Dear

**Business Rates Relief - Urgent clarification needed on categorisation of physiotherapists**

There are 70,000 physiotherapists and whilst the majority work in the NHS, a large number operate in private businesses or as sole traders. On Government advice, understandably, they have had to close their doors, leaving them with no income.

100% discount on business rates for the retail, leisure and hospitality sector has been offered, but this is left to the discretion of the local authority to determine when to grant relief under s47.

The Musculoskeletal Partners Network is a trade association committed to improving quality and raising standards across musculoskeletal medicine in both public and private sectors. **We are calling for a rates moratorium for at least 12 months as has already been granted to a number of other industries.**

Now that the government has ordered all businesses to work from home it is difficult to see how it can refuse the same relief to those businesses that are unable to operate with people working from home. There is clear scope within the government guidelines for local authorities to consider which industries are broadly similar to those they have been listed and to apply the same relief.

As our local MP, we need your help ASAP to include private physiotherapists and physiotherapy businesses in the list of businesses eligible for exemption from business rates for at least 12 months. We would appreciate this clarification being passed urgently to all local authorities to prevent many businesses being forced into bankruptcy or liquidation.

The document below sets out the complications and conflicting advice in relation to physiotherapists. Please email us on enquiries@mskpn.co.uk.

Yours sincerely

**Business Rates Appeal**

The Government announced in the Budget on 11 March help for certain sectors including a 100% discount on business rates for the **retail, leisure and hospitality sector**.

Government will reimburse local authorities that use their discretionary relief powers to grant this relief. It is up to each individual authority to adopt a local scheme and determine when to grant relief under s47 of Local Government Finance Act 1988.

It expanded on the advice to Local Authorities in the Ministry of Housing, Communities and Local Government - Local Authority Guidance on Expanded Retail Discount 2020/21: Coronavirus Response

It **specifically excluded medical services** from benefiting from the 100% relief given - and gave as examples of medical services osteopaths and chiropractors.

**Nowhere in the advice does it refer to physiotherapists**.

So where does this leave physiotherapists?

1. **Can we be considered to be aligned to the Leisure industry?**

Assembly and Leisure is considered to mean **‘property used for the provision of sport, leisure and facilities to visiting members of the public’** and specifically mentions ‘**sport and leisure facilities**’ and **‘gyms’**.

To qualify for the relief the advice says the property should be wholly or mainly used for the above purposes. It’s a test on use rather than occupation. Those that are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

The advice states that the list of hereditaments is not intended to be exhaustive ‘as it would be impossible to list the many and varied uses that exist within the qualifying purposes’. **‘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’

Do we have any **precedents** for physiotherapists having received the relief?

**Pure Sports** Medicine - who deliver strength and conditioning, pilates, physiotherapy and sports medicine - have obtained the 100% relief on their property at Tower Hamlets under the Retail Discount relief - evidence of a broad based consumable service proposition having received the relief bringing pressure on other authorities to give similar recognition.

**SIX Physio** has 13 clinics in London; they take a holistic approach to treatment, looking at the patient’s lifestyle and engaging them in their own treatment. Their physiotherapy encompasses rehabilitation, injury prevention, health promotion and fitness through pilates classes and the supervision of controlled exercise in their gyms.

At the forefront of their decision making when searching for a suitable property to take a lease on is the gym space available to it. 50% of the total space occupied throughout their clinics is taken up by gyms reflecting the critical importance to the business of this facility.

Physiotherapy is not one of the hereditaments referred to or listed but there are very clear indications that the uses of their properties are broadly similar in nature to those leisure/sport facilities specifically referred to. Local authorities can and should therefore consider them eligible to qualify for relief.

1. If we (as broad church MSK) are **not to be considered as part of the Leisure** Industry and to fall within the Medical services area then we **need to ask the government to add Medical services** such that it benefits from the same relief granted to the Leisure industry on the following basis:
	1. Physiotherapy/osteopathy/chiropractor clinics are used by visiting members of the public (ie walk-in) in the same way the industries currently granted the relief are.
	2. The relief has not been given by virtue of User class - the D1 use includes art galleries, museums and public halls, all of which have been granted this relief - and so the argument against including us cannot be due to our categorisation.
	3. Our places of business have all been shut down by the government leaving us with businesses - like the retail and leisure industry - that are not viable. It is not possible for our employees to work from home.

MSKPN and local MPs can play a powerful role here in influencing on behalf of many in getting the rates relief we need and should have been afforded from the start.

**Summary**

Whether individual physiotherapy companies will be granted this relief may **vary from authority to authority.** If an authority grants the relief this will be a big help in encouraging others to follow suit and it is vital **we all communicate to keep on top of where we are with this**.

Given the nature of what physiotherapists fundamentally do - exercise prescription - the argument is strong that they should be treated in the **same way the leisure industry i**s, particularly when coupled with the fact that it is a **walk in** business that has suffered exactly the same drop in business suffered by those in the retail/leisure industry.

**Alongside this**, it is clearly part of the **medical services industry** and the whole industry should be contacting **local authorities both directly and via their MPs** to get the relief applied to them in the same way it applies to the leisure industry.

Now that the government has ordered all businesses to shut and for people to work from home **it is difficult to see how it can refuse the same relief to those businesses that are unable to operate with people working from home.** There is clear scope within the government guidelines for local authorities to consider which industries are broadly similar to those they have listed and to apply the same relief - this is what individual authorities should do.

Clearly the bigger the calls to make these changes, the more influence those calls will have - individual practices in addition to MSKPN and MPs calling for this.