

## Staffordshire Moorlands District Council

### Business Rates Relief Policy (Updated October 2017)

#### 1 Introduction and Background

1.1 The Local Government Finance Act 1988 provides for two broad forms of Relief to be made available to Business Ratepayers:

- **Mandatory Relief (under Sections 43 and 45)** – this can be granted to occupied or unoccupied properties, which satisfy the necessary criteria. Once an organisation satisfies the relevant criteria, the Council has a statutory duty to apply the Relief; and
- **Discretionary Relief (under Sections 44, 47 and 49)** – since the 1988 Act was introduced councils have had the discretion to grant additional relief to certain occupiers of properties, which satisfy certain criteria. However, with effect from 2012/13, Clause 69 of the Localism Act 1988 amended Section 47 to allow councils to reduce the Business Rates of any local Ratepayer.

Discretionary Relief can be awarded in its own right or as an additional relief if Mandatory Relief is already being granted. When considering allowing Discretionary Relief, a Council must consider the benefit of a business to the local community having regard to the interests of Council Tax payers.

1.2 The financial impact on the Council's finances is different depending on whether Mandatory or Discretionary Relief is granted. The granting of discretionary relief will, in the main, involve a cost to the Council equivalent to 40% of the award – in line with the Business Rates Retention Scheme. However, some discretionary reliefs are reimbursed in full by Government through a 'Section 31' grant.

1.3 Although the Localism Act has extended the Council's ability to grant Discretionary Relief, it does so within strictly finite resources. The purpose of this Policy therefore is to provide guidance to Business Rate payers of the specific and limited circumstances in which Relief will be granted.

#### 2 Available Relief

2.1 Relief is available to the following types of Business Rate payer:

- Charities and other non-profit making organisations (**section 3**)
- Community Amateur Sports Clubs (CASC) (**section 4**)
- Businesses located in rural areas (**section 5**)
- Small businesses (**section 6**)
- Certain retail premises (**section 7**)
- Empty properties (section 8) & Empty properties - new build (**section 9**)
- Local Newspapers (from 1<sup>st</sup> April 2017 for period of 2 years) (**section 10**)

## **Updates in blue text**

- Businesses impacted by the 2017 revelation (**section 11**)
    - Supporting Small Businesses Relief (from 1<sup>st</sup> April 2017 for a maximum period of 5 years)
    - Local Public House Relief (from 1<sup>st</sup> April 2017 for one year)
    - Discretionary Business Rates Relief Scheme (from 1<sup>st</sup> April 2017 for a maximum period of four years)
  - Reoccupation Relief (**section 12**)
  - Any other business in exceptional circumstances (under Clause 69 of the Localism Act 2011) (**section 13**)
- 2.2 Sections 3 to 12 deal with the qualifying conditions of each type of Relief in more detail.
- 2.3 In very exceptional circumstances, Hardship Relief may be granted to any Business Rate payer – see **section 14**.

### **3 Charities and Other Non Profit Making Organisations**

- 3.1 Relief is available to charitable and non-profit making organisations in certain circumstances. Relief varies dependant upon the type of organisation and the purpose for which the property is used.
- 3.2 Mandatory Relief is awarded in the following circumstances:
- i) The Ratepayer of an occupied property is a charity or trustee for a charity and where the property is wholly or mainly used for charitable purposes. In such circumstances, Mandatory Relief of 80% will be awarded (it may also be possible to qualify for up to 20% Discretionary Relief on such properties); and
  - ii) The owner of an unoccupied property is a charity or trustee for a charity and it appears, when next in use, the property will be wholly or mainly used for charitable purposes. In such circumstances Mandatory Relief of 80% will be awarded against the 100% charge. In respect of unoccupied property, the apparent future use of the property must be satisfied.
- 3.3 Discretionary Relief may be awarded where:
- i) Where the property is not an “excepted hereditament” (property) and all or part of it is occupied by one or more institution or organisation which are:
    - Not established or conducted for profit; and
    - Whose aims should be charitable or otherwise philanthropic, or concerned with the promotion of social welfare, education, science, literature or the fine arts. In such circumstances Discretionary Relief of up to 100% can be awarded.
  - ii) Where the Rate payer is a charity or trustee for a charity and where the property is wholly or mainly used for charitable purposes. In such circumstances, Mandatory Relief of 80% will already have been awarded. Therefore Discretionary Relief of up to 20% can be awarded.

## *Updates in blue text*

- 3.4 The Council will determine each case on its own merits. The guidelines are:
- i) In respect of Charitable Properties:
    - Applications are required in writing and will be reviewed on a regular basis; and
    - Confirmation of charitable status is necessary.
  - ii) In respect of Non-Profit Making Organisations, the following factors will be considered:
    - Is membership available to all of the community and is it actively promoted?
    - Are the facilities available to non-members?
    - Are the facilities ones that the Council is unable to provide and wishes to promote?
    - Have the facilities available been provided by self-help or grant aid?
    - Are the facilities competing with or ancillary to the facilities currently offered by the Council? (applications will not be refused on the grounds that an organisation is in competition with the Council if the broader needs of the community are being met)
    - Does the organisation provide training and education for its members, non-members, minority or special need groups?
    - Is membership drawn from local residents and taxpayers?
    - What are the financial circumstances of the organisation - do they raise finance to support their activities?

## **4 Community Amateur Sports Clubs (CASCs)**

- 4.1 With effect from April 2002, many local amateur sports clubs were able to register with the Inland Revenue as Community Amateur Sports Clubs (CASCs) and benefit from a range of tax relief, including Gift Aid. The detail of the legislation is contained within Schedule 18 of the Finance Act 2002.
- 4.2 Provided a club is registered with the Inland Revenue, they will automatically qualify for Mandatory Relief of 80%.
- 4.3 The Council will grant a further 20% in Discretionary Relief in circumstances where the club provides additional benefits to the Staffordshire Moorlands.
- 4.4 The Council will determine each case on its own merits. The guidelines are:
- In order to qualify for Mandatory Relief:
- Applications are required in writing and will be reviewed on a regular basis; and
  - Confirmation of CASC status is necessary.

## Updates in blue text

In order to qualify for additional Discretionary Relief:

- Membership should be available to the whole of the Staffordshire Moorlands community and should be actively promoted
- The facilities offered should not be competing with, or ancillary to the facilities currently offered by the Council
- The organisation should, where possible, be providing training and education for its members, non-members, minority or special needs groups
- Membership should be primarily drawn from local residents and taxpayers; and
- There must be evidence of the organisation raising its own finance.

Applications are required in writing and will be reviewed on a regular basis.

## 5 Rural Relief

5.1 Relief from Business Rates is available for Public Houses, Petrol Filling Stations, General Stores, and Post Offices if they are the only business of its type within a Rural Settlement area (**see Annex 1**). Rural Relief may also be granted to qualifying rural food shops. Such Relief is applicable to occupied properties only.

5.2 In order to qualify for Mandatory Relief the property will have to:

- be in a Rural Settlement Area of 3,000 people or less; and
- be a Post Office or General Store with a rateable value of £8,500 or less, and be the only such property within a settlement area; or
- be a Public House or Petrol Filling Station with a rateable value of £12,500 or less, and be the only such property within a settlement area; or
- be a Village Shop selling mainly food for human consumption with a Rateable Value of £8,500 or less.

Mandatory Relief of 50% will be granted to such properties currently. However, the Government intends to amend the relevant primary legislation to require local authorities to grant 100% mandatory rural rate relief to take effect from 1 April 2018.

Therefore, before the requirement to grant mandatory relief comes into force, Authorities are expected to use their local discount powers to grant 100% rural rate relief to eligible ratepayers from 1 April 2017.

5.3 The Council may also provide Discretionary Relief in two ways:

- i) as a 'top-up' Relief, up to 100% for those Ratepayers receiving 50% Mandatory Relief; (as detailed above) or
- ii) up to 100% Relief to other rural shops and businesses, which are of benefit to the local community.

## **Updates in blue text**

5.4 Discretionary Relief is subject to different criteria, and can be granted to any General Store, Post Office, Public House, Petrol Filling Station or Village Shop selling mainly food for human consumption, which qualifies for Mandatory Relief. In addition, Discretionary Relief can be granted to any other Shop, Post Office or business which:

- is in a Rural Settlement Area of 3,000 people or less
- has a Rateable Value of less than £16,500; and
- is of benefit to the local community.

The following additional condition is applied in the Staffordshire Moorlands

- annual profits must be less than £15,000.

5.5 For claiming Rural Relief the following conditions apply:

- Applications must be in writing
- If applying for the Discretionary element of Rural Relief, audited accounts for the last two years must be provided; and
- Each application is considered on its own merits.

## **6 Small Businesses**

6.1 Small Business Rate Relief is available at 100% for Business Ratepayers occupying single properties with a Rateable Value of up to **£12,000 (previously £6,000 prior to 1<sup>st</sup> April 2017)**, with Relief declining on percentage terms on a sliding scale until it is 0% at a rateable value of **£15,000 (£12,000 prior to 1<sup>st</sup> April 2017)**.

6.2 The cost of the Relief granted is funded through a supplement on the Business Rates bills of those businesses not eligible for the Relief. The supplement is built into the standard “Non-Domestic Rating Multiplier”.

6.3 Ratepayers of eligible business properties with Rateable Values between **£15,000 and £51,000 (previously £12,000 and £18,000 prior to 1<sup>st</sup> April 2017)** do not have to contribute towards the Relief and will have their bills calculated using the lower (small business) Non-Domestic Rating Multiplier.

6.4 The Relief is only available to Rate payers with either:

- One property; or
- One main property and other additional properties with Rateable Values less than **£2,899 (£2,600 prior to 1<sup>st</sup> April 2017)**.

The Rateable Value of the one property or the aggregate Rateable Value of all properties must be under **£20,000 (£18,000 prior to 1<sup>st</sup> April 2017)**.

## **7 Retail Rate Relief Policy**

7.1 Under S47 of the Local Government Finance Act 1988 the Council may use its discretionary powers to grant relief to businesses in its area.

## *Updates in blue text*

- 7.2 In line with Government's recommendation this policy outlines the relief to be given in 2014/15 and 2015/16 to hereditaments that meet certain criteria as detailed in this document.
- 7.3 Properties that will benefit from the relief will be occupied hereditaments with a rateable value of £50,000 or less, that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments
- 7.4 Within this guidance, shops, restaurants, cafes and drinking establishments are considered to mean:-
- i. Hereditaments that are 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)
    - 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)
  - ii. Hereditaments that are being used for the provision of the following services to visiting members of the public:-
    - Hair and beauty services (such as 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
  - iii. Hereditaments that are being used for the sale of food and/or drink to visiting members of the public:-
    - Restaurants
    - Takeaways
    - Sandwich shops

## *Updates in blue text*

- Coffee shops
- Pubs
- Bars

- 7.5 To qualify for the relief the hereditament must be wholly or mainly used as a shop, restaurant, cafe or drinking establishment. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.
- 7.6 The list set out above is 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. However, the above lists are intended to be a guide as to the types of uses that the Government considers for this purpose to be retail in nature.
- 7.7 The list below sets out the types of uses that Government does not consider to be retail use for the purpose of this relief. Again, it is for Local Authorities to determine for themselves whether particular properties are broadly similar in nature to those below and, if so, to consider them not eligible for the relief under their local scheme.
- i. 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
- li Hereditaments that are not reasonably accessible to visiting members of the public
- 7.8 The total amount of government-funded relief available for each property for each of the years under this scheme is £1,000. The amount does not vary with rateable value and there is no taper.
- 7.9 There is no relief available under this scheme for properties with a rateable value of more than £50,000. Of course, Councils may choose to use their discretionary powers to offer further discounts outside this scheme (and under local rate retention, 50% of the cost would be locally funded and 50% funded by Central Government).
- 7.10 The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis. The following formula will be used to determine the amount of relief to be granted for a particular hereditament in the financial year:

## **Updates in blue text**

Amount of relief to be granted = £1000 x **A/B**

*Where:*

**A** is the number of days in the financial year that the hereditament is eligible for relief; and **B** is the number of days in the financial year.

- 7.11 The relief will be applied against the net bill after all other reliefs have been taken into account.
- 7.12 Where the net rate liability for the day after all other reliefs but before retail relief is less than the retail relief, the maximum amount of this relief will be no more than the value of the net rate liability. This should be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.
- 7.13 There is no restriction on the number of properties occupied by a rate payer that will qualify for relief, provided each property has a rateable value of £50,000 or less, subject to State Aid de minimis limits.
- 7.14 The relief should be applied on a day to day basis using the formula set out above. A new hereditament created as a result of a split merger during the financial year, or where there is a change of use, should be considered a fresh for the relief on that day

## **8 Empty Property Relief**

- 8.1 Mandatory Relief will be granted in the first 3 months that a business property is empty. This is extended to 6 months in the case of certain industrial properties.
- 8.2 After these periods have expired, Business Rates are payable in full unless the unoccupied property rate has been reduced by Government Order. In most cases, the unoccupied property rate is zero for properties owned by Charities and Community Amateur Sports Clubs.
- 8.3 There are a number of exemptions from the Empty Property Rate as follows:
- Where an owner is prohibited by law from occupying a business property or allowing a business property to be occupied
  - Where a business property is kept vacant by reason of action taken by or on behalf of the Crown or any local or public authority with a view to prohibiting occupation or to acquiring it
  - Where a business property is the subject of a building preservation notice, or is a listed building
  - Ancient monuments
  - Business properties with a Rateable Value less than £2,600
  - Where an owner is entitled to business property only in their capacity as the personal representative of a deceased person; and
  - In certain instances of insolvency and debt administration.

## *Updates in blue text*

8.4 Discretionary Relief (under Section 44a of the 1988 Act) can be awarded where a business property is temporarily partly occupied. Where such discretion is exercised, a valuation officer will apportion Rateable Value between the occupied and unoccupied parts of the property.

## **9 New Build - Empty Property Relief**

9.1 Under S47 of the Local Government Finance Act 1988 the Council can use its discretionary powers to grant relief to businesses in its area.

9.2 In line with the Government's recommendation this policy outlines the relief to be given to hereditaments that meet certain criteria as detailed in this document.

9.3 Properties that will benefit from the relief will be all unoccupied non domestic hereditaments that are wholly or mainly comprised of qualifying new structures. "Structures" means:

- a) foundations and/or
- b) permanent walls and/or
- c) permanent roofs

"new" means:

- a) completed less than 18 months previously, and
- b) completed after 1 October 2013 and before 30 September 2016.

9.4 New structures are to be considered "completed" when the building or part of the building of which they form part is ready for occupation for the purpose it was constructed unless a completion notice has been served in respect of such a building or part of a building – in which case it would be the date specified in that notice.

9.5 In terms of considering whether a hereditament is wholly or mainly comprised of qualifying new structures, "mainly" means more than half. As the test is made in regards to the composition of the structure, it will not be relevant to consider matters such as the rateable value or use of parts of the property. However, factors such as the area or volume of the property will be relevant.

9.6 Whilst this policy is not intended to capture properties that have been refurbished, it is intended to capture those that have been the subject of substantial structural construction, so, for example, those properties that are built on existing foundations or built around a retained façade are likely to benefit from the relief.

9.7 Where a hereditament is created as a result of a split or merger of other properties, or where the existing hereditament is altered for example with an extension, the same test will apply i.e. the hereditament must be wholly or mainly comprised of new structures completed within the necessary timeframes to benefit from the exemption.

## **Updates in blue text**

- 9.8 We want to ensure that, on the one hand, ratepayers do not benefit merely because the property has split or merged but, on the other hand, ensure that ratepayers have some flexibility to adapt their properties without losing the relief.
- 9.9 There will be some instances where this is not clear cut (such as where a hereditament is formed from the merger of a hereditament that comprises mainly or wholly of new structures with a hereditament that comprises structures that are not new). In such cases we propose that the relief is only funded where the new hereditament wholly or mainly comprises qualifying new structures.
- 9.10 The relief will run with the property rather than the owner. So if a developer initially owns a hereditament that qualifies for the relief he/she will be able to sell/lease the property with the benefit of the remaining term of the relief, subject to the ratepayer's State Aid de minimis limits.
- 9.11 Properties that are completed before 1 October 2013 will not benefit from these proposals. However, hereditaments comprising such properties will not be subject to empty property rates for the first 3 or 6 months they are empty, in the normal way.
- 9.12 100% relief in the prescribed circumstances, up to State Aid de minimis limits will be available.
- 9.13 The policy is for the new build empty property exemption to apply to unoccupied non domestic properties for the first 18 months following completion, if completed after 1 October 2013 and before 30 September 2016.
- 9.14 The Non-Domestic Rating (Unoccupied Property) (England) Regulations 2008 provide that empty property rates are not payable until a non-industrial property has been empty for 3 months or an industrial property has been empty for 6 months.
- 9.15 If a hereditament has been subject to apportionment under Section 44A of the Local Government Finance Act 1988 (partly occupied hereditaments), the same principles may be applied to the unoccupied.

## **10. Local Newspaper Rate Relief (temporary until 31<sup>st</sup> March 2019)**

- 10.1 The Government has committed to providing funding to local authorities so that they can provide a discount worth up to £1,500 a year for 2 years from 1st April 2017, to office space occupied by local newspapers. This is up to a maximum of one discount per local newspaper title and per hereditament, and up to state aid limits. The relief will be delivered through local authority discretionary discount powers (under section 47(3) of the Local Government Finance Act 1988).
- 10.2 The Council will grant in accordance with Government guidelines.

## **Updates in blue text**

### **11. 2017 Revaluation Reliefs**

11.1 As part of the Spring 2017 Budget, the Chancellor announced three new discretionary rate reliefs to be implemented for business ratepayers with effect from 1<sup>st</sup> April 2017:

- Supporting Small Business Relief
- Supporting Pubs Relief
- Local Discretionary Rate Relief

11.2 The three new reliefs have been implemented under Section 47 of the Local Government Finance Act as a discretionary award made by Billing Authorities. The Government will fully reimburse all amounts awarded under Supporting Small Business Relief and Supporting Pub Relief by a Section 31 grant. However, Local Discretionary Rate Relief is being funded through a £300m fund allocated to each Authority through a formula-based grant, and Government has tasked all Authorities with putting together their own schemes of LDRR.

#### **Supporting Small Businesses Relief (from 1<sup>st</sup> April 2017 for a maximum period of 5 years)**

11.3 This relief is a discretionary relief made available to those ratepayers facing large increases as a result of a change in rateable value and consequential loss of Small Business Rate Relief or Rural Rate Relief.

11.4 Supporting Small Businesses relief will be paid such that the increase per year in the bills of affected ratepayers is limited to the greater of:

- a percentage annual increase of 5%, 7.5%, 10%, 15% and 15% from 2017-18 to 2021-22 all plus inflation, or;
- a cash value of £600 per year (£50 per month). This cash minimum increase ensures that those ratepayers paying nothing or very small amounts in 2016-17 after small business rate relief are brought into paying something.

11.5 In the first year of the scheme this means that all ratepayers losing some or all of their SBRR or RRR will see the increase in their bill capped at £600. The cash minimum increase is £600 per year thereafter. Those businesses who were previously receiving SBRR in 2016/2017 but whose RV is more than £51,000 from 1<sup>st</sup> April 2017 will not be liable to pay the supplement (1.3p in 2017/18) to fund small business rate relief while they are eligible for the Supporting Small Business relief scheme.

11.6 Ratepayers can remain in the Supporting Small Businesses relief scheme for either 5 years or until they reach the bill they would have paid without the scheme

## **Updates in blue text**

11.7 Awards of Supporting Small Businesses relief will be made for no more than one year at a time and will be reviewed each year at the time of the annual billing. Entitlement will therefore end on the earliest of:

- the end of the financial year for which the award was made,
- the date that the ratepayer ceases to satisfy the qualifying criteria, or
- the date that the property becomes unoccupied or occupied by a charity or Community Amateur Sports Club.

11.8 This relief, as with all other DRRs, is subject to State Aid law. Ratepayers entitled to Mandatory Relief (such Charities and Community Amateur Sports Clubs) or Section 44A relief (apportionment of RV for partly occupied properties) are not entitled to SSBR.

11.9 The Council will be applying this relief in accordance with Government guidelines and confirming in writing to those eligible businesses. Those businesses that feel they may be eligible but have not received a letter and revised bill need to contact the Council.

### **Supporting Pubs Relief (from 1<sup>st</sup> April 2017 for one year)**

11.10 Supporting Pubs Relief scheme for pubs that have a rateable value of below £100,000. Under the scheme, eligible pubs will receive a £1,000 discount on their bill for 2017/18.

11.11 For the purpose of this relief, the Council's policy intention is that eligible pubs should:

- be open to the general public
- allow free entry other than when occasional entertainment is provided
- allow drinking without requiring food to be consumed
- permit drinks to be purchased at a bar.

11.12 Hereditaments which are excluded from this relief include restaurants, cafes, nightclubs, hotels, snack bars, guesthouses, boarding houses, sporting venues, music venues, festival sites, theatres, museums, exhibition halls, cinemas, concert halls, casinos.

11.13 The Council will be applying this relief in accordance with Government guidelines and confirming in writing to those eligible businesses. Those businesses that feel they may be eligible but have not received a letter and revised bill need to contact the Council.

### **Local Discretionary Rate Relief (temporary until 31<sup>st</sup> March 2021)**

11.14 The Government also announced the introduction of a Local Discretionary Rate Relief – the scheme is designed to assist small/medium ratepayers who have suffered significant increases in rate liability due to the revaluation and the subsequent increase to their Rateable Value. The scheme is in place for a period of 4 years at a reducing rate over the 4 years.

## ***Updates in blue text***

11.15 Each Authority is to be provided with a share of a £300 million fund to support their local businesses – which is to be administered through Authorities discretionary relief powers under section 47 of the Local Government Act 1988.

11.16 Government consider that Councils are best placed to determine how this fund should be targeted and administered to support those businesses with the greatest need, and so each Authority is required to propose their own scheme.

11.17 The Council has determined that Local Discretionary Rate Relief will be awarded using the following criteria:

- The increase has to be attributable to the 2017 revaluation
- Relief will not be awarded where mandatory relief is granted
- The rateable value of the property, in the 2017 Rating List must not exceed £200,000
- In assessing any potential entitlement to an award under this scheme, the Council will compare the following:-
  - The rate liability of the ratepayer at 31<sup>st</sup> March 2017 after any reliefs and reductions; and
  - The rate liability of the taxpayer 1<sup>st</sup> April 2017 taking into account any transitional relief or discretionary relief within this policy
- Relief will only be given to premises which are liable for occupied rates. No relief within this scheme will be granted for unoccupied premises.
- Relief will only be granted to ratepayers who were in occupation at 31<sup>st</sup> March 2017 and in occupation on 1<sup>st</sup> April 2017 and for each day subsequently
- Ratepayers taking up occupation after the 1<sup>st</sup> April 2017 will not be eligible for relief on the basis that new ratepayers would not have suffered from increases due to a revaluation
- Relief will be targeted to local businesses and not those businesses/charities that are national or multi-national in nature.
- Relief will not be awarded to Local Authorities or Government agencies
- The relief is subject to state aid limits

11.18 The Council will encourage those businesses who may qualify for this relief to apply. Therefore, the scheme will be administered in the following way:

- For awards of £1,000 or less Officers may grant without a formal application and issue notification which requests the business to contact the Council if they feel they are not eligible based on the criteria set
- For awards of £1,000 or more, individual applications and 'state aid' declarations will be required and considered by the Income Team.
- Ratepayers will be required to notify the council if they cease to satisfy the qualifying criteria.
- Relief will end on the earliest of; the end of the financial year, the date the property becomes unoccupied or the date that the ratepayer ceases to satisfy the qualifying criteria

## Updates in blue text

11.19 The proposed amount of relief is tapered and estimated to be calculated as follows:-

	Amount of Relief*
2017/18	Award = 65% of the increase in rate liability
2018/19	2017/18 award x 50% (for clarity, this will be half of the relief awarded in 2017/18)
2019/20	2018/19 award x 40% (for clarity, this will be 40% of the relief awarded in 2018/19)
2020/21	2019/20 award x 14% (for clarity, this will be 14% of the relief awarded in 2019/20)

*\*The levels of relief applied will be reviewed regularly in year to ensure that the support scheme is being operated in the most effective way.*

11.20 In exceptional circumstances, the Council shall consider applications on a case by case basis where the ratepayer falls outside the criteria detailed in paragraph 11.15 but where the ratepayer can demonstrate that they are experiencing severe financial difficulties due to the revaluation on 1<sup>st</sup> April 2017.

11.21 The proposed scheme also allows the Council to review and amend the amount of relief during the course of the year to reflect changing circumstances.

## 12 Reoccupation Relief

12.1 This is a temporary measure that applies to ratepayers moving into previously empty retail premises between 1 April 2014 and 31 March 2016 only, the government is not changing the legislation around the reliefs available to properties. Instead the government will, in line with the eligibility criteria set out in this guidance, reimburse local authorities that use their discretionary relief powers, introduced by the Localism Act (under section 47 of the Local Government Finance Act 1988, as amended), to grant relief.

12.2 Properties that will benefit from the relief will be occupied hereditaments that:

- When previously in use, were wholly or mainly used for retail as set out in below
- Were empty for 12 months or more immediately before their reoccupation
- Become reoccupied between 1 April 2014 and 31 March 2016
- Are being used for any use (i.e. not just retail use) except as set out below

12.3 There is no rateable value limit for the hereditament in respect of either the previous or reoccupied use. However, State Aid De Minimis limits may limit the amount of relief given.

12.4 In relation to a premises' previous use for the purposes of Reoccupation Relief we consider retail to mean:

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

## *Updates in blue text*

- 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)
- ii. Hereditaments 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
- iii. Hereditaments 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, bureaux de change, payday loan shops, betting shops, pawn brokers)
  - Other services (e.g. estate agents, letting agents, employment agencies)
- iv. Hereditaments that were being used for the sale of food and/ or drink to visiting members of the public:
- Restaurants
  - Takeaways
  - Sandwich shops

## *Updates in blue text*

- Coffee shops
- Pubs
- Bars

- 12.5 The list set out above is 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. However, it is intended to be a guide for to the types of uses that government considers for this purpose to be retail. Authorities should determine for themselves whether particular properties not listed were broadly similar in nature to those above and, if so, to consider them to be retail. Conversely, properties that were not broadly similar in nature to those listed above should not be considered to be retail.
- 12.6 The new use of the reoccupied premises can be for any use (i.e. not just retail uses) except for hereditaments wholly or mainly being used as betting shops, payday loan shops, and pawn brokers.
- 12.7 As the grant of the relief is discretionary, authorities 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 or where it would not help a shopping area to thrive. We would encourage councillors to be consulted on the final scheme that the local authority adopts, so there is a clear line of accountability in case of a dispute on the final local scheme that is adopted.
- 12.8 Relief will be available for 18 months from the first day the hereditament becomes occupied as long as the first day falls between 1 April 2014 and 31 March 2016, subject to the hereditament remaining continuously occupied.
- 12.9 The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis.
- 12.10 Under this scheme the relief available for each property 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 should be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.
- 12.11 Councils may use their discretionary powers to offer further discounts outside this scheme (and under local rate retention, 50 per cent of the cost would be locally funded and 50 per cent funded by central government).
- 12.12 Reoccupation Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013)<sup>2</sup>.
- 12.13 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 the other criteria).

### ***Updates in blue text***

- 12.14 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.
- 12.15 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.
- 12.16 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.
- 12.17 Where a property is eligible for Enterprise Zone relief, that relief should be granted and this will be funded under the rates retention scheme by a deduction from the central share. If a property in an Enterprise Zone is not eligible for Enterprise Zone relief, or that relief has ended, Reoccupation Relief may be granted in the normal way, and this would be reimbursed by grant under section 31 of the Local Government Act 2003. Local authorities should not claim funding for Reoccupation Relief on properties which would otherwise qualify for Enterprise Zone government funded relief.

### **13 Other Businesses**

- 13.1 Discretionary Rate Relief of up to 100% may be awarded to any other Ratepayer in exceptional circumstances under Clause 69 of the Localism Act 2011, where it is in the Council's strategic or operational interests to do so.

### **14 Hardship Relief**

- 14.1 The Council may remit payment of Business Rates in part or in full in certain cases of hardship.
- 14.2 An application for reduction must consider:
- That the Ratepayer would sustain hardship if remission of rates was not granted; and
  - That it is reasonable to grant remission, having regard to the interests of the Council Taxpayer.
- 14.3 The circumstances where the Council would consider for the granting of Hardship Relief are:
- The potential threat of closure of a business, and the loss of employment to local people; and
  - Preserving the local community and fabric of village life.
- 14.4 For claiming Hardship Relief the following conditions apply:

### *Updates in blue text*

- Applications must be in writing
- Remission should be the exception rather than the rule
- All factors relating to the business should be taken into account; and
- Each case should be decided on its own merits.

14.5 The following evidence will be taken into consideration when assessing an application for Hardship Relief:

- The current year's accounts should be compared with previous years' accounts
- Explanation of how the hardship has arisen; and
- Steps taken to try to remedy the situation.

## **16 Appeals**

16.1 Appeal against a refusal to grant Mandatory Relief is to the Magistrates Court at a Liability Order hearing if the decision is whether a property falls into one of the necessary categories.

16.2 The appeal will be by way of Judicial Review if the appeal is in respect of a village not being designated as a Rural Settlement.

16.3 An appeal against a refusal to grant Discretionary Relief will be by way of Judicial Review.

**Rural Settlement Areas within the Staffordshire Moorlands**

In accordance with the Local Government and Rating Act 1997 (LGRA 1997), a total of 46 Rural Settlement Areas (RSAs) have been designated within the Staffordshire Moorlands as follows:

Alstonfield	Alton	Bagnall	Blore
Bradnop	Brown Edge	Butterton	Caverswall
Consall	Cotton	Dilhorne	Draycott
Farley	Fawfieldhead	Grindon	Heathylea
Heaton	Hollinsclough	Horton	Ilam
Ipstones	Leekfrith	Longnor	Longsdon
Oakamoor	Onecote	Quarnford	Rushton
Sheen	Tittesworth	Warslow	Waterhouses
Wetton			

Biddulph Moor, within the parish of Biddulph  
Freehay, within the parish of Cheadle  
Checkley, within the parish of Checkley  
Hollington, within the parish of Checkley  
Wetley Rocks, within the parish of Cheddleton  
Cellarhead, within the parish of Cheddleton  
Whiston, within the parish of Kingsley  
Kingsley, within the parish of Kingsley  
Stanley, within the parish of Endon  
Stockton Brook, within the parish of Endon  
Endon, within the parish of Endon  
Foxt, within the parish of Ipstones  
Leekbrook, within the parish of Leek