

# **Test Valley Borough Council**

## **Local Taxation Service**

### **Discretionary Rate Relief Policy 2016**

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## **Discretionary Rate Relief Policy**

### **1 Introduction**

There are two ways in which Discretionary Rate Relief may be granted:-

- to “top-up” mandatory relief already awarded
- as an award based on various criteria, of up to 100%.

When deciding whether to make an award of discretionary rate relief, consideration should be given to the interests of the taxpayers of Test Valley as the Council must bear a percentage of the cost of any relief granted. In most cases, the cost of the relief is shared as follows; central government – 50%; Test Valley Borough Council – 40%; Hampshire County Council – 9%; and Hampshire Fire and Rescue Authority – 1%.

Mandatory relief is granted where:-

- the ratepayer of a property is a charity, or the trustees of a charity, and
- the property is wholly/mainly used for charitable purposes (including charity shops, where the goods sold are mainly donated and the proceeds are used for the purposes of the charity)
- the ratepayer of a property is registered with Her Majesty’s Revenues and Customs (HMRC) as a Community Amateur Sports Club (CASC)

or

in the case of Mandatory Rural Rate Relief, the property is a qualifying:-

- food shop
- general store
- post office
- public house
- petrol filling station

The Council has the discretion to award additional rate relief to reduce the liability still further and the policies detailed below are to be followed when dealing with an application.

### **2 Objectives**

The overriding aim of the policy is to ensure that when considering whether it is appropriate to grant discretionary rate relief, the needs of the community and the interests of the Council Tax payers are taken into account, bearing in mind the Council’s priorities.

### **3 Scope**

This policy will be adhered to by all staff and Members involved with consideration of Discretionary Rate Relief applications.

### **4 Applications**

Completed application forms will be required from each applicant and it must be demonstrated, where appropriate, how the individual, organisation or business can contribute towards the Council’s priorities.

#### 4.1 Excepted Hereditaments

Applications from excepted hereditaments cannot be considered. These are properties which are occupied by a billing, or precepting, authority.

#### 5 Relationship between reliefs

There is no “better buy” provision in the legislation. Therefore:

- If a property is eligible for charitable relief as well as small business relief, it shall receive charitable relief only.
- If a property is eligible for rural rate relief and small business rate relief, it shall receive rural rate relief only.
- If a property is eligible for all three reliefs, it shall receive charitable relief only.

#### 6 Charities

Mandatory relief is granted where the ratepayer of a property is

- a charity, or the trustees of a charity, and
- the property is wholly/mainly used for charitable purposes.

For the purposes of this relief, the organisation does not have to be a registered charity and determination of charitable status largely relies on case law, which established 4 main divisions of charity:-

- the relief of poverty
- the advancement of religion
- the advancement of education, and
- other trusts beneficial to the community not falling under the other headings.

Providing at least one of the above criteria is met, 80% mandatory relief is awarded.

#### 6.1 Criteria

Discretionary relief will be recommended if the charity:-

1	Meets local needs in the district and benefits local people	<ul style="list-style-type: none"> <li>• if the premises are used for the purposes of a national organisation the Council will not normally grant any discretionary relief</li> <li>• if the premises are used for a semi-national (or county-wide) organisation, the extent to which the Borough and its residents benefit from the organisation must be taken into account</li> <li>• if the premises are used for a local organisation the full “top-up” will be awarded</li> </ul>
2	Does not have more than 12 months spending available as “free reserves” (not legally restricted)	<ul style="list-style-type: none"> <li>• unless a Business Plan exists detailing how these reserves are to be used to the benefit of the local community</li> </ul>
3	Provides evidence to support the application	
4	Provides the previous 2 years’ signed accounts	

## 6.2 Village Halls and Community Centres

Village Halls and Community Centres, which are not excepted (see 4.1 above), will be awarded 80% mandatory relief and 20% discretionary relief unless the Head of Revenues, in consultation with the Economic Portfolio Holder, considers it inappropriate to do so, based on the financial standing of the ratepayer(s).

## 6.3 Approval

Initial recommendations are to be approved by the Local Taxation Manager with final approval from the Head of Revenues and the Economic Portfolio Holder, who have the relevant delegated authority.

## 6.4 Legal Powers

Relief is granted in accordance with **Section 47** of the Local Government Finance Act 1988.

## 6.5 Cost to the Council

The cost will be 40% of the amount awarded for a “top-up” to mandatory relief.

## 7 Charity Shops

Mandatory relief will be granted where the ratepayer for a property is

- a charity, or the trustees of a charity, and
- donated goods relate to more than 50% of total sales, and
- the proceeds of goods (after any deductions for expenses) are applied for the purposes of the charity

Providing the above criteria are met, 80% mandatory relief will be granted.

### 7.1 Criteria

Discretionary relief will be recommended if the charity:-

1	Meets local needs in the district and benefits local people	<ul style="list-style-type: none"><li>• if the premises are used for the purposes of a national organisation the Council will not normally grant any discretionary relief</li><li>• if the premises are used for a semi-national (or county-wide) organization, the extent to which the Borough and its residents benefit from the organisation must be taken into account</li><li>• if the premises are used for a local organisation the full “top-up” will be awarded</li></ul>
2	Does not have more than 12 months spending available as “free reserves” (not legally restricted)	<ul style="list-style-type: none"><li>• unless a Business Plan exists detailing how these reserves are to be used to the benefit of the local community</li></ul>
3	Provides evidence to support the application	
4	Provides the previous 2 years’ signed accounts	

## 7.2 Approval

Initial recommendations are to be approved by the Local Taxation Manager with final approval from the Head of Revenues, in consultation with the Economic Portfolio Holder, who have the relevant delegated authority.

## 7.3 Legal Powers

Relief is granted in accordance with **Section 47** of the Local Government Finance Act 1988.

## 7.4 Cost to the Council

The cost will be 40% of the amount awarded for a “top-up” to mandatory relief.

## 8 Non-Profit Organisations, Clubs and Societies

The Council has the discretion to award up to 100% Discretionary Rate Relief to organisations whose main objects are charitable or philanthropic, or concerned with education, social welfare, science, literature, fine arts or recreation. The determination of charitable (or non-profit) status largely relies on case law which has established 4 main divisions of charity:-

- the relief of poverty
- the advancement of religion
- the advancement of education, and
- other trusts beneficial to the community not falling under the other headings.

### 8.1 Criteria

Discretionary relief will be awarded if the organisation is not excepted (i.e. a billing authority or precepting authority) and:-

1	The main objectives of the organisation are concerned with	<ul style="list-style-type: none"><li>• the relief of poverty</li><li>• the advancement of religion</li><li>• the advancement of education</li><li>• social welfare</li><li>• science</li><li>• literature</li><li>• fine arts</li><li>• recreation, or</li><li>• in other ways which are beneficial to the local community</li></ul>
2	Meets local needs in the district and benefits local people	<ul style="list-style-type: none"><li>• if the premises are used for the purposes of a national organisation the Council will not normally grant discretionary relief</li><li>• if the premises are used for a semi-national or county-wide organization, the extent to which the Borough and its residents benefit must be taken into account and relief of up to 50% will be granted</li><li>• if the premises are used for a local organisation up to 100% will be awarded</li></ul>

3	Provides a valuable service to the community	<ul style="list-style-type: none"> <li>• which is complementary to those services provided by or supported by the Council, or</li> <li>• which relieves the need for the Council to provide such services</li> </ul>
4	Is open to all sections of the community	<ul style="list-style-type: none"> <li>• or access is restricted by providing a service for a specific sector of the community for justifiable reasons such as addressing inequality</li> </ul>
5	Is able to demonstrate that the way in which it operates does not discriminate against any section of the community	<ul style="list-style-type: none"> <li>• please see 7.2 below</li> </ul>
6	Is non-profit making	<ul style="list-style-type: none"> <li>• no high surplus of income over expenditure</li> <li>• as a guide, no more than 12 months expenditure available in unrestricted reserves unless a Business Plan exists detailing how these reserves are to be used to the benefit of the local community</li> </ul>
7	If the organisation has licensed bar facilities	<ul style="list-style-type: none"> <li>• please see 7.3 below</li> </ul>
8	If the organisation requires a membership or entry fee-	<ul style="list-style-type: none"> <li>• please see 7.4 below</li> </ul>
9	Evidence is provided to support the application	
10	The previous 2 years' signed accounts are provided	

### 8.1.1 Community Amateur Sports Clubs (CASC)

If a sports club is registered with HMRC as a CASC it will be entitled to 80% mandatory relief. The club will also be awarded 20% discretionary rate relief.

### 8.1.2 Village Halls and Community Centres

Village Halls and Community Centres which are not excepted (see 4.1 above), will be awarded 100% discretionary relief unless the Head of Revenues, in consultation with the Economic Portfolio Holder, considers it inappropriate to do so, based on the financial standing of the ratepayer(s).

## 8.2 Discrimination

In order to qualify for Discretionary Rate Relief clubs must be able to show that all facilities are available to members without discrimination.

Discrimination includes indirect discrimination and encompasses:-

- Discrimination on grounds of ethnicity, nationality, sexual orientation, religion or beliefs
- Discrimination on grounds of sex, age or disability (except as a necessary consequence of the requirements of a particular sport)

This does not prevent a club from having different classes of membership depending on:-

- The age of the member
- Whether the member is a student
- Whether the member is waged or unwaged
- Whether the member is a playing or a non-playing member



- How far from the club the member lives, or
- Any restriction on the days or times when the member has access to the club's facilities

### **8.2.1 Sports Clubs**

There are additional considerations in the case of sports clubs.

If a club effectively discriminates by only accepting members who have already reached a certain standard, rather than seeking to promote the attainment of excellence by enhancing access and the development of sporting aptitude, then it does not have an open membership policy. Therefore, a club selecting members on the basis of existing attainment would not come within the requirements.

Clubs can refuse or revoke membership, on non-discriminatory grounds, where the membership, or continued membership of the person concerned would be likely to be contrary to the best interests of the sport or the good conduct and interests of the club.

Although clubs should be open to all without discrimination, single-sex clubs may be permitted where such restrictions are not discriminatory in intent but a genuine result of physical restraints (such as changing room facilities) or the requirements of the sport.

## **8.3 Organisations with Licensed Bar Facilities**

### **8.3.1 Sports Clubs**

Any Discretionary Rate Relief award will be aimed at the sporting activity of the club.

- If the bar income aids the overall operation and development of the organisation, this would be allowable provided it is still primarily a sports organisation and such funds are shown to provide direct support for the sporting activities
- The level of the relief awarded will be reduced if the net income from the bar and gaming machines, expressed as a percentage of total income, is 30% or greater.

### **8.3.2 Other Organisations**

- If the bar income aids the overall operation and development of the organisation, this would be allowable provided it is a minor function of the organisation and funds can be shown to provide direct support for the organisation's activities.
- The level of the relief awarded will be reduced if the net income from the bar and gaming machines, expressed as a percentage of total income, is 30% or greater

## **8.4 Membership and Entry Fees**

If the organisation requires a membership or entry fee, the Council will give regard as to whether:-

- The subscription or fees are set at a high level which excludes the general community
- Fee reductions are offered for certain groups such as under 18s or over 60s
- Membership is encouraged from particular groups such as young people, older age groups, persons with disabilities or ethnic minorities
- Facilities are available to people other than members, e.g. schools, public sessions.

## **8.5 Council Priorities**

The Council would wish to support organisations which provide the following categories of service to the Borough's residents:-

- a) support for the disadvantaged, e.g. disabled, unemployed, elderly, those with health problems, those with drugs or alcohol problems, young people

- b) support with housing needs
- c) education and training opportunities
- d) support with debt and financial management
- e) facilities for scouts, guides, youth clubs and youth groups
- f) village halls and community centres
- g) sports clubs and other organisations providing recreational facilities
- h) theatres and dramatic societies

Those organisations applying for relief, whose work involves young children, young people or vulnerable adults, must be able to demonstrate that appropriate checks have been carried out on staff and volunteers, and that sound child protection policies are in place.

## **8.6 Approval**

Initial recommendations are to be approved by the Local Taxation Manager with final approval from the Head of Revenues, in consultation with the Economic Portfolio Holder, who have the relevant delegated authority.

## **8.7 Legal Powers**

Relief is granted in accordance with **Section 47** of the Local Government Finance Act 1988.

## **8.8 Cost to the Council**

The cost is 40% of the amount of the Relief awarded.

## **9 Rural Rate Relief**

Rural Rate Relief applies to certain properties which are situated in a rural settlement. A rural settlement is one which appears to have a population of not more than 3,000 on the 31<sup>st</sup> December preceding the financial year in question, which is wholly or partly within a designated area. The Rural Settlement list is published each year.

### **9.1 Food Shops**

Criteria for Mandatory Relief of 50%

- Rateable Value of £8,500 or less
- Selling food which is wholly/mainly for human consumption
  - Excluding confectionery and the supply of food in the course of catering (this excludes businesses such as restaurants, cafes and take-aways)
  - It is the only such business within the rural settlement area

Criteria for Discretionary Rural Rate Relief

- No high surplus of income over expenditure (no more than 12 months spending held as a reserve)
- The business must be considered to be of benefit to the local community
  - The application will be referred to local members for their approval

### **9.2 General Stores**

Criteria for Mandatory Relief of 50%

- Rateable Value of £8,500 or less
- Selling food which is wholly/mainly for human consumption (excluding confectionery) and general household goods
- It is the only such business within the rural settlement area

#### Criteria for Discretionary Rural Rate Relief

- No high surplus of income over expenditure (no more than 12 months spending held as a reserve)
- The business must be considered to be of benefit to the local community
  - The application will be referred to local members for their approval

### **9.3 Post Offices**

#### Criteria for Mandatory Relief of 50%

- Rateable Value of £8,500 or less
- Used for the purpose of a Post Office
- Holding a licence under the Post Office Act 1953
- It is the only such business within the rural settlement area

#### Criteria for Discretionary Rural Rate Relief

- No high surplus of income over expenditure (no more than 12 months spending held as a reserve)
- The business must be considered to be of benefit to the local community
  - The application will be referred to local members for their approval

### **9.4 Public Houses**

#### Criteria for Mandatory Relief of 50%

- Rateable Value of £12,500 or less
- With a premises licence granted in accordance with the Licensing Act 2003
  - Which authorises the retail sale of alcohol for the consumption on the premises and
  - the sales are not made on the condition that buyers reside at or consume food on the premises
- It is the only such business within the rural settlement area

#### Criteria for Discretionary Rural Rate Relief

- No high surplus of income over expenditure (no more than 12 months spending held as a reserve)
- The business must be considered to be of benefit to the local community
  - The application will be referred to local members for their approval

### **9.5 Petrol Filling Stations**

#### Criteria for Mandatory Relief of 50%

- Rateable Value of £12,500 or less
- Sells petrol and/or other automotive fuel to the public for use in motor vehicles intended or adapted for use on roads
- It is the only such business within the rural settlement area

#### Criteria for Discretionary Rural Rate Relief

- No high surplus of income over expenditure (no more than 12 months spending held as a reserve)
- The business must be considered to be of benefit to the local community
  - The application will be referred to local members for their approval

## **9.6 Any Other Business within a Rural Settlement**

Criteria for Discretionary Rural Rate Relief of up to 100%

- Rateable Value of £16,500 or less
- No high surplus of income over expenditure (no more than 12 months spending held as a reserve)
- The business must be considered to be of benefit to the local community
  - The application will be referred to local members for their approval

## **9.7 Approval**

Initial recommendations are to be approved by the Local Taxation Manager with final approval from the Head of Revenues, in consultation with the Economic Portfolio Holder, who have the relevant delegated authority.

## **9.8 Legal Powers**

Relief is granted in accordance with:-

- Section 43 of the Local Government Finance Act 1988
- Local Government and Rating Act 1997
- Rating (Former Agricultural Premises and Rural Shops) Act 2001
- NDR (Public Houses and Petrol Filling Stations)(England) Order 2001

as appropriate.

## **9.9 Cost to the Council**

The cost of any Discretionary Rural Rate Relief is 40% of the amount of relief awarded.

## **10 Timing of Decisions**

Ratepayers wishing to apply for Discretionary Relief will be required to complete an application form within 6 months of the end of the financial year to which the application relates. If a decision on an application is made more than 6 months after the end of the financial year in respect of which the application is made, the decision will be invalid.

## **11 Notification of Decision**

Applicants will be notified in writing of any decision made in respect of their applications, whether they are successful or not. The notification will include a revised bill where appropriate.

## **12 Rights of Appeal**

Unsuccessful applicants should, in the first instance, detail in writing their reasons for not agreeing with any decision, to the Local Taxation Manager.

Should they still be aggrieved having received a response to the first “appeal” they should then contact the Head of Revenues who will arrange to have their case brought before the Cabinet at the earliest opportunity.

If, following the referral to Cabinet, the applicant is still aggrieved they would be required to submit the relevant details to the High Court for a Judicial Review.

### **13 Review**

Awards of Discretionary Rate Relief will be reviewed regularly.

### **14 Hardship Relief**

The Council has the discretion to reduce the amount a person is liable to pay provided the Council is satisfied that:

- the ratepayer would sustain hardship if the authority did not grant relief; and
- it is reasonable for the Council to grant the relief having due regard to the interests of the Council Tax payers

Although there is no statutory definition of hardship, the following guidance has been provided by the government to assist in the consideration of hardship applications:

- a) a blanket approach, either to give or not to give relief, should not be adopted by the Authority; each application should be considered on its own merits
- b) any relief granted should be the exception rather than the rule
- c) the test of hardship need not be confined to 'financial', all relevant factors affecting the ability of a business to meet its liability for rates should be taken into account
- d) the 'interests' of local tax payers in an area may go wider than direct financial interests. For example, where the employment prospects would be worsened by a company going out of business, or the amenities of an area might be reduced by, for instance, the loss of the only shop in a village
- e) where the granting of the relief would have an adverse effect on the financial interests of local tax payers, the case for reduction of rates may still on balance outweigh the cost to the local tax payers.

#### **14.1 Guidelines for Consideration of Hardship Relief**

- a) Any decision must be balanced against the wider interests of the council tax payers of the Borough.
- b) There must be proof that hardship exists.
- c) Evidence must be provided to support the application.
- d) A copy of the previous two years' signed accounts for the organisation should be provided.
- e) The amount of rates that will be remitted will depend upon the circumstances of each case.
- f) Applications will be effective for a specific period and may then be reviewed. Relief will be withdrawn on the sale of the business.
- g) The purpose of this policy is to support local businesses in the community. In assessing this factor the Council will normally consider the following criteria –
  - the business's contribution to local distinctiveness
  - the size of the business; the Council would normally prioritise smaller businesses (i.e. employing up to 25 people), although relief is, in principle, available for all businesses
  - how the granting of rate relief will be in the interest of council tax payers.

#### **14.2 Approval**

Initial recommendations are to be approved by the Local Taxation Manager with final approval from the Head of Revenues.

### **14.3 Legal Powers**

Relief is granted in accordance with:-

- Section 49 Local Government Finance Act 1988

### **14.4 Cost to the Council**

The cost of any Hardship Relief granted is 40% of the amount awarded.

### **15 Special Reliefs**

From time to time the Government provides for the Council to grant Relief for a particular set of circumstances and/or for a specific period. These do not normally require a change in legislation and are provided for by Section 47 of the Local Government Finance Act 1988, as amended by Section 69 of the Localism Act 2011.

These Reliefs will be covered in separate Appendices and currently include:-

- **New Build Relief** [Appendix 1](#)
- **Reoccupied Retail Relief** [Appendix 2](#)
- **Discretionary Transitional Relief** [Appendix 3](#)

### **16 State Aid**

Relief from taxes, including Non-Domestic Rates, can constitute State Aid and this must be borne in mind when considering granting Discretionary Relief.

Rate Relief for European and national legislation requires that public bodies do not provide tax exemptions or other relief which might serve to give a business an advantage over other businesses, and so distort competition in the marketplace. Such an advantage is termed State Aid. The State Aid 'de minimis' limit is currently that the total amount of State Aid funding received by an organisation generally should not exceed 200,000 euros over a three year period. Some businesses have a lower limit e.g. road transport, and others e.g. agriculture, cannot be supported under the 'de minimis' rules. The limit applies to State Aid received from any public body and has to be aggregated. The Government has provided template documentation to be used to get appropriate declarations about other aid received by applicants for relief. False declarations could result in prosecution and the aid being reclaimed from the organisation concerned.

## **Appendix 1 - New Build Relief**

The Government introduced an exemption from empty property rates in 2013, in respect of new build commercial property. The purpose of this exemption is to stimulate construction.

The exemption is administered as a 100% Rate Relief and accords with the Council's corporate aim of supporting a competitive local economy.

Newly built commercial property completed before 30th September 2016 will be exempt from empty property rates for the first 18 months, up to State Aid limits. Empty Property Rates are not payable for the first 3 months that a non-industrial property is empty, or 6 months for an industrial property, so in practice the Relief will be awarded for 15 months or 12 months as appropriate.

The Relief will be administered in accordance with the guidance published by the Department for Communities and Local Government. A summary of the guidance is shown below.

### **Properties eligible for the Relief**

Properties that will benefit from the Relief will be

- Empty, commercial properties that are wholly or mainly comprised of qualifying new structures

### **Definitions**

Term	Means
Wholly or mainly	More than half NB. This does not relate to Rateable Value or use of the parts of the property. Area, or volume, of the parts of the property will be considered.
New	Completed less than 18 months previously, AND completed before 30 September 2016
Completed	When the building, or part of the building, is ready for occupation for the purpose it was constructed. NB. If a Completion Notice has been served in this respect, the date completed will be the date specified in that Notice
Structures	Foundations, and/or permanent walls, and/or permanent roofs

### **Relief applies to property**

The Relief applies to the property not the ratepayer. If a developer initially owns a property that qualifies for the Relief, he/she will be able to sell or lease the property with the benefit of the remaining term of the Relief subject to the ratepayer's State Aid 'de minimis' limits.

### **Splits, Mergers, Alterations**

If a property is created as a result of a split or merger of other properties, or an existing property is altered (for example, with an extension) the same test will apply: the property must be wholly/mainly comprised of new structures completed within the timeframe.

**Application**

Ratepayers wishing to apply for the Relief will be required to complete an application form within 6 months of the end of the financial year to which the application relates and make a declaration with regard to State Aid.

**Approval**

Initial recommendations are to be approved by the Local Taxation Manager with final approval from the Head of Revenues, in consultation with the Economic Portfolio Holder, who have the relevant delegated authority.

**Legal Powers**

Section 47 of the Local Government Finance Act 1988

**Cost to the Council**

The Council will be reimbursed by the Government by way of a grant under Section 31 of the Local Government Act 2003.



## **Appendix 2 - Reoccupied Retail Premises Relief**

**Please note that no new applications may be made in respect of this relief; however, where the Council granted relief prior to 30 September 2016, entitlement will continue in accordance with this policy.**

The Government has introduced a measure to encourage the reoccupation of shops that have been empty for a long period of time and reward businesses that make this happen. The Council can award a 50% discount, for up to 18 months, to ratepayers who moved into previously empty retail premises before 31 March 2016.

The Relief will be administered in accordance with the guidance published by the Department for Communities and Local Government. A summary of the guidance is shown below.

### **Businesses Eligible for Relief**

Businesses that will benefit from the Relief will be those that occupy properties that:-

- When previously used, were wholly or mainly used for retail (see below), and
- Were empty for 12 months or more immediately before their reoccupation, and
- Became reoccupied before 31 March 2016

The reoccupied use of the property is not limited to retail for the purposes of this Relief. See below for further details.

There is no Rateable Value limit for this Relief, however State Aid 'de minimis' limits may restrict the amount of Relief awarded.

### **Retail Use**

For the purposes of Reoccupation Relief we consider retail to mean:

Properties that were being used for the sale of goods to visiting members of the public, such as -

- Shops (e.g. florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off-licence, chemists, newsagents, hardware stores, supermarkets)
- Charity shops
- Opticians
- Post offices
- Furnishing shops/ display rooms (e.g. carpet shops, double glazing, garage doors)
- Car/ caravan show rooms
- Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)

Properties that were being used for the provision of services principally to visiting members of the public, such as -

- Hair and beauty services (e.g. hair dressers, nail bars, beauty salons, tanning shops)
- Shoe repairs/ key cutting
- Travel agents
- Ticket offices e.g. for theatre

- Dry cleaners
- Launderettes
- PC/ TV/ domestic appliance repair
- Funeral directors
- Photo processing
- DVD/ video rentals
- Tool hire
- Car hire

Properties that were being used for the provision of the following services principally to visiting members of the public, such as –

- Financial services (e.g. banks, building societies, bureaux de change, payday loan shops, betting shops, pawn brokers)
- Other services (e.g. estate agents, letting agents, employment agencies)

Properties that were being used for the sale of food and/ or drink to visiting members of the public, such as -

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

These lists are not intended to be exhaustive as it would be impossible to list the many and varied retail uses that exist.

There will also be mixed uses and properties which are not listed but are broadly similar in nature to those listed. These may also be considered for Relief.

Conversely, properties that are not broadly similar in nature to those listed should not be considered to be retail.

### **Reoccupied Use**

To qualify for Relief the reoccupied property can be used for any purpose (not just for retail), except use wholly or mainly as a betting shop, payday loan shop or pawn brokers. This list is not exhaustive and the Council may decide not to award Relief where a business is broadly similar in nature to these.

Businesses which occupy properties which are not reasonably accessible to visiting members of the public will not be eligible for the Relief.

### **Amount of Relief**

Relief will be available for 18 months from the first day that the property becomes reoccupied, providing that all of the following criteria are satisfied:

- the first day of reoccupation is before 31 March 2016
- the property remains continuously occupied for 18 months
- an application form is submitted within 6 months of the end of the financial year to which the application relates.

Eligibility to the Relief and the Relief itself will be calculated on a daily basis.

The Relief available is 50% of the net Business Rates liability after any mandatory or other discretionary reliefs (other than Retail Relief) have been applied, up to State Aid 'de minimis' limits. This will be applied ignoring any prior year adjustments in liabilities which fall to be liable on the day.

### **Splits, Mergers, Alterations**

Where a new property is created by a split or merger of properties, the new property will be eligible for the Reoccupation Relief providing at least half of the floor area of the new property is made up of retail property that has been empty for 12 months or more (subject to the other criteria).

Where Reoccupation Relief has been awarded in respect of a property, and that property is split or merged to form new properties, these will not be eligible for the remainder of the Reoccupation Relief.

Where Reoccupation Relief has been awarded in respect of a property and that property becomes unoccupied there will only be further eligibility to Reoccupation Relief if it remains unoccupied for 12 months or more before becoming reoccupied.

### **Change of Ratepayer**

The Relief runs with the property rather than the ratepayer. If Reoccupation Relief has been awarded in respect of a property and a new ratepayer becomes liable they can benefit from the remainder of the Relief providing they meet the use criteria and subject to State Aid 'de minimis' limits.

### **Application**

Ratepayers wishing to apply for the Relief will be required to complete an application form within 6 months of the end of the financial year to which the application relates and make a declaration with regard to State Aid.

### **Approval**

Initial recommendations are to be approved by the Local Taxation Manager with final approval from the Head of Revenues, in consultation with the Economic Portfolio Holder, who have the relevant delegated authority.

### **Legal Powers**

Section 47 of the Local Government Act 1988

### **Cost to the Council**

The Council will be reimbursed by the Government by way of a grant under Section 31 of the Local Government Act 2003 for its share of the costs of awarding this discretionary relief.

### **Appendix 3 - Discretionary Transitional Relief**

The Transitional Relief scheme was introduced in 2010 to help those ratepayers who were faced with higher bills as a result of the 5 yearly revaluation. The scheme limits the amount by which a bill can increase each year. This scheme ended on 31 March 2015 and as a result a small number of ratepayers will face a jump to their full Rates bill from 1 April 2015.

The Government announced in the 2014 Autumn Statement that it will extend the current scheme to 31 March 2017 for properties with a Rateable Value up to and including £50,000.

Because this is a measure for 2015/16 and 2016/17 only, the Government is not changing the legislation around Transitional Relief. Instead the extended Relief will be administered as a discretionary relief. Although this is a discretionary relief the Government expects the Council to grant it to qualifying ratepayers.

#### **Businesses Eligible for the Relief**

Discretionary Transitional Relief will be available to ratepayers of properties which fulfil the following criteria:-

- i. Rateable Value up to and including £50,000
- ii. Would have received Transitional Relief in 2015/16 or 2016/17 had the existing scheme continued in its current format.

In line with existing thresholds, the £50,000 Rateable Value will be based on the Rateable Value shown in the Rating List for 1 April 2010, or the substituted day in the case of splits and mergers.

This discretionary transitional scheme relates only to increases, decreases in bills will not be affected.

#### **Amount of Relief**

Ratepayers will receive the same level of protection they would have received had the current scheme continued into 2015/16 and 2016/17. The discretionary scheme will remain as it is in the current scheme except that:-

- a. The cap on increases for small properties (with a Rateable Value of less than £18,000) in both 2015/16 and 2016/17 will be assumed to be 15% (before the increase for the change in multiplier), and
- b. The cap on increases for other properties (with a Rateable Value up to and including £50,000) in both 2015/16 and 2016/17 will be assumed to be 25% (before the increase for the change in multiplier).

The scheme only applies to properties with a Rateable Value up to and including £50,000 based on the value shown in the Rating List for 1 April 2010, or the substituted day in the cases of splits and mergers. Any change in Rateable Value which takes effect from a later date will be calculated using the normal rules in the current transitional relief scheme.

If the Rateable Value of a property is £50,000 or less on 1 April 2010 (or the day of merger) but increases above £50,000 from a later date, it will still be eligible for Relief.

Relief will be calculated on a daily basis and applied to the account after all other Reliefs.

### **Recalculations of Relief**

As with the current scheme, the amount of relief awarded will be recalculated in the event of a change in circumstances (for example, a backdated change to the rateable value or the property).

The Regulations relating to awards of discretionary relief allow for the Council to alter the amount of relief within the year to reflect changing circumstances.

### **Approval**

Initial recommendations are to be approved by the Local Taxation Manager with final approval from the Head of Revenues, in consultation with the Economic Portfolio Holder, who have the relevant delegated authority.

### **Legal Powers**

Section 47 of the Local Government Finance Act 1988

Non-Domestic Rating (Chargeable Amounts)(England) Regulations 2009 No. 3343

Non-Domestic Rating (Discretionary Relief) Regulations 1989 No. 1059

### **Cost to the Council**

The Council will be reimbursed by the Government by way of a grant under Section 31 of the Local Government Act 2003 for its share of the costs of awarding this discretionary relief.