

Title	Business Rates Reoccupation Relief
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Approved by	
Next Review	
Author	

Eastbourne Borough Council Local Scheme

Background

Central government announced in the Autumn Statement on 5 December 2013 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, up to State Aid De Minimis levels.

The grant of the relief is 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.

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 this scheme.

Qualifying properties

Properties that will benefit will be occupied hereditaments (properties) 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 (properties) being used as betting shops, payday loan shops and pawn brokers

For the purposes of this policy Retail is described as:

1 – Hereditaments (properties) that were being used for the sale of goods to visiting members of the public:

- Shops (such as: florist, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets, etc)
- Charity shops
- Opticians
- 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
- Art galleries (where art is for sale/hire)

2 – Hereditaments (properties) that were being used for the provision of the following services principally to visiting members of the public

- Hair and beauty services (such as: hair dressers, nail bars, beauty salons, tanning shops, etc)
- 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

3 – Hereditaments (properties) that were being used for the provision of the following services principally to visiting members of the public:

- Financial services (e.g. banks, building societies, bureau de change, payday loan shops, betting shops, pawn brokers)

- Other services (e.g. estate agents, letting agents, employment agencies)

4 – Hereditaments (properties) that were being used for the sale of food and drink to visiting members of the public:

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs and bars

The above lists are not exhaustive and the Council will determine whether particular properties not listed above were broadly similar in nature to those above and, if so, will consider them to be retail.

Duration of relief

Relief will be available for 18 months from the first day the hereditaments becomes occupied as long as the first day falls between 1 April 2014 and 31 March 2016, subject to the hereditament being continuously occupied.

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

The relief available is 50% of the business rates liability after any mandatory or other discretionary reliefs (other than retail relief) have been applied, up to State Aid De Minimis limits. The relief will be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.

Splits, mergers and changes to existing hereditaments

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

Where a hereditament in receipt of Reoccupation Relief splits or merges to form new hereditaments, the new hereditaments will not be eligible for the remaining term of Reoccupation Relief.

Where a hereditament in receipt of Reoccupation Relief becomes unoccupied for any period of time less than 12 months it will not be eligible for any

further Reoccupation Relief on occupation. However, if a hereditament that has previously received Reoccupation Relief becomes empty for 12 months or more it will be eligible for an additional 18 months Reoccupation Relief if the criteria are met.

Change of ratepayer

The relief will run with the property rather than the ratepayer. So if a hereditament is in receipt of Reoccupation Relief and a new ratepayer becomes liable for the property they will benefit from the remaining term of the relief, subject to the new ratepayer's State Aid de minimis limits.

Applications for relief

To minimise red tape for businesses, the Council aims to identify qualifying businesses that may qualify for the relief and write to them. If a ratepayer thinks they should qualify but have a rates bill without the discount, they should contact the Business Rates Section.

Where it is necessary, the ratepayer may be required to provide further information to support their application. Failure to complete the application fully or supply the information requested will delay the decision making process.

It may be necessary for a council officer to inspect the property to verify the use it is being put to.

All qualifying businesses and organisations are required to notify Eastbourne Borough Council within 21 days of any changes in circumstances that may affect their entitlement to Reoccupation relief.

How applications are processed

The Business Rates Team will administer all applications for rate relief.

The Business Rates Officer, in conjunction with the Revenues Manager and Senior Local Taxation Officer will assess applications for rate relief and recommendations will be made to the Revenues and Benefits Manager. The Revenues and Benefits Manager will decide whether to award Retail Rate relief.

Notification of the decision

Successful applications will be notified of the amount of Reoccupation Relief awarded by the issue of a new Rate Demand Notice. The relief will be awarded by means of a reduction shown on the Demand Notice to the ratepayer. Where this puts the account in credit for the year, a refund will be made by the Council.

Unsuccessful applicants will be notified in writing and reasons for the decision will be provided.

State Aid

Awards such as rate relief are required to comply with the EU law on State Aid. All recipients of Retail Rate Relief must return a declaration, which the Council will send to them, if they have received any other De Minimis State Aid, including any other Retail Rate relief they have been granted for other premises, confirming that the award of Retail Rate relief does not exceed the 200,000 euro they can receive under the DE Minimis Regulations EC 1407/2013.

Appeals

If the applicant wishes to lodge an appeal against any decision, the appeal must be made in writing to the Revenues and Benefits Manager and must demonstrate that all of the relevant criteria contained within this policy are met. An appeal must be sent to Eastbourne Borough Council within 1 month of the date on the (refusal/award) letter.

The Grants Task Group will consider any appeals lodged and will make recommendations to the Senior Head of Community who will decide whether to award Reoccupation relief. A letter will be sent to the appellant to advise them of the final decision.