

**Policy for Granting
Business Interruption Relief –
Lynchford Road
under the Localism Act 2011**

Contents

- 1. Introduction**
- 2. Provision of relief**
- 3. Localism Act 2011**
- 4. Which properties will benefit from relief?**
- 5. Excepted Organisations**
- 6. Administration of relief**
- 7. Cost of awarding relief**
- 8. Subsidy controls**

1. Introduction

- 1.1 In late Autumn 2022, as part of the Farnborough Transport Improvements scheme, works started on the A3011 Lynchford Road. The scheme aims to make daily travel easier, support business growth, reduce journey times, improve air quality and will create an enhanced streetscape with new segregated paths for cyclists and pedestrians and parking for cars and motorcycles.
- 1.2 The £10.8m scheme is being funded by both Enterprise M3 Partnership (£6.472m) and Hampshire County Council (£4.408m).
- 1.3 The details of the Farnborough Transport Improvement scheme can be found at [Farnborough Transport Improvements | Transport and roads | Hampshire County Council \(hants.gov.uk\)](https://www.hants.gov.uk/transport-roads)

2. Provision of relief

- 2.1 The Lynchford Road phase of the scheme has meant the westbound closure of the A3011 Lynchford Road. This has had a significant impact on local businesses. The closure of one lane, diversionary routes which avoid the area and the removal of parking bays have seen businesses suffer from a reduction in footfall and passing trade. The reduction in custom and lost revenue could see business closures.
- 2.2 The council is looking to provide relief to affected businesses on Lynchford Road who meet the scheme criteria, using their discretionary relief powers, introduced by the Localism Act 2011 to grant relief.

3. Localism Act 2011

- 3.1 Prior to the Localism Act 2011, Section 47 of the Local Government Finance Act 1988 (LGFA 1988), Councils were able to grant discretionary rate relief only in certain specified circumstances. They could top up the 80% mandatory relief available on premises occupied by charities and Community Amateur Sports Clubs and they could award up to 100% relief to non-profit making bodies.
- 3.2 Section 69 of the Localism Act 2011 amended Section 47 of the LGFA 1988, and came into effect on 1 April 2012. The purposes of that Act allowed for an extension of the existing provisions in that discretionary rate relief may be granted in any circumstances where a local authority sees fit, having regard to the effect on Council Tax payers in the area.

3.3 The amendments also require billing authorities to have regard to any relevant guidance issued by the secretary of state when deciding whether to grant relief under S47 of the LGFA 1988.

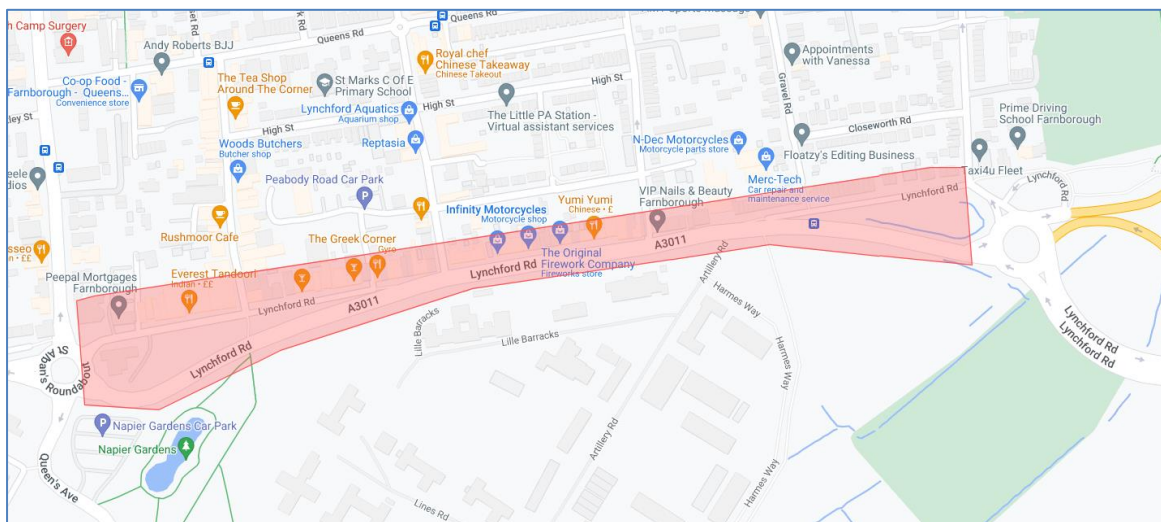
3.4 Government has not issued any further guidance in respect of how this power might be used.

3.5 The English Guide to the Act addresses this as follows:-

“The Localism Act gives councils more freedom to offer business rates discounts – to help attract firms, investment and jobs. Whilst the local authority would need to meet the cost of any discount would from local resources, it may be decided that the immediate cost of the discount is outweighed by the long-term benefit of attracting growth and jobs to their area”.

4. Which properties will benefit from the Business Interruption Relief – Lynchford Road?

4.1 Properties that will benefit from the relief must be occupied hereditaments that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments and be situated on the A3011 (Lynchford Road), between St Albans Roundabout and the A331 roundabout (area highlighted in the image below)



4.2 It is proposed that the Council consider shops, restaurants, cafes, drinking establishments and self-catering accommodation to mean:

A) Hereditaments that are predominately being used for the sale of goods to visiting members of the public as detailed below:

- Shops (e.g. florist, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets, pet shops etc)
- Security solutions and locksmiths

- Charity shops
- Opticians & Hearing solutions
- 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, garden and paving supplies
- Art galleries (where art is for sale / hire)
- Licensed sex shops

B) Hereditaments that are being used for the provision of services to visiting members of the public as detailed below:

- Hair and beauty services (e.g. hair dressers, nail bars, beauty salons, tanning shops, tattoo parlours, body piercing services etc)
- Shoe repairs, key cutting, engravers
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC / TV / domestic appliance repair
- Funeral directors
- Photo processing, printing, design and copying services
- DVD / video rentals
- Tool hire
- Car hire

C) Hereditaments that are being used for the sale of food and / or drink to visiting members of the public as detailed below:

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

D) Hereditaments where the non-domestic part is being used for the provision of living accommodation as a business

4.3 To qualify for the relief the hereditament should be wholly or mainly being used as a shop, restaurant, cafe or drinking establishment. In a similar way to other reliefs (such as Retail, Hospitality and Leisure 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 relief.

4.4 The list below sets out the types of uses that it is considered not to be retail use for the purpose of this relief.

A) 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, 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 office

B) Hereditaments that are not reasonably accessible to visiting members of the public

4.5 The list set out above cannot be exhaustive as it would be impossible to list the many and varied retail uses that exist.

4.6 It is proposed that when a particular type of property is not listed, the Council should consider whether relief is appropriate with the Corporate Services Portfolio Holder who has delegated powers to determine who can get relief and the value of relief within an existing policy.

4.7 The delegation above is also considered appropriate to decide any appeal made by a ratepayer against the non-award of relief

4.8 The granting of the relief is discretionary. The Council may choose not to grant the relief if it considers, for example, that granting the relief would go against the authority's wider objectives for the local area. Because of this, it is proposed that this policy be approved by the Council's Cabinet.

5. Excepted Organisations

5.1 Relief cannot be granted to expected properties. I.e. one where all or part of the property is occupied by any of the following

- A billing authority, such as Rushmoor Borough Council; or
- A precepting authority such as Hampshire County Council, Police and Crime Commissioner and Hampshire Fire and Rescue Authority

6. Administration of the Relief

6.1 The Relief will be automatically awarded to all businesses identified as eligible for the financial year 2023/24.

6.2 The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis.

6.3 The relief will be applied against the net bill after all other reliefs. The maximum amount of this relief will be no more than the value of the net rate liability.

6.4 Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties, subject to Subsidy Control limits.

7. Cost of awarding the relief

7.1 The cost of awarding all forms of rate relief is split between central government, billing authorities and major preceptors on a fixed percentage basis.

7.2 Central Government bears 50% of the cost, the county 9%, the fire authority 1% and billing authorities the remaining 40%.

7.3 It is estimated that there are 21 properties that may qualify for some relief on Lynchford Road, at a cost to Rushmoor Borough Council of £22,892.21.

8. Subsidy Controls

8.1 Subsidies may be paid in accordance with Part 3 Chapter 2 of the SCA 2022, which enables an applicant to receive up to a maximum level of subsidy, known as a MFA (Minimal Financial Assistance) where subsidy control requirements do not apply.

8.2 This allowance is £315,000 to a single enterprise over a period of three financial years (current year, plus previous 2 financial years).

8.3 This applies to the aggregate of all subsidies received throughout the country. It is proposed that the relief is awarded to every potential recipient (who must then decline the relief if not appropriate or wanted).