

# The Royal Borough of Kensington and Chelsea

## Application for Business Rates Retail Discount for the Financial Year 2019-20 and 2020-21



### Business Rates Retail Discount – Guidance Notes

The Government has issued the following guidance on eligibility for the Retail Discount for financial years 1 April 2019 to 31 March 2020 and 1 April 2020 to 31 March 2021.

#### Which properties will qualify for the Retail Discount?

Properties that will benefit from the discount 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. For 2020-21, the Government expanded the discount to include hospitality and leisure properties. He also announced that the discount will be 100% off the rates bill irrespective of the rateable value. Properties that will benefit are occupied properties (except where properties are closed due to Covid 19), that are wholly or used as:

- a. shops, restaurants, cafes, drinking establishments, cinemas and live music venues
- b. for assembly and leisure; or
- c. as hotels, guest & boarding premises and self-catering accommodation
- d. estate and lettings agents, employment agents (not on-line agents)
- e. early year Nurseries on Ofsted's early years register

We consider shops, restaurants, cafes and drinking establishments to mean:

- i. Hereditaments that are being used for the sale of goods to visiting members of the public: –**
  - Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc.)
  - Charity shops
  - Opticians
  - Post offices
  - Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
  - Car/ caravan show rooms
  - Second hand car lots
  - Markets
  - Petrol stations
  - Garden centres
  - Art galleries (where art is for sale/hire)
- ii. Hereditaments that are being used for the provision of the following services to visiting members of the public:**
  - Hair and beauty services (such as: hair-dressers, nail bars, beauty salons, tanning shops, etc.)

- Shoe repairs/ key cutting
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/ TV/ domestic appliance repair
- Funeral directors
- Photo processing
- Tool hire
- Car hire
- Employment agencies – for 2020-21 only
- Estate and Letting agents – for 2020-21 only
- Betting shops

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

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs
- Bars

**iii. For 2020-21 only, hereditaments that are being used for Sport, hospitality and leisure:**

- Hotels, Guest and Boarding Houses
- Holiday homes
- Caravan parks and sites
- Gyms
- Theatres
- Museums and art Galleries
- Cinemas
- Live Music venues and Night clubs
- Clubhouses, clubs and institutions
- Sports grounds and club
- Tourist attractions
- Wellness centres, spas, massage parlours
- Casinos, gambling clubs and bingo halls
- Public Halls

**v. For 2020-21 only, hereditaments occupied by the providers on Ofsted's Early Years register which are wholly or mainly use for the provision of the early years foundation stage.**

To qualify for the discount, the hereditament should be wholly or mainly being used as a shop, restaurant, café, drinking establishment, hospitality or leisure and be accessible to visiting members of the public. In a similar way to other reliefs (such as charity relief), 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 discount.

The list set out above is not intended to be exhaustive as it would be impossible to list the many and varied retail uses that exist. There will also be mixed uses. However, it is intended to be a guide for authorities as to the types of uses that Government considers for this purpose to be retail.

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

- i. Hereditaments 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, bureaux 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

#### **How much relief will be available?**

For 2019-20, the total amount of government-funded relief available for each property is one third off the bill, after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, excluding those where local authorities have used their discretionary relief powers introduced by the Localism Act which are not funded by section 31 grants.

For 2020-21, the total amount of government-funded relief available for each property is 100% off the bill.

#### **State Aid**

The award of this relief must comply with EU law on State Aid. This application form requires you to declare if you have received any other State Aid that exceeds in total €200,000 (approximately £180,000), including any other relief you are being granted for premises other than the one to which this letter relates, under the De Minimis Regulations EC 1407/2013.

Under the European Commission rules, you must retain documents confirming any retail discount you receive for three years and produce them on any request by the UK public authorities or the European Commission. (You may need to keep them for 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 Minimus' aid for the next three years. Further information on State Aid law can be found at <https://www.gov.uk/state-aid>.

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).

**The Royal Borough of Kensington and Chelsea**

**Application for Business Rates Retail Discount for the Financial Year 2019-20 and 2020-21**



**1. Rates account and ratepayer details for which relief is being claimed:**

Rate Account Number(s)	
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Ratepayer Name(s)	
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**2. Property Addresses for which relief is being claimed:**

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**3. Please explain how the property(ies) is / are being used:**

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**4. I confirm that my property(ies) is/are wholly or mainly used for one of the categories listed as qualifying under the guidance notes: Yes / No**

If your property is not used for one of the purposes listed under the qualifying criteria but you believe that you may still qualify for relief, please detail below the type of business that is conducted from the property.

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**Please note that the Council may, in order to determine eligibility, make enquiries and / or carry out inspections of any properties for which an application for Business Rates Retail Discount business rate relief has been made.**

**Please also note that if at a later date it is found that the use of your property and or the total amount of State Aid paid to your company or organisation renders it ineligible for the Retail Discount, the Council will remove it and any back-dated rates charges that result from this will be payable.**

Please confirm that your company or business has not, excluding the Retail Discount you are applying for, received more than €200,000 in state aid in the last three years.

**Yes / No**

Should your circumstances change and you no longer meet the qualifying criteria, you must notify us so that the Retail Discount can be adjusted to reflect the change.

By signing this form, you agree that, to the best of your knowledge, the information contained on the form is complete and is not false. Willfully making a false statement on the application form is an offence and may result in us taking action legal against you.

**5. Declaration:**

I confirm that I am authorised to sign on behalf of the ratepayer: **Yes / No**

Name (PRINT).....

Signature .....

Date .....

Position in Business / Organisation .....

Telephone Numbers .....

Email address .....

**Please return this application to:** RBKC Business Rates, PO Box 10413, Town Hall, Hornton Street, London, W8 7WT

**If you have any queries regarding this application form, please contact the Rates Office:**

**Direct Line:** 020 7361 2828

**Email:** [businessrates@rbkc.gov.uk](mailto:businessrates@rbkc.gov.uk)