

**Matter which the Mayor has decided is urgent by reason of the need to enable a scheme to be adopted using discretionary relief powers under section 47 of the Local Government Finance Act 1988 for the provision of High Street and Retail Rates Relief for qualifying business premises within the Vale of Glamorgan area.**

Agenda Item No. 13(i)

THE VALE OF GLAMORGAN COUNCIL

COUNCIL: 26<sup>TH</sup> FEBRUARY, 2020

REFERENCE FROM CABINET: 24<sup>TH</sup> FEBRUARY, 2020

**C238 NON DOMESTIC RATES – HIGH STREET AND RETAIL RATES RELIEF (L/PR) (SCRUTINY – CORPORATE PERFORMANCE AND RESOURCES) –**

The report brought to the attention of Cabinet the Council's discretionary powers to award non-domestic rates relief to businesses within the Council's area under Section 47 of the Local Government Finance Act 1988.

The report drew Cabinet's attention to the proposed funding that would be provided by Welsh Government in order to support High Street and Retail businesses throughout the Council's area.

The report proposed that Cabinet recommended that Council adopted the High Street and Retail Rates Relief Scheme for 2020-21 in accordance with the provisions contained in Section 47 of the Local Government Finance Act 1988.

This was a matter for Council decision.

Cabinet, having considered the report and all the issues and implications contained therein

RESOLVED –

(1) T H A T Cabinet recommend to Full Council the following:

- That Council adopts the High Street and Retail Rates Relief Scheme for 2020-21 in accordance with the provisions contained in Section 47 of the Local Government Finance Act 1988.
- That Council resolves to award relief to all qualifying businesses as in accordance with the Non-domestic Rates High Street and Retail Rates Relief Guidance issued by the Welsh Government at Appendix A.
- That Council resolves to automatically award entitlement to those qualifying business that can be identified through records held by the Council.
- That Council resolves to award entitlement to the remaining businesses that may be eligible following receipt of a valid application form.

(2) T H A T the use of Article 14.14 of the Council's Constitution (Urgent Decision Procedure) be authorised in respect of Resolution (1) above.

Reasons for decisions

(1) To enable a scheme to be adopted using discretionary relief powers under section 47 of the Local Government Finance Act 1988 for the provision of High Street and Retail Rates Relief for qualifying business premises within the Vale of Glamorgan area.

(2) The use of Article 14.14 will enable the issue to be reported to Council on the 26th February 2020 with a view to introducing the Scheme on the 1st April 2020.

Attached as Appendix – Report to Cabinet: 24<sup>th</sup> February, 2020

Meeting of:	<b>Cabinet</b>
Date of Meeting:	<b>Monday, 24 February 2020</b>
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	Non-Domestic Rates - High Street and Retail Rates Relief
Purpose of Report:	To confirm adoption of a High Street and Retail Rates Relief Scheme for 2020/2021 in respect of qualifying business premises within the Vale of Glamorgan area under discretionary relief powers in accordance with section 47 of the Local Government Finance Act 1988
Report Owner:	Leader and Cabinet Member for Performance and Resources
Responsible Officer:	Carys Lord - Head of Finance, Resources
Elected Member and Officer Consultation:	No Elected Members have been consulted. Exchequer Manager - Resources
Policy Framework:	This is a matter for executive decision by Cabinet
<p>Executive Summary:</p> <ul style="list-style-type: none"> <li>• This report brings to the attention of Cabinet the Councils discretionary powers to award non-domestic rates relief to businesses within the Council's area under section 47 of the Local Government Finance Act 1988.</li> <li>• The report draws Cabinet's attention to the proposed funding that will be provided by Welsh Government in order to support High Street and Retail businesses throughout the Council's area.</li> <li>• The report proposes that Cabinet recommends that Council adopts the High Street and Retail Rates Relief Scheme for 2020-21 in accordance with the provisions contained in Section 47 of the Local Government Finance Act 1988.</li> </ul>	

## **Recommendations**

- 1.** That Cabinet recommends to Full Council the following:
  - That Council adopts the High Street and Retail Rates Relief Scheme for 2020-21 in accordance with the provisions contained in Section 47 of the Local Government Finance Act 1988.
  - That Council resolves to award relief to all qualifying businesses as in accordance with the Non-domestic Rates High Street and Retail Rates Relief Guidance issued by the Welsh Government at Appendix A.
  - That Council resolves to automatically award entitlement to those qualifying business that can be identified through records held by the Council.
  - That Council resolves to award entitlement to the remaining businesses that may be eligible following receipt of a valid application form.
- 2.** That the use of Article 14.14 of the Council's Constitution (Urgent decision Procedure) be authorised in respect of 1 above.

## **Reasons for Recommendations**

- 1.** To enable a scheme to be adopted using discretionary relief powers under section 47 of the Local Government Finance Act 1988 for the provision of High Street and Retail Rates Relief for qualifying business premises within the Vale of Glamorgan area.
- 2.** The use of Article 14.14 will enable the issue to be reported to Council on the 26th February 2020 with a view to introducing the Scheme on the 1st April 2020.

## **1. Background**

- 1.1** An announcement was made on the 7th January 2020 by the Minister for Finance and Trefnydd, Rebecca Evans AM, to extend the High Street and Retail Rates Relief Scheme for a further year. The Minister announced that £24.2 million of support would be available in 2020/21 in order to help High Street businesses and other retailers with their non-domestic rates.
- 1.2** On the 23rd January 2020 the Welsh Government confirmed the details of the Scheme and the estimated allocation of grant funding for the Vale of Glamorgan Council based on the numbers of eligible hereditaments on the local rating lists during the 2019-20 financial year will be £1.24M.
- 1.3** In order to accept the allocated funding, the Council must adopt the High Street and Retail Rates Relief Scheme by the 1st May 2020 and provide to Welsh Government a revised eligibility calculation based on the number of hereditaments that will qualify for the award within the Council's area. It is usual for Welsh Government to provide an additional administrative grant to assist with the implementation of the scheme, although no announcement has been made as yet to any potential amount that may be provided for this purpose.

## **2. Key Issues for Consideration**

- 2.1** The relief is aimed at High Street businesses and other retailers in Wales and includes those retailers that have seen an increase in their rates as a result of the 2017 revaluation undertaken by the Valuation Office Agency.
- 2.2** The enhanced scheme will provide support of up to £2,500 towards the non-domestic rates bills for retail properties throughout the Vale of Glamorgan who have a rateable value of up to 50,000.
- 2.3** In order to ensure maximum take-up, whilst minimising the administrative burden for ratepayers and local authority staff, where qualifying businesses can be identified then any entitlement will automatically be awarded without the need of an application.
- 2.4** The remaining businesses who may qualify for assistance will be sent an application form in order for the Council to determine their eligibility.
- 2.5** An exercise has been carried out to extract data from the Council's business rates system and the estimated number of business ratepayers who may potentially qualify for relief under the scheme is 707, which will result in a revised calculation for a total sum of £1,279,550
- 2.6** Where entitlement can be identified through the Council's current records then the intention is to automatically apply the award to the accounts of eligible ratepayers in order that it is shown on their annual demand when issued on the 13th March 2020. The account will then set out the revised instalments payable for the financial year.

## **3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?**

- 3.1** The awarding of High Street and Retail Rates Relief to local business within the Vale of Glamorgan contributes to the Well-being outcome of a Prosperous Wales by assisting local businesses who provide employment opportunities, thereby allowing people to take advantage of the wealth generated through securing decent work.
- 3.2** The proposals in this report will provide important financial assistance to businesses that are vital to the Council's local communities. As a result, this will enable the Council to continue to work towards the Well-being Outcome of Cohesive Communities by ensuring that businesses remain viable and can support their local communities, some of which may be rural in nature.

## **4. Resources and Legal Considerations**

### **Financial**

- 4.1** The Welsh Government has confirmed the details of the Scheme and the estimated allocation of grant funding for the Vale of Glamorgan Council based on the numbers of eligible hereditaments on the local rating lists during the 2019-20 financial year will be £1.24M.

- 4.2** However, the Council is required to submit a revised eligibility calculation by the 1st May 2020 based on the number of hereditaments that will qualify for the reduction.
- 4.3** An exercise has been carried out to extract data from the Council's business rates system and the estimated number of business ratepayers who may potentially qualify for relief under the scheme is 707, which will result in a revised calculation for a total sum of £1,279,550

#### **Employment**

- 4.4** None

#### **Legal (Including Equalities)**

- 4.5** The Council will be required to implement the High Street and Retail Relief Scheme in line with Welsh Government Regulations and Guidance.
- 4.6** The Welsh Government has assessed the equality implications when implementing the Welsh Retail Relief Scheme and produced the relevant Equality Impact Assessment which is attached at Appendix B. The High Street and Retail Rates Relief is a continuation of this scheme.

### **5. Background Papers**

Appendix A - Welsh Government High Street and Retail Rates Relief Guidance

Appendix B - Welsh Government Equality Impact Assessment - Welsh Retail Relief Scheme



Llywodraeth Cymru  
Welsh Government

Non-Domestic Rates

High Street and Retail Rates Relief in Wales –  
2020-21

Guidance

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# 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”). On 7 January, the Minister for Finance and Trefnydd announced the extension of the relief into 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 high street and retail 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](mailto: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 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 2020-21. The scheme aims to provide support for eligible retail businesses by offering a discount of up to £2,500 on the non-domestic rates bill for a property, to retailers occupying premises with a rateable value of £50,000 or less in the financial year 2020-21, 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 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, subject to State Aid considerations set out in paragraphs 26 to 30.
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 properties – such as shops, restaurants, cafes and drinking establishments - on the high street and in other locations and other, 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 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.

PRO RATA - PARAGRAPHS 25

### 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 2020. 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. **The 2020-21 scheme is not limited to high street premises but includes all properties within Wales that meet 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 following list sets out the types of uses that the Welsh Government does not consider to be retail 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 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, pawnbrokers
- 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, 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 hereditament which the Welsh Government believes should not be eligible for the High Street and Retail Rates 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 2020 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 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.

**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 and Retail Rates 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 Rates 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 rates liability. This should be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.
23. Ratepayers who 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 2020 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 2 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:

<https://gov.wales/state-aid>

[http://ec.europa.eu/competition/state\\_aid/legislation/de\\_minimis\\_regulation\\_en.pdf](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 2020-21

The Minister for Finance and Trefnydd announced on 7 January 2020 that an additional £24.2 million of support would be available to extend the High Street and Retail Rates Relief scheme for a further year.

Relief of up to £2,500 will be provided to eligible occupied retail properties with a rateable value of £50,000 or less in 2020-21. 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 Aid<sup>1</sup>. 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 undertaking<sup>2</sup> 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 Rates 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 State Aid for the next three years.

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

<sup>2</sup> 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 2020 – 31 March 2021	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:

**Appendix B**

**Equality Impact Assessment (EIA) Template – Part 1**

<b>Policy title and purpose (brief outline):</b>	<b>Business Rates Relief Wales Retail Relief Scheme</b>
<b>Name of official:</b>	<b>Audrey Johns</b>
<b>Department:</b>	<b>ES&amp;T</b>
<b>Date:</b>	<b>March 2014</b>
<b>Signature:</b>	

## **1. Please provide a brief description of the policy/decision.**

### **Background**

The Minister for Economy, Science and Transport established the Business Rates Task and Finish Group in November 2011.

During their two-year existence the Task and Finish Group produced three reports on a range of business rates policy issues. One of these included a recommendation to develop a targeted fund to support businesses negatively affected by revaluation. The Group advised that this should be targeted at high street retailers.

The UK Government has also announced that they will introduce a business rates discount of £1,000 for retail and food and drink premises with a rateable value below £50,000 for 2 years up to the state aid limits from 1 April 2014.

### **Administration and Delivery**

The policy will be funded via a Welsh Government grant to local authorities.

Local authorities that choose to participate will administer the scheme alongside other rate reliefs. They will be responsible for promoting the scheme in their area and for interfacing directly with applicants.

## **2. We have a legal duty to engage with people with protected characteristics under the Equality Act 2010 (please refer to Annex A of the EIA guidance) identified as being relevant to the policy. What steps have you taken to engage with stakeholders, both internally and externally?**

In October 2012, the Welsh Government responded to the recommendations of the Business Rates Review Wales, an independent report from the Business Rates Task and Finish Group.

Recommendation 15 proposed consultation with the charitable and retail sectors to review the business rates reliefs that are available to charities and social enterprises.

The Minister for Economy, Science and Transport asked the Task and Finish Group to undertake this consultation and prepare specific recommendations on this issue.

Their independent report was published and made ten recommendations as well as further issues for consultation.

The summary of consultation responses is available here:

<http://wales.gov.uk/topics/businessandconomy/policy/brr/?lang=en>

Organisations that represent the interests of protected groups provided responses to the consultation which covered the provision of support for retail premises in town centres. No issues relating to differential impact and business rates relief targeted at retail were raised through the consultation process.

**3. Your decisions must be based on robust evidence. What evidence base have you used? Please list the source of this evidence e.g. National Survey for Wales. Do you consider the evidence to be strong, satisfactory or weak and are there any gaps in evidence?**

Two key issues have been considered:

- Administration of the scheme and access.
- Whether the scheme is likely to have a disproportionate impact on certain groups by virtue of the way that it is targeted.

**Administration of the scheme and access**

The scheme will be administered by local authorities. Local authorities are obliged to meet the requirements of the Equality Act and will be responsible for making sure that the scheme is administered and marketed in a way that is accessible to all groups.

**Targeting of the scheme and disproportionate impact**

Relief provided under the scheme will be available to ratepayers that occupy retail and food and drink premises with a rateable value of £50,000 or less. A maximum of £1000 discount can be applied to the rates bill for the year 2014-5, although eligibility for the scheme is limited by State Aid Regulations.

Business that are in receipt of mandatory charity rates relief will not be eligible for support under the scheme, although the relief can be applied in addition to other rates reliefs.

Consideration has been given to whether, by virtue of the nature and targeting of the scheme, it is likely to have a disproportionate impact on people sharing the protected characteristics listed in the Equality Act 2010.

Evidence gathered for the equality impact assessment suggests that the scheme is unlikely to have a significant differential impact on protected groups.

**Nature of Business likely to Benefit from Support**

The scheme supports retail and food and drink premises.

Evidence suggests that there are more women employed in retail than men across the sector but that women are underrepresented at

management levels<sup>1</sup>. This means that, if businesses receiving the relief are primarily retail businesses, the scheme may benefit more women than men in terms of access to increased employment opportunities. However the scheme is aimed at businesses rather than at individuals, and further action to address the issue of gender employment in retail is considered to be outside the scope of the Scheme.

### Size of Business likely to Benefit from Support

The rateable value cap that is applied to the scheme means that it is more likely that smaller businesses will benefit from support. Support is further limited by a state aid cap which is likely to preclude very large organisations from benefitting.

No evidence has been identified to suggest that this aspect of the targeting of the scheme is likely to result in differential impact on protected groups.

### Geographical Targeting

The grant funding offer would be made to all local authorities in Wales.

Although the scheme is aimed at supporting the development of sustainable and vibrant town centres, retail and food and drink premises outside town centres and in rural areas can also benefit.

The evidence gathered suggests that the scheme is unlikely to have a differential impact as a result of geographical targeting.

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<sup>1</sup> Broadridge, A (2007) Dominated by women: managed by men? The career development process of retail managers. *International Journal of Retail and Distribution Management* Vol. 35 No 12 pp956-974

***It is important to note any opportunities you have identified that could advance or promote equality.***

**Impact**

**Please complete the next section to show how this policy / decision / practice could have an impact (positive or negative) on the protected groups under the Equality Act 2010 (refer to the EIA guidance document for more information).**

**4.1 Do you think this policy / decision / practice will have a positive or negative impact on people because of their age?**

Age	Positive	Negative	None / Negligible	Reasons for your decision (including evidence) / How might it impact?
Younger people  <i>(Children and young people, up to 18)</i>			x	The scheme is aimed at supporting retail and food and drink premises. This is likely to have both direct and indirect positive impacts on younger people where jobs and services are sustained or created in a retail area as a result of the support available. No evidence has been identified to suggest that the scheme would have a differential impact on this group.
People 18-50			x	As above





Older people (50+)			x	As above
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#### 4.2 Because they are disabled?

Impairment	Positive	Negative	None / Negligible	Reason for your decision (including evidence) / How might it impact?
Visual impairment Hearing impairment Physically disabled Learning disability Mental health problems Other impairments issues			x	<p>The scheme is aimed at supporting retail and food and drink premises. This is likely to have both direct and indirect positive impacts on disabled people where jobs and services are sustained or created in a retail area as a result of the support available.</p> <p>No evidence has been identified to suggest that the scheme would have a differential impact on this group.</p> <p>Local authorities are required by the Equality Act 2010 to ensure that the scheme is accessible. Guidance to local</p>

				<p>authorities requires that the application process is accessible.</p> <p>Local authorities are obliged to meet the requirements of the Equality Act 2010 in the marketing and administration of the scheme.</p>
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#### 4.3 Because of their gender (man or woman)?

Gender	Positive	Negative	None / Negligible	Reason for your decision (including evidence)/ How might it impact?
Male/Female			x	<p>The scheme is aimed at supporting retail and food and drink premises. This is likely to have both direct and indirect positive impacts by gender where jobs and services are sustained or created in a retail area as a result of the support available.</p> <p>Evidence suggests that the scheme may have a slightly more significant impact on women than men in terms of</p>

				<p>access to employment opportunities where these are created or sustained in retail businesses as a result of the scheme.</p> <p>Local authorities are obliged to meet the requirements of the Equality Act 2010 in the marketing and administration of the scheme and to ensure that it is accessible.</p>
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#### 4.4 Because they are transgender?

Transgender	Positive	Negative	None / Negligible	Reason for your decision (including evidence) / How might it impact?
			<b>x</b>	The scheme is aimed at supporting retail and food and drink premises. This is likely to have both direct and indirect positive impacts on this group where jobs and services are sustained or created in a retail area as a result of

				<p>the support available.</p> <p>No evidence has been identified which indicates that the scheme might have a significant differential impact on this group.</p> <p>Local authorities are obliged to meet the requirement of the Equality Act 2010 in the marketing and administration of the scheme.</p>
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#### 4.5 Because of their marriage or civil partnership?

<b>Marriage and Civil Partnership</b>	<b>Positive</b>	<b>Negative</b>	<b>None / Negligible</b>	<b>Reason for your decision (including evidence)/ How might it impact?</b>
Marriage			<b>x</b>	No evidence has been identified to suggest that the scheme is likely to have a significant differential impact on this group.
Civil Partnership			<b>x</b>	As above.

#### 4.6 Because of their pregnancy or maternity?

Pregnancy and Maternity	Positive	Negative	None / Negligible	Reason for your decision (including evidence) / How might it impact?
Pregnancy			x	No evidence has been identified which indicates that the scheme might have a significant differential impact on this group.
Maternity (the period after birth)			x	As above

#### 4.7 Because of their race?

Race	Positive	Negative	None / Negligible	Reason for your decision (including evidence) / How might it impact?
Ethnic minority people e.g. Asian, Black,			x	The scheme is aimed at supporting retail and food and drink premises. This is likely to have both direct and indirect positive impacts where jobs and services are sustained or created in a retail area as a result of the support available.

				<p>No evidence has been identified which indicates that the scheme might have a significant differential impact on this group.</p> <p>Local authorities are obliged to meet the requirements of the Equality Act 2010 in the marketing and administration of the scheme and to ensure that it is accessible.</p>
National Origin (e.g. Welsh, English)			x	As above
Asylum Seeker and Refugees			x	As above
Gypsies and Travellers			x	As above
Migrants			x	As above
Others			x	As above

#### 4.8 Because of their religion and belief or non-belief?

Religion and belief or non – belief	Positive	Negative	None / Negligible	Reason for your decision (including evidence)/ How might it impact?
Different religious groups			x	The scheme is aimed at supporting retail and food and

including Muslims, Jews, Christians, Sikhs, Buddhists, Hindus, Others (please specify)				<p>drink premises in town centres. This is likely to have both direct and indirect positive impacts for these groups where jobs and services are sustained or created in a retail area as a result of the support available.</p> <p>No evidence has been identified to suggest that the scheme is likely to result in a significant differential impact on this group.</p> <p>Local authorities are obliged to meet the requirements of the Equality Act 2010 in the marketing and administration of the scheme.</p>
Belief e.g. Humanists			x	As above
Non-belief			x	As above

#### 4.9 Because of their sexual orientation?

Sexual Orientation	Positive	Negative	None / Negligible	Reason for your decision (including evidence)/ How might it impact?
Gay men			x	The scheme is aimed at supporting retail and food and

				<p>drink premises. This is likely to have both direct and indirect positive impacts where jobs and services are sustained or created in a retail area as a result of the support available.</p> <p>No evidence has been identified which indicates that the scheme might have a significant differential impact on this group.</p> <p>Local authorities are obliged to meet the requirements of the Equality Act 2010 in the marketing and administration of the scheme.</p>
Lesbians			<b>x</b>	As above
Bi-sexual			<b>x</b>	As above

**4.10 Do you think that this policy will have a positive or negative impact on people's human rights? Please refer to point 1.4 of the EIA Annex A - Guidance for further information about Human Rights.**





Human Rights	Positive	Negative	None / Negligible	Reason for your decision (including evidence) / How might it impact?
Human Rights including Human Rights Act and UN Conventions			x	

***If you have identified any impacts (other than negligible ones), positive or negative, on any group with protected characteristics, please complete Part 2.***

***Only if there are no or negligible positive or negative impacts should you go straight to part 2 and sign off the EIA.***



## **Equality Impact Assessment – Part 2**

### **1. Building on the evidence you gathered and considered in Part 1, please consider the following:**

#### **1.1 How could, or does, the policy help advance / promote equality of opportunity?**

For example, positive measures designed to address disadvantage and reach different communities or protected groups?

The marketing of the scheme will need to have a sufficiently broad reach to ensure that people from under-represented groups are aware of scheme.

Business support providers have been made aware that the scheme has been offered to local authorities through internal briefings and information posted on the Business Wales website.

Local authorities will be responsible for the marketing of the scheme in their area. Guidance for local authorities which covers the administration of the scheme will require that information is accessible.

This Equality Impact Assessment will be shared with local authorities to ensure that they are aware of their obligations under equalities legislation in terms of marketing and communications.

#### **1.2 How could / does the policy / decision help to eliminate unlawful discrimination, harassment or victimisation?**

It is not evident that the policy might have a role in eliminating unlawful discrimination or harassment.

The evidence suggests that more women than men may benefit from any retail employment opportunities that arise as a direct or indirect result of the scheme. However given that the scheme is not limited to retail, and that it is aimed at businesses rather than individuals, further action to address the issue of gender employment in retail is considered to be outside the scope of the scheme.

Employers that receive rates relief are obliged to operate in line with current employment legislation.

#### **1.3 How could/does the policy impact on advancing / promoting good relations and wider community cohesion?**

Addressing issues relating to access to employment for protected groups is considered to be outside the scope of the scheme, however the scheme has a wider contribution to make both in increasing the vibrancy of town centres and retail areas for all groups and in sustaining businesses and job opportunities more generally.

## 2. Strengthening the policy

**2.1 If the policy is likely to have a negative effect ('adverse impact') on any of the protected groups or good relations, what are the reasons for this?**

**What practical changes/actions could help reduce or remove any negative impacts identified in Part 1?**

n/a

**2.2 If no action is to be taken to remove or mitigate negative / adverse impact, please justify why.**

**(Please remember that if you have identified unlawful discrimination (immediate or potential) as a result of the policy, the policy must be changed or revised.)**

n/a

## 3. Monitoring, evaluating and reviewing

**How will you monitor the impact and effectiveness of the policy?**

List details of any follow-up work that will be undertaken in relation to the policy (e.g. consultations, specific monitoring etc).

Data on the implementation of the scheme (numbers of businesses receiving relief and total relief provided) will be collected.

#### 4. Declaration

**\*Please delete as appropriate:**

**The policy does not have a significant impact upon equality issues**

<b>Official completing the EIA</b>
Name: Audrey Johns
Department: Economy, Science and Transport
Date:02-10-13
Signature:
<b>Head of Division (Sign-off)</b>
Name: Tracey Burke
Job title and department: Director, Strategy, Department for Economy, Science and Transport
Date:
Signature: by email
Review Date:

