

**Body:** Cabinet

**Date:** 16 July 2014

**Subject:** Retail Rates Relief and Business Rates Reoccupation Relief

**Report Of:** Senior Head of Community

**Ward(s)** All

**Purpose** To seek approval of local policies on Retail Rate Relief and Business Rates Reoccupation Relief.

**Decision Type:** Key decision

**Recommendation:** That the local policies on Retail Rate Relief and Business Rates Reoccupation Relief appended here are adopted.

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## **1.0 Background/Introduction**

- 1.1 Central government announced in the Autumn Statement on 5 December 2013 two initiatives to help businesses. Firstly, that it would provide relief of up to £1,000 to all occupied retail properties with a rateable value of £50,00 or less in each of the years 2014/15 and 2015/16. And secondly that it would provide a 50% business rates discount for 18 months for businesses moving into previously empty retail premises between 1 April 2014 and 31 March 2016. Both initiatives are subject to State Aid De Minimis levels.
- 1.2 The grant of the reliefs are discretionary and local authorities can use their powers, introduced by the Localism Act (under section 47 of the Local Government Finance Act 1998) to grant such relief.
- 1.3 Central government will reimburse authorities and major precepting authorities within the rates retention scheme for the actual costs to them under the rates retention scheme for reliefs that fall under these schemes.

## **2.0 Local policies**

- 2.1 As granting the reliefs falls under the Council's Discretionary powers it is necessary to have a local policy for each of the reliefs.
- 2.2 The local policies, attached as Appendix 1 (Retail Rate Relief) and Appendix 2 (Reoccupation Relief) have been developed along the lines of the guidance produced by the Department for Communities and Local Government.
- 2.3 Members can find details of the qualifying criteria within the policy documents.

### 3.0 **Retail Rate Relief**

- 3.1 In short, Retail Rate Relief will be available to Hereditaments (properties) that are being used for the sale of goods to visiting members of the public (e.g. florists, bakers, greengrocers, butchers, greengrocers, jewellers, stationers, newsagents), for the provision of certain services to visiting members of the public (e.g. hair and beauty services, travel agents, dry cleaners), for the sale of food and/or drink to visiting members of the public (e.g. bars, sandwich shops). A list of the types of hereditaments considered to be retail is contained within the policy.
- 3.2 Certain types of business will not qualify for relief. They are 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
- 3.3 The total amount of government-funded relief for each property under the scheme is £1,000. The amount does not vary with the rateable value. There is no relief available under the scheme for properties with a rateable value of more than £50,000.

- 3.4 The Revenues Service has contacted approximately 800 businesses that it believes may benefit from this relief. At the end of April 330 businesses had applied for the relief.

### 4.0 **Reoccupation Relief**

- 4.1 Properties that will benefit will be occupied hereditaments that:
- When previously in use, were wholly or mainly used for retail as set out below
  - Were empty for 12 months or more immediately before their

reoccupation

- Become occupied between 1 April 2014 and 31 March 2016
- Are being used for any use except as hereditaments being used as betting shops, payday loan shops and pawn brokers

4.2 For the purposes of the policy, Retail is described as hereditaments that were being used for the sale of certain goods and/or services to visiting members of the public. A list of the types of hereditaments considered to be retail is contained within the policy.

4.3 The Revenues service does not hold data on the number of businesses reoccupying retail premises therefore it is impossible to give an accurate assessment of the numbers likely to benefit.

## **5.0 Consultation**

5.1 Consultation has taken place with Members and the business community. The few responses received have been supportive and none raised any objections.

## **6.0 Resource Implications**

6.1 Financial - None in respect of this report, the Local Policy Framework follows the national guidelines.

6.2 DCLG has indicated that they will provide New Burdens funding to local authorities to offset some of the costs of administering the initiatives.

6.3 The government will reimburse authorities and major precepting authorities within the rates retention scheme for the actual costs to them under the rates retention scheme of the reliefs that fall under these schemes.

6.4 Staffing

6.5 No impact on staffing.

## **7.0 Equality and Fairness**

7.1 There are no Equality and Fairness implications.

## **8.0 Summary of Options**

8.1 Both initiatives can provide a financial benefit to those qualifying businesses.

## **9.0 Conclusion**

9.1 It is recommended that Cabinet adopt the policies for the reasons given in the report.

**lead officer name: Bill McCafferty**  
**job title: Revenues and Benefits Manager**

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**Background Papers:**

The Background Papers used in compiling this report were as follows:

*DCLG - Business Rates Reoccupation Relief Guidance*

*DCLG - Retail Rate Relief Guidance*

To inspect or obtain copies of background papers please refer to the contact officer listed above.