

## Template letter requesting business rate relief to be used on your letterhead

Date Month 2020

Name and address of contact at your local authority

Dear <personalised>

### **BUSINESS RATE RELIEF**

We are an electrical wholesaler supplying products to contractors and electricians who install them in a wide range of locations from homes to hospitals. Our work is crucial to the economy at all times, but no more so than during this pandemic. Families, individuals, and key workers are relying on electrical wholesalers to supply the products needed to keep homes and critical infrastructure safe. The provision of these products and services is vital to their wellbeing during the pandemic.

Our business is also a member of our trade body, the Electrical Distributors' Association (EDA) [www.eda.org.uk](http://www.eda.org.uk) 020 3141 7350

We understand that <insert name of local authority> is not granting the business rate exemption for 2020-21, which was provided by the Ministry of Housing, Communities & Local Government (MHCLG) on 25 March.

As outlined below, we believe the reason is an unintended consequence of planning rules. Although there is understandable confusion, I would urge you to reconsider this position as soon as possible so that we can continue to trade.

The MHCLG document sets out the expanded retail discount for business rates in 2020-21. Paragraph five states that this relief, which is set at 100%, "will apply to occupied retail, leisure and hospitality properties in 2020-21". This is a crucial part of the Government's economic response to coronavirus.

Although this is guidance rather than a statutory change, it allows local authorities to use their discretionary relief powers under section 47 of the Local Government Finance Act 1988. There will be no financial loss to any authority because central government will reimburse councils for exemptions.

Paragraph 11 specifically states that these retailers should include hardware stores, display rooms, and tool hire services shops. In all cases, retailers refer to those companies that provide sale of goods or services "to visiting members of the public".

Electrical wholesalers that trade to the public from accessible store units clearly qualify under this definition. However, we have found that <insert name of local authority> is taking a contrary view because of a planning technicality that is ultimately unrelated to the current crisis and the needs of the population. Under town planning rules, electrical wholesalers not assigned a specified use, such as retail, and are instead deemed *sui generis*.

However, the technicality is at odds with both what the guidance literally states and its overall spirit. As well as specifying that the likes of tool hire shops should qualify, paragraph 15 explains that the list is not exhaustive and that those "broadly similar" to the specified

retailers should also be eligible for business rate relief. Again, electrical wholesalers should comfortably qualify under this definition.

To make the Government's intentions clearer, paragraph 16 describes the types of services provided from a publicly accessible unit that should not be eligible for Business Rate Relief. Broadly, these are financial services (such as building societies and short-term loan providers), medical services (including vets and osteopaths), and professional services (for example, solicitors and insurance agents). **Clearly, electrical wholesalers would not be in these categories.**

The vast majority of electrical wholesaler stores have been rightly deemed essential retailers at this challenging time, but this financial cost, on top of volatile trading conditions, could force many of them to shut their doors. This will lead to essential repair and maintenance being left undone, harming people when they most need a safe and secure home. Ultimately it could also mean business closure and a loss of local jobs.

I am writing to ask that you reconsider the council's position as a matter of urgency to avert this problem. As you will know, time is of the essence, because we started paying rates from Saturday 4 April 2020.

If you would like to discuss any of the above in further detail, please do not hesitate to contact me.

I look forward to hearing from you.

Yours sincerely