

Cheltenham Borough Council Policy for Business Rates Retail Relief and Business rates Reoccupation Relief

Section 1: Business Rates Retail Relief

General conditions

1. Retail Relief will apply for the financial years 2014/2015 and 2015/2016 as directed by the Department for Communities and Local Government.
2. The maximum amount of relief available for each property in each year is £1,000, subject to state aid limits.
3. There is no relief available under this policy for properties with a rateable value of more than £50,000.
4. The relief will be assessed and calculated on a daily basis using the following formula:

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
5. The retail rate relief will be applied to the net bill after all other reliefs have been taken into account. Where the net rate liability after all other reliefs is less than £1,000, the maximum amount of retail rate relief will be no more than the value of the net rate liability.
6. Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties, subject to State Aid de-minimis limits.

Properties eligible for relief

Qualifying properties will be shops, restaurants, cafes and drinking establishments which are wholly or mainly used for the sale of goods, food or drink to visiting members of the public or for the provision of certain services to visiting members of the public. Properties must be used for one of the following purposes.

1. Properties 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)

2. Properties 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, 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. Properties being used for the sale of food and/or drink to services to visiting members of the public
 - Restaurants
 - Coffee shops
 - Takeaways
 - Sandwich shops
 - Pubs / Bars

Properties not eligible for relief

1. Properties which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief
2. Properties that are not reasonably accessible to visiting members of the public will not be eligible for the relief
3. Properties being used for the provision of the following services to visiting members of the general public will not qualify for the relief
4. Properties 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 and pawn brokers)
 - Other services (e.g. estate agents, letting agents, employment agencies)
 - Medical services (e.g. vets, doctors, osteopaths, chiropractors)
 - Professional Services (e.g. solicitors, accountants, insurance agents/financial advisers, tutors)
 - Post office sorting office

Section 2: Business Rates Reoccupation Relief

General Conditions

1. The available relief is a 50% business rate discount for up to 18 months for businesses moving into previously empty retail properties between 1 April 2014 and 31 March 2016, subject to the property being continuously occupied.
2. The 50% discount is to be applied after any mandatory or discretionary reliefs (except retail rate relief).
3. The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis.
4. There is no limit on the rateable value of a property that can benefit from this relief but the relief is subject to state aid limits.
5. Properties being reoccupied must have been empty for 12 months or more immediately before their reoccupation and become reoccupied between 01 April 2014 and 31 March 2016.
6. The property being reoccupied must have previously been wholly or mainly used for retail purposes
7. Once applied the relief runs with the property so if the ratepayer leaves the property the new ratepayer will benefit from the remaining term of the relief, provided it is not empty for any period.
8. Where a property in receipt of reoccupation relief becomes empty it must remain empty for at least 12 months will before it can be eligible for further period of relief.

Properties eligible for relief

Properties that will benefit from the relief will be occupied properties that when previously in use, were wholly or mainly used for retail purposes, were empty for 12 months or more immediately before their reoccupation and become reoccupied between 01 April 2014 and 31 March 2016. The following purposes are considered to mean retail:

1. 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)

4. Properties 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, 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

5. Properties 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 and pawn brokers
 - Other services (e.g. estate agents, letting agents, employment agencies)

6. Properties being used for the sale of food and/or drink to services to visiting members of the public
 - Restaurants
 - Coffee shops
 - Takeaways
 - Sandwich shops
 - Pubs / Bars

Reoccupied Use

The new use of the reoccupied premises can be for any use not just retail uses, **except** for properties used wholly or mainly as:

- Betting shops
- Payday loan shops
- Pawn brokers

Split, 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 Reoccupation Relief where at least half 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 other qualifying criteria
- Where a property which is 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.

Section 3: State Aid

The award of Retail Relief and Reoccupation Relief must comply with EU law on State Aid. Businesses applying for, or in receipt of, relief must advise the council if they have received any other State Aid that exceeds in total €200,000 in a 3 year period, under the De Minimis Regulations EC 1407/2013. The total amount of State Aid received includes any other Retail Relief or Reoccupation Relief being granted in respect of all properties for which the business is responsible. Further information on State Aid law can be found at <https://www.gov.uk/state-aid>.

Section 4: Administration

- Decisions relating to the granting of reliefs will be delegated to the staff within the Revenues Service
- Reliefs may be granted automatically where information held on the business rate account confirms eligibility in line with qualifying criteria. In these cases businesses will be asked to notify the council if they are in receipt of other State Aid
- Where sufficient information is not held businesses will be required to complete and submit an application form including a declaration in respect of State Aid
- There is no statutory right of appeal against a decision made by the Council in respect of retail rate or business rate reoccupation relief. However, the Council will review the decision if the ratepayer is dissatisfied with the outcome. The review will be carried out by the Director of Resources
- If an unsuccessful applicant requests a review, they will still need to continue to pay their rates bill. Once the review has been carried out, the ratepayer will be informed, in writing, of the decision
- The right of appeal process does not affect a ratepayer's legal right to challenge the decision by way of a judicial review