

**Report to** Cabinet  
25 June 2014  
**Report of** Executive head of business relationship management  
**Subject** Business rates reoccupation relief policy

**Item**

**8**

**KEY DECISION**

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**Purpose**

To consider the implementation of the business rates reoccupation relief policy

**Recommendation**

To approve the new business rates reoccupation relief policy

**Corporate priorities**

The report helps to meet the corporate priority “A prosperous city”.

**Financial implications**

Central government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003).

**Ward/s:** All wards

**Cabinet member:** Councillor Waters- Deputy Leader and resources

**Contact officers**

Anton Bull Executive head for business relationship management 01603 212326

Tracy Woods Business relationship manager 01603 212140

**Background documents**

None

# Report

1. The government has issued guidance on a new business rates relief; the reoccupation relief following their announcement in the autumn statement dated 5 December 2013.
2. As this relief is temporary the government will not be changing the legislation and the power to award will fall under section 47 of the Local Government Finance Act 1988
3. It will be for individual local billing authorities to decide to grant the relief under section 47 however central government will fully reimburse local authorities for the local share of the discretionary relief, using a grant under s31 of the Local Government Act 2003
4. Each local authority shall adopt a local scheme and make decisions in each individual case. As 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.
5. **Reoccupation Relief**
  - a) Full details of which properties will benefit, definitions, calculations and the length of the award is to be found in the policy. However key points are;
    - i) Properties to benefit will be occupied business premises; and
    - ii) Were empty for 12 months or more prior to them becoming occupied; and
    - iii) Were wholly or mainly used for retail
    - iv) The first day of reoccupation must be between 1 April 2014 and 31 March 2016.
    - v) Are being used for any use except betting shops, payday loan shops or pawn brokers
  - b) The relief is 50% of the business rates liability.
6. A draft Norwich city council policy is at appendix A
7. **State Aid**
  - a) The European Union regulates state aided funding. Support to businesses and providing discretionary rate relief is likely to amount to state aid.
  - b) The EU law on State Aid has a 'de minimus' value of €200,000 within a current financial year or the previous two financial years
  - c) Rate payers will be required, when making an application for relief, to complete a 'de minimis' declaration.
8. Administration and publication of these reliefs will be undertaken by LGSS. Ratepayers will be required to complete an application form in each case.

9. Claims will be determined by the executive head of business relationship management, taking into consideration the guidance and policy.
10. Reviews will be undertaken by the section 151 officer.

## Integrated impact assessment



**NORWICH**  
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with completing the assessment can be found [here](#). Delete this row after completion

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	25 June 2014
<b>Head of service:</b>	Anton Bull
<b>Report subject:</b>	Business rates reoccupation relief policy
<b>Date assessed:</b>	7 April 2014
<b>Description:</b>	Approval of implementation of the business rates reoccupation relief policy

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Government reimburses local spend in full
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Northgate software can be enabled to deal with this relief with no additional purchase
Economic development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Reducing empty business premises encourage a thriving and diverse town centre positively impact all business in the area. Assists the individual businesses to getting the relief to establish profitability for their initial period of occupation.
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	This relief should help reduce the number of empty business premises thereby enhancing the local environment
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

**Recommendations from impact assessment**

**Positive**

**Negative**

**Neutral**

**Issues**



**NORWICH**  
City Council

# Norwich City Council Business Rates Reoccupation Relief Policy

Version 1.0 9 June 2014



# **Norwich City Council Reoccupation Relief Policy**

## **Introduction**

The Government wants to encourage thriving and diverse town centres and wants to see the number of vacant shops decrease. This relief is intended to encourage reoccupation of shops that have been empty for a long time and reward businesses that make that happen.

Therefore the Government announced in the Autumn Statement on 5 December 2013 that it will 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 limits.

As this relief is only temporary the Government is not changing the legislation however Norwich City Councils power to award will fall under the use of their discretionary relief powers, introduced by the Localism Act 2011 (under section 47 of the Local Government Finance Act 1988, as amended).

Norwich City Council will adopt the scheme as set out in this document.

## The policy

### 1. Which properties will benefit from the relief?

Properties which will benefit from the relief will be

- Occupied
- Business premises

That

- When previously in use , were wholly or mainly used for retail, please see below for definition of retail
- 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 (ie not just retail) except those being used as betting shops, payday loan shops or pawn brokers

#### Definition of retail

Norwich City Council shall adopt the guidance from the Department for Communities and Local Government (DCLG) and will consider retail to mean:

#### I. Properties 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, 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. Properties that are 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
- Financial services (e.g. banks, building societies, bureaux de change, payday loan shops, betting shops, prawn brokers)
- Other services (e.g. estate agents, letting agents, employment agencies)

III. 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
- Pubs
- Bars

These lists are not exhaustive and Norwich City Council shall determine whether particular properties, on an individual basis, are broadly similar or not in nature to those listed and grant or not grant relief as it determines.

## 2. How much relief will be 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 and
- The property remains continually occupied

The relief is calculated

- On a daily basis
- At 50% of the business rates liability
- After any mandatory and other discretionary reliefs have been applied, subject to State Aid 'de minimis' limits

## 3. Applications

The Council shall publicise this relief on literature it sends to ratepayers and on the Council's website.

Ratepayers shall be required to make a claim for the relief, in respect of each property, by completing a claim form and a 'de minimis' declaration.

### State Aid

European Union competition rules prohibit government subsidies to businesses. This means that where an organisation (regardless of type) is engaged in commercial activities which put them in direct competition with other organisations, they cannot be given the advantage of favourable treatment by being selected for financial aid by a local authority. Discretionary rate relief is included in this definition, as are grants and loans.

There are a limited number of exceptions, the most relevant in respect of this relief will be the 'de minimis' rules, which is up to €200,000 over a period of three years.

## 4. Decisions and reviews

Each application will be decided on its individual merits however in determining relief Norwich will take into consideration

- This policy,
- The guidance document provided by the DCLG
- Relevant legislation.
- The impact of granting a relief if it was to go against the authority's wider objectives for the local area
- Other reliefs / grants awarded to the ratepayer
- How the activities of the business contribute to the corporate plan priorities
  - Safe and clean city
  - Prosperous city
  - Decent housing for all
  - City of character and culture
  - Value for money services

Claims will be determined by the executive head of business relationship management.

The Council will aim to make a decision within 4 weeks of receiving the application with all supporting evidence.

### Asking for a review

Any ratepayer may make a request for a review only where there is

- additional information not available at the time of the original decision or
- there are good grounds to believe the application or supporting information was not interpreted correctly at the time the decision was taken

A request for a review should be made in writing to the council within 4 weeks of notification of the original decision supplying the additional supporting information.

Reviews will be considered by the Councils s151 officer

## 5. Requirements to make payment of amounts falling due

Ratepayers must continue to pay any amount of rates that fall due whilst an application is pending. In the event that payments are not received as due the Council may continue with its normal enforcement procedures.

## 6. Length of award

This relief is a temporary relief and only in place where the first day of reoccupation is between 1 April 2014 and 31 March 2016 only. Any claim received from 1 April 2014 shall be considered.

At the date of determination, if it is considered that the circumstances for qualification existed from 1 April 2014 the relief will be back dated to the 1 April 2014 or to a later date when the qualifying circumstances were in existence from.

The length of award shall be for 18 months, subject to the property being continuously occupied. However the relief shall be removed when the Council has reason to believe that the qualifying circumstances have ended or the ratepayer advises the same. There is a duty on the ratepayer to advise the Council of any changes of circumstances that they consider will affect their entitlement to relief. Removal of the relief will be backdated to the date of the relevant change in circumstances.

## 7. Change of ratepayer

The relief will run with the property rather than the ratepayer. Therefore if a property is in receipt of reoccupation relief and a new ratepayer becomes liable for the property the new ratepayer may make an application to claim the remaining term of the relief, subject to the new ratepayer's state aid 'de minimis' rules

## 8. Future amendments to this policy

Where minor amendments need to be made to ensure the continued effectiveness of this policy such amendments will be made after consultation with the deputy leader and resources portfolio holder