme. Once the notification has been approved by the European Commission, it will supersede the de minimis regulation as the appropriate cover for awarding the discount, meaning existing de Minimis limits will no longer restrict the provision of support.

APPENDIX

Retail, Leisure and Hospitality Rates Relief in Wales 2020-21 Guidance

About this guidance

1. This guidance is intended to support county and county borough councils (“local authorities”) in administering the Retail, Leisure and Hospitality Rates Relief scheme (“the relief”). On 18 March, the Minister for Finance and Trefnydd announced the expansion of the relief on a temporary basis for 2020-21. 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 retail, leisure and hospitality properties. The guidance does not replace any existing non-domestic rates legislation or any other relief.
3. Enquiries about the scheme should be sent to: localtaxationpolicy@gov.wales
4. The relief is being offered from 1 April 2020 and will be available until 31 March 2021.

Introduction

5. This relief is aimed at businesses in Wales in the retail, leisure and hospitality sectors, for example shops, pubs and restaurants, gyms, performance venues and hotels.
6. The Welsh Government will provide grant funding to the 22 local authorities in Wales to provide the Retail, Leisure and Hospitality Rates Relief scheme to eligible ratepayers for 2020-21. The scheme aims to provide support for eligible occupied properties by offering a discount of 100% on the non-domestic rates bill for a property, to all eligible premises. The scheme will apply to all eligible ratepayers with a rateable value of £500,000 or less.
7. This document provides guidance on the operation and delivery of the scheme.

Section 1

Retail, Leisure and Hospitality 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 reimburse local authorities for the relief that is provided in line with this guidance via a grant under section 31 of the Local Government Act 2003 and 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.
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 2020, 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 retail, leisure and hospitality properties – such as shops, pubs and restaurants, gyms, performance venues and hotels across Wales. More detailed eligibility criteria and exceptions to the relief are set out in paragraphs 13 to 20.

12. Relief should be granted to each eligible business as a reduction to its rates bill based on occupation between 1 April 2020 and 31 March 2021. 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 2020, the local authority may use its discretion in awarding relief.

13. 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)
- Charity shops
- 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
- Bars or Wine Bars

14. We 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) and for the assembly of visiting members of the public.

- Sports grounds and clubs,
- Sport and leisure facilities,
- Gyms
- Tourist attractions,
- Museums and art galleries,
- Stately homes and historic houses,
- Theatres,
- Live Music Venues
- Cinemas
- Nightclubs,

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

- Public halls,
- Clubhouses, clubs and institutions

15. We 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

Other considerations

16. To qualify for the relief, the hereditament should be wholly or mainly used for the qualifying purposes. In a similar way to other reliefs, 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. For the avoidance of doubt, hereditaments which closed temporarily due to the government's advice on Covid-19 should be treated as occupied for the purposes of this relief.

17. The above list is not intended to be exhaustive as it would be impossible to list all the many and varied retail, leisure and hospitality 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 eligible for relief. 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 Retail, Leisure and Hospitality Rates Relief

19. Any hereditament with a rateable value over £500,000.

20. The following list sets out the types of uses that the Welsh Government does not consider to be retail, leisure or hospitality use for the purpose of this relief and which 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 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 offices
- Children's play centres
- Day nurseries
- Kennels and catteries
- Casino and gambling clubs
- Show homes and marketing suites
- Employment agencies

There are a number of further types of hereditament which the Welsh Government believes should not be eligible for the relief.

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

If a hereditament is not usually 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 paragraphs 13 to

iii. Hereditaments that are not occupied

Properties that are not occupied on 1 April 2020 should be excluded from this relief. However, under the mandatory Empty Property Relief, empty properties will receive a 100% reduction in rates for the first three months (and in certain cases six) of being empty.

iv. Hereditaments that are 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 or gift shops attached to historic buildings, are exempt from this scheme.

How much relief will be available?

21. The total amount of government funded relief available for each property under this scheme for 2020-21 is 100% of the remaining bill, after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, excluding those where local authorities have used their wider discretionary relief.

Powers introduced by the Localism Act 2011 which are not funded by section 31 grants¹. Retail, Leisure and Hospitality Rates Relief should be applied against the net bill after other reliefs have been applied.

As required in the NDR3 guidance notes, the former categories of discretionary relief prior to the Localism Act 2011 (ie. charitable/CASC top-up) should be applied first in the sequence of discretionary reliefs and, therefore, before the retail, leisure and hospitality rates relief.

22. 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.

Amount of relief to be granted = V , where V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and any other discretionary reliefs, excluding those where local authorities have used their discretionary relief powers introduced by the Localism Act 2011 which are not funded by section 31 grants.

23. This should be calculated ignoring any prior-year adjustments in liabilities which fall to be liable on the day.

24. Ratepayers who occupy more than one property will be entitled to Retail, Leisure and Hospitality Rates Relief for each of their eligible properties.

25. Retail, leisure and hospitality properties which are excluded from Small Business Rates Relief due to the multiple occupation rule are eligible for this relief scheme.

Changes to existing hereditaments, including change in occupier

26. Empty properties becoming occupied after 1 April 2020 will qualify for this relief.

27. 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 22 of this guidance.

28. The discount should be applied on a day-to-day basis using the formula set out above. A new hereditament created as a result of a split or merger during the financial year, or where there is a change of use, should be considered afresh for the discount on that day.

State Aid

29. Whilst the UK left the EU on 31 January 2020, the Withdrawal Agreement negotiated by the UK Government and the EU provides that during a transition period State Aid rules will continue to apply as now and will be subject to control by the EU Commission as at present.

30. The UK Government has notified the EU of its intention to bring forward an immediate change to the UK's tax treatment of non-domestic property, in response to the ongoing Covid-19 emergency, and to seek clearance under Article 107(3)(b) of the Treaty on the Functioning of the European Union. Subject to this approval, the Expanded Retail Discount Scheme will become a notified state aid scheme. Once the notification has been approved by the European Commission, it will supersede the de minimis regulation as the appropriate cover for awarding the discount, meaning existing de Minimis limits will no longer restrict the provision of support.