

Note for occupiers of property in England / Wales / Northern Ireland / Scotland

Colliers International 3 April 2020

England

1. 12-month business rates holiday for all retail, hospitality, leisure and nursery businesses in England. There will be no rateable value limit on the relief. Hereditaments which have closed temporarily due to the government's advice on COVID-19 should be treated as occupied for the purposes of this relief.
2. As the 12-month rates holiday/relief does not apply until 1st April 2020, all ratepayers in these categories should therefore be eligible for empty rates relief from the date of statutory prohibition on occupation (21st or 24th March) until 31st March 2020. We are currently being told by billing authorities that furniture needs to be removed to be eligible but we do not believe that this is correct.
3. Small business grant funding of £10,000 for all business in receipt of small business rate relief or rural rate relief. This is not a business rates grant but entitlement to certain business rates relief is being used as the vehicle for identifying grant recipients. This grant will form part of the State Aid limit of 200,000 Euros over a rolling three year period.
4. Grant funding for retail, hospitality and leisure businesses of £25,000 with property with a rateable value between £15,000.01 and £50,999, and a grant of £10,000 with a property with a rateable value up to and including £15,000 (*per property*). Again this is not a business rates grant but entitlement to certain reliefs is being used as the vehicle for identifying grant recipients. The grant above will be subject to an 800,000 Euros State Aid limit for Covid-19 support.
5. Properties that will benefit from the rates holiday/relief will be occupied hereditaments that are wholly or mainly being used:
 - as shops, restaurants, cafes, drinking establishments, cinemas and live music venues,
 - for assembly and leisure; or
 - as hotels, guest & boarding premises and self-catering accommodation.
6. The Government considers shops, restaurants, cafes, drinking establishments, cinemas and live music venues 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, estate agents, letting agents 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

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- 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
 - Estate agents and letting agents
 - 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
- iv. **Hereditaments which are being used as cinemas.**
- v. **Hereditaments that are being used as live music venues.**

7. The Government 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):**
- Sports grounds and clubs
 - Museums and art galleries
 - Nightclubs
 - Sport and leisure facilities
 - Stately homes and historic houses
 - Theatres
 - Tourist attractions
 - Gyms
 - Wellness centres, spas, massage parlours
 - Casinos, gambling clubs and bingo halls

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- ii. **Hereditaments that are being used for the assembly of visiting members of the public:**
 - Public halls
 - Clubhouses, clubs and institutions

8. The Government 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

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

10. The list below sets out the types of uses that the Government does not consider to be an eligible use for the purpose of this relief.
 - 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. 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
 - Casinos and gambling clubs

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

 - iii. **Billing authorities may not grant the discount to themselves, a precepting authority, or a functional body, within the meaning of the Greater London Authority Act 1999.**

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Wales

1. There will be 12 months' relief for properties in the retail, leisure, childcare and hospitality sectors with a Rateable Value of £500,000 or less. (*definition as per England*)

The exemption does not currently include betting shops, casino and gambling clubs and employment agencies.

2. A £25,000 grant for retail, leisure and hospitality properties with a rateable value between £12,000.01 and £51,000. (*for each property*).
3. It also provides a £10,000 grant to all businesses eligible for Small Business Rates Relief with a rateable value of £12,000 or less.

Northern Ireland

1. Business Rates will not be payable for the next three months for all sectors (*no NAV limit*)
2. This business rates holiday will not apply to public sector ratepayers or to utilities.
3. LPS are deferring issuing bills from April until June.

A grant of £10,000 will be provided to all small businesses who are eligible for the Small Business Rate Relief Scheme. A grant of £25,000 will be provided to companies in the retail, tourism and hospitality sectors with a rateable value between £15,000 and £50,999.

The following existing types of relief are also available:

- Charitable Exemption for rates – offers charitable bodies 100 per cent relief.
- Sports and Recreation Rate Relief – provides sport and recreation bodies 80 per cent relief on the parts of their premises that are used for sporting purposes. Community amateur sports clubs receive 100 per cent relief.
- Industrial Derating – provides manufacturing businesses with a 70 per cent reduction in rates.
- Non-Domestic Vacant Rating - rates are payable on vacant non-domestic properties at 50 per cent of the normal level.

Scotland

1. Small businesses who receive the small business bonus scheme or rural relief will be eligible for a £10,000 grant. (*i.e. RV below £18,000*)
2. There will be 12 months' relief for properties in the retail, leisure, hospitality and nursery sectors (*no RV limit, definition as per England*)
3. A £25,000 grant for retail, leisure, nursery and hospitality properties with a rateable value between £18,000 and £50,999. (*for each business, not per property*).
4. 1.6% of rates relief will be given for all properties across Scotland, effectively reversing the planned below inflation uplift in the poundage from 1 April 2020.
5. There will be fixed rates relief of up to £5,000 for all pubs with a rateable value of less than £100,000 from 1 April 2020.

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Republic of Ireland

Rates payments are being deferred until 1st June.

Business Improvement Districts

Following a call with Chris Turner, Head of British BIDS (BB), we believe that the position is as follows:

1. BB are asking the Government for a total of £75 million to help keep the BIDs businesses afloat, which is $\frac{3}{4}$ of the annual BID income, of which 75% comes from the retail and hospitality sectors.
2. If money is not paid to the BID companies, a number will not be able to survive as they are limited companies with little in the way of reserves.
3. Billing Authorities will not chase any debts on non-payment of BIDS until the Autumn.
4. BB is very optimistic on the role that BIDs will play when the 'great revival' happens in October.

Ultimately the payment of these amounts is the ratepayer's decision, but we can advise on the role that BIDs can have in the current climate and also in the recovery, including the provision of additional security.

More information on BIDs can be found here:

<https://www.gov.uk/guidance/business-improvement-districts>

Other Possible Opportunities

If a property is partially empty or is being vacated in phases, it may qualify for s44a partial empty rates relief. If you would like any further information on this or have any other questions, please do not hesitate to contact us on 0800 358 3230 or to email us at Rating@colliers.com.