# Guidance sheet for Business Rates Retail discount

The Government announced in the Budget on 29th October 2018 that it will provide a business rates Retail Discount scheme for occupied retail premises with a rateable value of less than £51,000 in each of the years 2019-20 and 2020-21. The Value of the discount should be one third of the bill, and must be applied after mandatory and discretionary reliefs. For the year 2020/21 the Retail Discount has been increased to 50%

To qualify for the Retail Relief a property must be

* Have a rateable value of less than £51,000 (this is shown on your business rates bill)
* Be wholly or mainly used as shops, restaurants, cafes and drinking establishments

**Properties that are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.**

The list below whilst not exhaustive is a guide as to the type of uses that the government considers to be retail for this purpose. Relief could be granted for occupation that is broadly similar in nature to those listed. Properties that are not broadly similar in nature to those listed should not be eligible for relief.

**Properties that are being used for the sale of goods tovisiting members of the public:**

* Shops (such as : florist, bakers, butcher, grocers, greengrocers, jewellers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets, etc.)
* Charity shops
* Opticians
* Post offices
* Furnishing shops/display rooms (such as: carpet shops, double glazing, garage doors)
* Car/caravan show rooms
* Second hand car lots
* Markets
* Petrol stations
* Garden centres
* Art galleries (where are is for sale/hire)

**Properties that are being used for the provision of the following services to visiting members of the public**

* Hair and beauty services (such as: hairdressers nail bars, beauty salons, tanning shops, etc.)
* Shoe repairs/key cutting
* Travel agents
* Ticket offices e.g. theatre
* Dry cleaners
* Launderettes
* PC/TV/domestic appliance repair
* Funeral directors
* Photo processing
* DVD/video rentals
* Tool hire
* Car Hire

**Properties that are being used for the sale of food and/ or drink to visiting members of the public:**

* Restaurants
* Takeaways
* Sandwich shops
* Coffee shops
* Pubs
* Bars

Properties that are being used as cinemas

Properties that are being used as live music venues;

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

To qualify for the relief the business premises should be wholly or mainly being used as a shop, restaurant, café or drinking establishments, cinemas and live music venues. Properties which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

The following are examples of uses that the government does not consider to be retail for the purposes of this relief

**Properties that are being used for the provision of the following services to visiting members of the public:**

* Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, betting shops, pawn brokers)
* Other services (e.g. Estate agents, letting agents, employment agencies)
* Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors))
* Professional services (e.g. solicitors, accountants, insurance agents/financial advisers, tutors)
* Post office sorting offices

**Properties that are not reasonably accessible to visiting members of the public:**

 **The Government does not consider other assembly or leisure uses to be retail uses for the purpose pf the discount. Examples of those properties outside the scope are:**

* Theatres
* Museums
* Nightclubs
* Properties used for sport or physical recreation such as gyms

**STATE AID- IMPORTANT**

**Further information on State Aid can be found by visiting** [**https://www.gov.uk/state-aid**](https://www.gov.uk/state-aid) **and it is important that you check to ensure you have not exceeded the State Aid limits**

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. However Retail Relief will be State Aid compliant where it is provided in accordance with De Minimis Regulations. (EU1407/2013)

The De Minimis Regulations allow 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).

**Please note: If the European Commission considers that you are not eligible for De Minimis Aid, the amount of aid awarded will be recoverable from you with interest. It is therefore important that you are confident that you meet the De Minimis Aid Criteria.**