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| Title of Report: | Non-Domesic Rates - Reoccupation Relief |
| Report to be considered by: | Executive |
| Date of Meeting: | 24th July 2014 |
| Forward Plan Ref: | EX2845 |

Purpose of Report: To establish a council policy for the granting of this form of rate relief.

Recommended Action: The Council will allow this form of relief to eligible cases identified in accordance with guidance issued by the Department for Communities and Local Government.

Reason for decision to be taken: This form of relief has been recently introduced and the decision to allow such a relief scheme is left to the discretion of billing authorities

Other options considered: None

Key background documentation: Business Rate Reoccupation Relief Guidance issued by the Department for Communities and Local Government

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| <p>The proposals contained in this report will help to achieve the following Council Strategy priority:</p> <p><input checked="" type="checkbox"/> CSP2 – Promoting a vibrant district</p> <p>The proposals contained in this report will help to achieve the above Council Strategy priorities and principles by: Supporting the retail environment in our town centres by giving an incentive to bring vacant property back into use.</p> |
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| Portfolio Member Details | |
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| Date Portfolio Member agreed report: | 3rd June 2014 |

| Contact Officer Details | |
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Implications

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| Policy: | This report seeks a decision to establish a policy for a form of non-domestic rate relief |
| Financial: | There are no financial implications as the relief will be fully funded by government |
| Personnel: | None |
| Legal/Procurement: | None |
| Property: | There are potential beneficial implications if the Council owns vacant retail property |
| Risk Management: | None |

| Is this item relevant to equality? | Please tick relevant boxes | Yes | No |
|--|----------------------------|--------------------------|-------------------------------------|
| Does the policy affect service users, employees or the wider community and: | | | |
| • Is it likely to affect people with particular protected characteristics differently? | | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| • Is it a major policy, significantly affecting how functions are delivered? | | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| • Will the policy have a significant impact on how other organisations operate in terms of equality? | | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| • Does the policy relate to functions that engagement has identified as being important to people with particular protected characteristics? | | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| • Does the policy relate to an area with known inequalities? | | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Outcome (Where one or more 'Yes' boxes are ticked, the item is relevant to equality) | | | |
| Relevant to equality - Complete an EIA available at www.westberks.gov.uk/eia | | | <input type="checkbox"/> |
| Not relevant to equality | | | <input checked="" type="checkbox"/> |

| Is this item subject to call-in? | Yes: <input checked="" type="checkbox"/> | No: <input type="checkbox"/> |
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| If not subject to call-in please put a cross in the appropriate box: | | |
| The item is due to be referred to Council for final approval | | <input type="checkbox"/> |
| Delays in implementation could have serious financial implications for the Council | | <input type="checkbox"/> |
| Delays in implementation could compromise the Council's position | | <input type="checkbox"/> |
| Considered or reviewed by Overview and Scrutiny Management Commission or associated Task Groups within preceding six months | | <input type="checkbox"/> |
| Item is Urgent Key Decision | | <input type="checkbox"/> |
| Report is to note only | | <input type="checkbox"/> |

Executive Summary

1. Introduction

- 1.1 Business rates reoccupation relief was introduced by the Chancellor in his Autumn Statement and guidance issued states the intention to encourage thriving and diverse town centres and a reduction in the number of vacant shops.
- 1.2 It will provide a 50% business rate discount for 18 months for business moving into previously empty retail premises between 1st April 2014 and 31st March 2016.
- 1.3 The Council's current policy for discretionary rate relief was established by the Executive on 27th March 2014. Reoccupation Relief was not included in that policy as there was insufficient information available from Government.
- 1.4 Operation of a scheme for this type of relief is not mandatory – billing authorities are allowed to exercise their discretion and, as a consequence, a formal policy decision is needed.
- 1.5 The scheme, if adopted, will be fully funded by government grant

2. Proposals

- 2.1 The proposal is that the Council will operate a scheme for business rate reoccupation relief across the West Berkshire district for properties which, when last occupied, were being used for retail purposes as defined in section 11 of the Government's guidance

3. Equalities Impact Assessment Outcomes

- 3.1 This item is not relevant to equality.

4. Conclusion

- 4.1 The scheme will provide an incentive for the reoccupation of vacant town centre property at no cost to the Council but in full support to the vibrant district element of the Council's own strategy priorities.

Executive Report

1. Introduction

- 1.1 Business rates reoccupation relief was introduced by the Chancellor in his Autumn Statement and guidance issued states the intention to encourage thriving and diverse town centres and a reduction in the number of vacant shops.
- 1.2 The Council's current policy for discretionary rate relief was established by the Executive on 27th March 2014. Reoccupation Relief was not included in that policy as there was insufficient information available from Government.
- 1.3 Guidance has since been issued by Government upon which a policy may be based.

2. The relief scheme

- 2.1 It will provide a 50% business rate discount for 18 months for business moving into previously empty retail premises between 1st April 2014 and 31st March 2016.
- 2.2 It applies to all reoccupation of vacant property where the last occupation was for retail purposes. Appendix A copies government guidance as to what type of property considered to be used for retail purposed.
- 2.3 In order to be eligible the property will need to be vacant for 12 months or more immediately before reoccupation.
- 2.4 Relief will be available for 18 months from the first day the property becomes occupied as long as the first day falls between 1st April 2014 and 31st March 2016, subject to the property remaining continuously occupied.
- 2.5 The new use of the reoccupied premises can be for any use (i.e. not just retail uses) except for properties wholly or mainly being used as betting shops, payday loan shops, and pawn brokers. However, planning rules will continue to apply regarding changes of use.
- 2.6 Relief is not subject to any limit on rateable value.
- 2.7 Relief runs with the property rather than the ratepayer. If there is a change in occupier the new ratepayer will benefit from the remaining term of the relief.
- 2.8 Operation of a scheme for this type of relief is not mandatory – billing authorities are allowed to exercise their discretion and, as a consequence, a formal policy decision is needed.
- 2.9 The scheme, if adopted, will be fully funded by government grant

3. Volumes

- 3.1 From information provided by our software supplier it seems that the number of applications will not be great, with only 17 potential applicants having been identified from the properties currently recorded as vacant. The distribution of these properties is:

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| Hungerford | 2 |
| Newbury | 14 |
| Thatcham | 1 |

3.2 Although this scheme is to continue through to 31st March 2016 it is not anticipated that there will be any significant increase in volumes - current records suggesting only a further 19 potential applicants who have not yet reached the required vacant period of 12 months but who may do so in the future.

3.3 Regardless of volumes, the scheme is to be fully funded by Government and any growth will not have a financial impact on the Council.

4. Appeals

4.1 The perception is that this is a scheme which is not contentious and where the only likely cause for appeal would be where there is disagreement as to whether the previous use of the property was for retail purposes.

4.2 The statutory provisions to challenge a decision of the Council constitute a challenge to the issue of a liability order before the magistrate's court.

4.3 However, it is good practice to have a corporate procedure in place to review decisions the appeal procedure for discretionary relief, established by Executive on 27th March 2014, will also apply to this form of relief

4.4 Appeals will be subject to an initial internal review and, if the applicant remains dissatisfied, will be referred to the Head of Finance for a decision.

4.5 Further appeal will be to the Appeals Panel which has been set up to deal with appeals across a number of Council functions. The following Members have been appointed to the Appeals Panel: Ieuan Tuck, Carol Jackson-Doerge, Adrian Edwards, Andrew Rowles, Hilary Cole, Jeff Beck, Garth Simpson, Keith Chopping, Richard Crumly, Mollie Lock, Royce Longton, and Geoff Mayes.

4.6 Panels will comprise three members and will run along the lines of a licensing sub-committee where officers will present their case, the appellant can put theirs (supporters, objectors and witnesses may also be asked to present depending on the issue/case) members will be able to ask questions of parties and the parties will be able to ask questions through the chairman. The appellant will have the final word before members will retire to make a determination and the appellant will then be notified of the outcome.

4.7 The decision of a panel will be final.

5. Financial implications

5.1 Provided that the Council's scheme complies with the broad definition given in government guidance the scheme will be fully funded by government grant.

6. Recommendation

6.1 The recommendation is that the Council formally adopts a policy to grant Non-domestic rate reoccupation relief as described in the guidance issued by

government and for property matching the definition of retail as provided in that guidance.

Appendices

Appendix A - Government guidance identifying retail properties

Consultees

Local Stakeholders: N/a

Officers Consulted: Corporate Board

Trade Union: N/a

Appendix A

Government guidance identifies retail purposes as:

- (1) Properties that were being used for the sale of goods to visiting members of the public:
 - (a) Shops (such as: florist, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets, etc)
 - (b) Charity shops
 - (c) Opticians
 - (d) Post offices
 - (e) Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
 - (f) Car/ caravan show rooms
 - (g) Second hand car lots
 - (h) Markets
 - (i) Petrol stations
 - (j) Garden centres
 - (k) Art galleries (where art is for sale/hire)

- (2) Properties that were being used for the provision of the following services principally to visiting members of the public:
 - (a) Hair and beauty services (such as: hair dressers, nail bars, beauty salons, tanning shops, etc)
 - (b) Shoe repairs/ key cutting
 - (c) Travel agents
 - (d) Ticket offices e.g. for theatre
 - (e) Dry cleaners
 - (f) Launderettes
 - (g) PC/ TV/ domestic appliance repair
 - (h) Funeral directors
 - (i) Photo processing

- (j) DVD/ video rentals
 - (k) Tool hire
 - (l) Car hire
- (3) Properties that were being used for the provision of the following services principally to visiting members of the public:
- (a) Financial services (e.g. banks, building societies, bureaux de change, payday loan shops, betting shops, pawn brokers)
 - (b) Other services (e.g. estate agents, letting agents, employment agencies)
- (4) Properties that were being used for the sale of food and/ or drink to visiting members of the public:
- (a) Restaurants
 - (b) Takeaways
 - (c) Sandwich shops
 - (d) Coffee shops
 - (e) Pubs
 - (f) Bars