

Melton Borough
Council

Business Rates –
Reoccupation Relief
Scheme

2014/15 and 2015/16

MELTON BOROUGH COUNCIL
BUSINESS RATES – REOCCUPATION RELIEF SCHEME

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MELTON BOROUGH COUNCIL –

BUSINESS RATES – RETAIL RELIEF SCHEME

1) Introduction

The 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 Limits. The aim of this scheme is to encourage thriving and diverse town centres through encouraging reoccupation of shops that have been empty for a long period of time and reward businesses that make this happen.

2) Legislative Framework

The award of any relief is at the discretion of Melton Borough Council and is made under Section 47 of the Local Government Finance Act 1988 as amended by the Localism Act 2011.

3) Scheme Statement

It is the intention of Melton Borough Council to exercise its powers under S47 LGFA 1988 to award Reoccupation Relief to all 'qualifying' ratepayers.

4) Duration of Scheme

The Scheme will last for the financial years 2014/15 and 2015/16 only.

5) Granting of Relief

As the granting of the relief is discretionary, Melton Borough Council may choose not to grant the relief if they consider that appropriate, for example where granting the relief would go against the authority's wider objectives for the local area.

6) Qualifying Properties

Properties that will benefit from the relief will be **occupied** 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
- Became reoccupied between 1 April 2014 and 31 March 2016
- Are being used for any use (ie not just retail use) except as shown in Section 7 below
- There is NO rateable value limit – however State Aid Limits may limit the amount of relief given.

In relation to the premises' previous use for the purposes of Reoccupation Relief the Council considers retail to mean:

i. Properties that were being used for the sale of goods to visiting members of the public:

FLORIST	STATIONERS	CHARITY SHOPS
BAKERS	OFF LICENCE	OPTICIANS
BUTCHERS	CHEMIST	POST OFFICES
GROCERS	NEWSAGENTS	FURNISHING SHOPS
GREENGROCERS	HARDWARE STORE	DISPLAY SHOPS
JEWELLERS	SUPERMARKETS	CARPET SHOPS
DOUBLE GLAZING	GARAGE DOORS	CAR SHOWROOM
CARAVAN SHOW ROOMS	SECOND-HAND CAR LOTS	MARKETS
PETROL STATIONS	GARDEN CENTRES	ART GALLERIES (Art for sale)
GIFT	CARD	TOY
FASHION ACCESSORY	PHONE	GAMES RETAILERS
CLOTHING	FOOTWEAR	

This list is not intended to be exhaustive and may be added to

ii. Properties that were being used for the provision of the following services to visiting members of the public:

HAIR AND BEAUTY SERVICES	HAIR DRESSERS	NAIL BARS
BEAUTY SALONS	TANNING SHOPS	TRAVEL AGENTS
TICKET OFFICES	DRY CLEANERS	LAUNDERETTES
PC/TV REPAIR	DOMESTIC APPLIANCE REPAIR	FUNERAL DIRECTORS
PHOTO PROCESSING	DVD/VIDEO RENTALS	TOOL HIRE
CAR HIRE	SHOE REPAIRS/KEY CUTTING	

This list is not intended to be exhaustive and may be added to

iii) Properties that were being used for the provision of the following services, principally to members of the public

FINANCIAL SERVICES	BANKS	BUILDING SOCIETIES
BUREAUX DE CHANGE	PAYDAY LOAN SHOPS	BETTING SHOPS
PAWN BROKERS	ESTATE AGENTS	LETTING AGENTS
EMPLOYMENT AGENCIES	OTHER AGENCIES	

iv). Properties that are being used for the sale of food and/ or drink to visiting members of the public:

RESTAURANTS	TAKEAWAYS	SANDWICH SHOPS
COFFEE SHOPS	PUBLIC HOUSES	BARS
SOCIAL CLUBS –EG BRITISH LEGION		

This list is not intended to be exhaustive and may be added to.

7) Non-Qualifying Properties

The new use of the reoccupied premises can be for any use (ie not just retail uses) except for the following list of properties that do not qualify for Reoccupation Relief and is based on the types of uses that the Government does not consider to qualify for the purpose of this relief.

BETTING SHOPS	PAYDAY LOAN SHOPS	PAWN BROKERS
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8) Amount of Relief Available

- Relief will be available for 18 months from the first day the property becomes occupied as long as the first day falls between 1 APRIL 2014 and 31 MARCH 2016, subject to the property remaining continuously occupied.
- The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis.
- Under this scheme the relief available for each property is 50% of the business rates liability after any MANDATORY or DISCRETIONARY RELIEFS (other than Retail Relief) have been applied up to State Aid Limits. The relief should be calculated ignoring any prior year adjustment in liabilities which fall to be liable on the day.
- Relief will run with the property rather than the ratepayer. So if a property is in receipt of Reoccupation Relief and a new ratepayer becomes liable, they will benefit from the remaining term of the relief – subject to State Aid limits.

9) Splits, Mergers and changes to existing properties

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

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

Where a property 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 property 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. The relief will be applied on a day to day basis using the formula set out above. A new property created as a result of a split or merger during the financial year, or where there is a change of use, will be considered afresh for the relief on that day.

10) Awarding the Relief.

The decision to award Retail Relief to a individual property will be made by Customer Service advisors and/or staff in the Welfare, Housing and Revenue Section.

11) Reviewing a Decision

A ratepayer may ask for a decision of the Council in relation to the award or non-award of Retail Relief to be reviewed. The review panel will consist of

- Revenue Business Partner
- Welfare, Housing and Revenues Manager
- Customer Service Manager

Any T3 Officer may be co-opted on to the panel as appropriate

12) Applying for Retail Rate Relief

The Council will seek to grant Reoccupation Relief as and when they are aware of reoccupations of properties that may qualify for the relief. However, the scheme will be advertised on the Council website www.melton.gov.uk/business and will be promoted in communications to businesses such as Business Matters.

If a ratepayer wishes to apply for the Retail Relief they should contact the Council at contactus@melton.gov.uk

13) State Aid

State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. However Retail Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations

The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years) unless a EC block exemption applies. To administer De Minimis it is necessary for the local authority to establish that the award of aid will not result in the undertaking having received more than €200,000 of De Minimis aid or other EC block exemption.

Where a business declares that where the full award would exceed the State Aid limits, the Council will only be able to award a partial relief up to the level of the de minimus limit.

14) Calculation examples for 2014-15

Example 1 – A property that was previously a pub and was empty for 14 months becomes occupied on 1 April 2014 as a restaurant with a rateable value of £40,000.

Rateable Value = £40,000

Rates due (excluding any reliefs) = £40,000 x 0.482 = £19,280
Minus Reoccupation Relief for 2014-15 = £19,280 x 0.5 = £9,640
Minus 12 months retail relief = £9,640 - £1,000 = £8,640

Rates due 2014-15 (including reoccupation and retail relief) = £8,640

Example 2 – A property that was previously a small department store and was empty for 2 years splits into the following 2 separate hereditaments which become occupied on 1 April 2014:

- a) a gym with a rateable value of £10,000
- b) an office with a rateable value of £70,000

Gym:

Rateable Value = £10,000

Rates due (excluding any reliefs) = £10,000 x 0.471 = £4,710
Minus small business rate relief of 33% (£3,140) = £1,570
Minus Reoccupation Relief of 50% = £1,570 x 0.5 = £785

Rates due (including all reliefs) = £785

Office

Rateable Value = £70,000

Rates due (excluding any reliefs) = £70,000 x 0.482 = £33,740
Minus Reoccupation Relief for 2014-15 = £33,740 x 0.5 = £16,870

Rates due 2014-15 (including reoccupation relief) = £16,870