
LOCAL TAXATION DISCRETIONARY RELIEFS POLICY

Responsible Cabinet Member - Councillor Stephen Harker
Efficiency and Resources Portfolio

Responsible Director - Paul Wildsmith,
Director of Neighbourhood Services and Resources

SUMMARY REPORT

Purpose of the Report

1. To approve the Local Taxation Discretionary Reliefs policy and the use of new discretionary Business Rates reliefs.

Summary

2. Regulations allow Councils to apply various reliefs to both Council Tax and Business Rates, at their discretion.
3. This policy sets out the various discounts and reliefs available to people and businesses who are liable to pay Council Tax and Business Rates in Darlington, which are subject to the discretion of the Council.
 - (a) The policy formalises the arrangements for Council Tax Discretionary Discounts, which have existed for a number of years.
 - (b) The policy also sets out the arrangements for new Business Rates discretionary reliefs that allow Councils to provide incentives to support retailers and help to boost the local economy.
4. The aim is to provide clarity around the process of administration of applications for discretionary discounts and reliefs, identifying the key criteria that will be used to decide applications.

Recommendation

5. It is recommended that Cabinet:-
 - (a) Approve the Local Taxation Discretionary Reliefs policy at **Appendix 1**.

- (b) Approve the use of new Business Rates discretionary reliefs.

Reasons

- 6. The recommendations are supported by the following reasons :-
 - (a) Council Tax Discretionary Discount can provide financial assistance to low income households and residents who have experienced a crisis or event that has made their property uninhabitable.
 - (b) Business Rates discretionary reliefs can provide financial assistance to local retailers and help stimulate growth in the local economy.
 - (c) The new Business Rates reliefs are discretionary and the Council is required to formally approve their use.

Paul Wildsmith
Director of Neighbourhood Services and Resources

Background Papers

- (i) Local Government Finance Act 1988
- (ii) Local Government Finance Act 1992
- (iii) Local Government Act 2003

Anthony Sandys: Extension 2512

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|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| S17 Crime and Disorder | There are no issues |
| Health and Well Being | Council Tax Discretionary Discounts may help improve the health and well-being of low income groups |
| Sustainability | There is no environmental impact in this report |
| Diversity | Council Tax Discretionary Discounts are specifically aimed at residents receiving Council Tax Support, but specifically to Working aged recipients who are treated differently to pensioners. |
| Wards Affected | All wards are affected, but in particular those wards with higher numbers of people claiming Council Tax Support and those wards with retail units. |
| Groups Affected | Anyone liable to pay Council Tax or Business Rates. |
| Budget and Policy Framework | The issues contained within this report do not represent change to Council budget or the Council's policy framework |
| Key Decision | This is a key decision |
| Urgent Decision | For the purpose of the 'Call-in' procedure this does not represent an urgent decision. |
| One Darlington: Perfectly Placed | This report has implications for the 'Healthy Darlington' and 'Prosperous Darlington' themes of the Sustainable Community Strategy. |
| Efficiency | The operation of Local Taxation Discretionary Reliefs may help to stimulate growth in the local economy. |

MAIN REPORT

Information and Analysis

Council Tax

7. Council Tax legislation provides a wide range of discounts, exemptions and reductions that have the effect of reducing the level of Council Tax due.
8. Section 13A of the Local Government Finance Act 1992 (as amended by section 76 of the Local Government Act 2003), provides the Council with the discretion to reduce the amount of Council Tax which a person is liable to pay to such extent as it thinks fit.
9. The Council will only consider requests for relief in the following circumstances:
 - (a) Council Tax payers in receipt of Council Tax Support who are experiencing severe financial hardship, or

- (b) Council Tax payers who, through no fault of their own, have experienced a crisis or event that has made their home uninhabitable.

10. However, all applications will be assessed on their own individual merits.

Severe Financial Hardship

- 11. For Council Tax payers on low incomes, the Council has set a Council Tax Support (CTS) scheme, which provides support to those deemed to be within financial need.
- 12. The scheme has been designed to take into account the financial and specific circumstances of individuals through the use of personal allowances, additions and income disregards.
- 13. The level of support provided through the CTS scheme is the maximum support that the Council can financially afford to provide to customers. As part of developing the scheme, it has been necessary to restrict maximum relief to 80% of the Council Tax liability to working age customers.
- 14. Applications for Council Tax Discretionary Discount will only be accepted under this aspect of the policy for people who have qualified for support under the CTS scheme, but who are experiencing severe financial hardship.
- 15. For the purposes of this policy, severe financial hardship is defined as a situation resulting in debt, or the possibility of debt, where the situation could or has rendered the person in a state of poverty. In this context, poverty means a person who is unable to meet their normal day to day living expenses.

Other crisis or event

- 16. The Council will consider applications for Council Tax Discretionary Discount from other Council Tax payers who, through no fault of their own, have experienced a crisis or event that has made their home uninhabitable, where they remain liable to pay Council Tax and for which they have no recourse for compensation.
- 17. This will be something that is outside of the customer's control, for example due to a flood, storm damage, fire, explosion or other major incident, which forces them out of their home. It is not available to non-resident landlords or owners of empty properties.

Business Rates

New Build Empty Property Relief

- 18. In the Autumn statement 2013, the Government announced that it would exempt all newly built commercial property completed between 1st October 2013 and 30th September 2016 from empty property rates for the first 18 months, up to the state aids limits.

19. The reason for introducing this exemption was to incentivise some commercial property projects to go ahead that otherwise wouldn't, helping to stimulate the construction industry.
20. 100% relief will be given to commercial properties qualifying under this policy, up to state aid de minimis limits.
21. New build empty property relief will apply to unoccupied non-domestic properties for the first 18 months following completion, if completed after 1st October 2013 and before 30th September 2016.

Retail Relief

22. In the Autumn statement 2013, the Government announced that it would provide Business Rates relief of up to £1,000 to all occupied retail properties with a rateable value of £50,000 or less for 2014-15 and 2015-16.
23. The reason for introducing this relief was to support town centres by providing particular support to retailers.
24. Properties that will benefit from 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. A full list of properties that qualify for relief are included in the policy at Appendix 1.
25. Properties that are not broadly similar in nature to those listed above will not be eligible for relief. These include financial services, such as banks, building societies, payday lenders or betting shops. A full list of properties that do not qualify for relief are included in the policy at Appendix 1.
26. The maximum amount of retail relief that will be awarded for each property will be £1,000 each year. The amount will not vary with rateable value and there is no taper. Properties with a rateable value of more than £50,000 will not qualify for any relief.
27. Retail relief will apply to occupied non-domestic retail properties that qualify for relief from 1st April 2014 to 31st March 2016.

Reoccupation Relief

28. In the Autumn statement 2013, the Government announced that it would provide a 50% Business Rates discount for 18 months for businesses moving into previously empty retail premises between 1st April 2014 and 31st March 2016, up to the state aids limits.
29. The reason for introducing this discount was to encourage reoccupation of shops that have been empty for a long period of time and reward businesses that make this happen.

30. Properties that will benefit from relief will be all occupied non-domestic hereditaments that:
- (a) When previously in use, were wholly or mainly used for retail as set out in the policy at Appendix 1.
 - (b) Were empty for 12 months or more immediately before their reoccupation.
 - (c) Become reoccupied between 1st April 2014 and 31st March 2016.
 - (d) Are being used for any use (not just retail use) apart from betting shops, payday lenders, loan shops or pawn brokers.
31. Reoccupation relief will be awarded for 18 months from the first day the hereditament becomes occupied, as long as the first day falls between 1st April 2014 and 31st March 2016, subject to the hereditament remaining continuously occupied.
32. Reoccupation relief will be awarded at 50% of the Business Rates liability, after any mandatory or other discretionary reliefs (other than retail relief) have been applied, up to the state aid de minimis limits.

Charitable Discretionary Relief

33. Charitable Discretionary Relief is designed to support charities and non-profit making organisations in their work in the local community. As a separate policy for this type of relief already exists, it is not included in this policy. In addition, this type of relief is currently being reviewed, as part of a wider review of financial assistance provided by the Council to charitable organisations and the voluntary sector.

Financial Implications

34. The cost of Council Tax Discretionary Discounts is borne by the Council and other precepting authorities. Therefore the decision to provide a discount will be considered against the needs of other local Council Tax payers and the financial constraints of the Council.
35. Council Tax Discretionary Discounts will generally be made to people where an amount of Council Tax would otherwise be written-off on grounds of hardship. Provision for bad and doubtful Council Tax debt has already been made in the Council's accounts so that the application of any discretionary discount should have no additional financial impact on the Council.
36. For the new Business Rates reliefs, Councils have the power to grant these, as part of their discretionary powers under section 47 of the Local Government Finance Act 1988. Central Government will then reimburse Local Authorities for the local share of the discretionary relief using a grant under section 31 of the Local Government Act 2003.

Consultation

37. The main recipients of Council Tax Discretionary Discounts will be people in receipt of CTS. Extensive consultation and impact assessments were undertaken as part of the introduction of the CTS scheme in April 2013 and the results of these were used to draft this policy.

LOCAL TAXATION DISCRETIONARY RELIEFS POLICY

2014

Introduction

This policy sets out the various discounts and reliefs available to people and businesses who are liable to pay Council Tax and National Non-Domestic Rates in Darlington, which are subject to the discretion of the Council.

The aim is to provide clarity around the process of administration of applications for discretionary discounts and reliefs, identifying the key criteria that will be used to decide applications.

The reliefs covered by this policy are:

- Council Tax Discretionary Discounts
- Business Rates New Build Empty Property Relief
- Business Rates Retail Relief
- Business Rates Reoccupation Relief

Business Rates Charitable Discretionary Relief is covered by a separate Council policy.

Council Tax Discretionary Discount

Background

Section 13A of the Local Government Finance Act 1992 (as amended by section 76 of the Local Government Act 2003), provides the Council with the following discretionary powers:

- 1) Where a person is liable to pay Council Tax in respect of any chargeable dwelling and any day, the billing authority for the area in which the dwelling is situated may reduce the amount which he is liable to pay as respects the dwelling and the day to such extent as it thinks fit.
- 2) The power under subsection (1) above includes power to reduce an amount to nil.
- 3) The power under subsection (1) may be exercised in relation to particular cases or by determining a class of case in which liability is to be reduced to an extent provided by the determination.

Council Tax legislation provides a wide range of discounts, exemptions and reductions that have the effect of reducing the level of Council Tax due. Customers will be expected to have exhausted all other options before making an application under this policy.

Officers applying this policy will similarly consider whether alternative actions should be undertaken before applying this policy. As such, this policy will only consider exceptional circumstances, due to financial need or crisis, where it is appropriate and fair to provide a discretionary discount.

The cost of these discretionary discounts is borne by the Council and therefore the decision to provide a discount will be considered against the needs of other local Council Tax payers and the financial constraints of the Council.

The Council has the discretion to award a discretionary discount to Council Tax payers whose circumstances meet the criteria outlined in this policy. However, **all applications will be assessed on their own individual merits.**

The Council will consider requests for relief from Council Tax payers who are experiencing severe financial hardship or who, through no fault of their own, have experienced a crisis or event that has made their property uninhabitable.

Severe financial hardship

For Council Tax payers on low incomes, the Council has set a Council Tax Support (CTS) scheme, which provides support to those deemed to be within financial need.

The scheme has been designed to take into account the financial and specific circumstances of individuals through the use of personal allowances, additions and income disregards.

The level of support provided through the CTS scheme is the maximum support that the Council can financially afford to provide to customers. As part of developing the

scheme, it has been necessary to restrict maximum relief to 80% of the Council Tax liability to working age customers.

Applications will only be accepted under this aspect of the policy for people who have qualified for support under the CTS scheme, but who are experiencing severe financial hardship.

Before applying, customers will be expected to have taken appropriate steps to alleviate their financial situation, such as:

- Through employment
- Moving to a lower banded property
- Reducing outgoings
- Maximising income and other benefits.

Priority under this policy will therefore be given to customers who are unable to work due to long-term sickness, who are disabled or have caring responsibilities.

For the purposes of this policy, severe financial hardship is defined as a situation resulting in debt, or the possibility of debt, where the situation could or has rendered the person in a state of poverty. In this context, poverty means a person who is unable to meet their normal day to day living expenses.

Hardship can arise in many circumstances, including but not limited to the following:

- A sudden change in circumstances, such as loss of employment
- A reduction in income due to illness suffered by the customer or a member of their family
- Loss of income incurred by the customer or a member of their family to enable them to care for a dependant
- Sudden increase in other expenses, for example, due to a family member's illness or incapacity.

In addition, the following are examples of things the Council may take into account:

- Inability to make payments for basic utilities such as water, electricity and heating
- Court proceedings for outstanding debts
- Consistently exceeding overdraft limits without evidence of spending on anything other than necessities such as utilities, food and accommodation
- The threat of homelessness
- The inability to pay for food

Priority will be given to those customers deemed most in need.

Other crisis or event

The Council will consider applications for discretionary discount from other Council Tax payers who, through no fault of their own, have experienced a crisis or event that has made their home uninhabitable, where they remain liable to pay Council Tax and for which they have no recourse for compensation.

This will be something that is outside of the customer's control, for example due to a flood, storm damage, fire, explosion or other major incident, which forces them out of their home.

General criteria

In addition to the above considerations, the Council will also take into account the following general provisions:

- The Council would expect evidence of the severe financial hardship, crisis or event to justify any reduction in Council Tax and that it will be intended only as short-term assistance and must not be considered as a way of reducing Council Tax liability indefinitely.
- Any application made under this policy should be one of last resort and any entitlement to benefit, discounts or exemptions or Valuation Office action or appeal should be explored prior to an application being made.
- The cost of any reduction awarded under this policy falls solely to the Council and so the decision will bear in mind the impact on the Council Tax payers in general.
- Each case will be considered on its own individual merits.
- Requests for a discretionary discount must be made by the Council Tax payer, their advocate, appointee or a duly authorised third party acting on his/her behalf.
- The application must set out the circumstances on which it is based and any hardship or personal circumstances relating to the application.
- The customer must provide a full income and expenditure breakdown on the application form, for all household members.
- The customer will not be entitled to a discretionary discount where they have access to savings or capital that could be realised and used to pay the Council Tax.
- The Council may request reasonable and relevant evidence in support of the application.
- The customer must satisfy the Council that all reasonable steps have been taken by him/her to resolve their own situation prior to the application.
- If the Council Tax account is in arrears, the Council must be satisfied that non-payment was not due to wilful refusal or culpable neglect to pay their Council Tax.

Who can apply?

All persons liable to pay Council Tax to Darlington Borough Council can apply, including:

- Owner occupiers
- Tenants
- People acting on behalf of a liable person, such as an appointee, solicitor or someone with power of attorney.

Only customers entitled to CTS can apply under the 'severe financial hardship' criteria.

Who cannot apply?

Any person not liable to pay Council Tax on a dwelling and/or not eligible to claim CTS in Darlington, including:

- Landlords of properties where the tenant is liable
- Non-resident landlords, if they are liable
- Estate agents or managing agents acting on behalf of a landlord
- Friends or relatives of the liable person (unless they are acting as an appointee or under a power of attorney)
- Lodgers or other residents who are not liable to pay Council Tax
- Support agencies (unless they are acting as an appointee or under a power of attorney)
- Banks or other holders of a mortgage or other legal charge on a property
- Owners of empty properties.

Making an application

Applications to a discretionary discount will be accepted from individuals or more than one person where both or each person is liable for Council Tax on a single property. Each application will be treated on its own individual merits having regard to the provisions of this scheme.

An application for a discretionary discount can be made in the following ways:

- By completing a discretionary discount application form
- By letter
- By e-mail
- By telephone call
- By visiting the Customer Contact Centre at the Town Hall
- During a visit by Council staff to a customer's home.

If the claim is received by letter, e-mail or telephone call, the customer may be asked to complete a discretionary discount application form, or provide the Council with further information to make a decision. In addition, the Council may request additional evidence to support the discretionary discount application that it considers reasonable.

There is no deadline by which the application must be made, but customers are encouraged to apply as soon as possible, as recovery of Council Tax will not be suspended whilst awaiting the outcome of an application.

A person claiming a discretionary discount is required to notify the Council of any change of circumstances that may be relevant to their ongoing award.

Backdating

Awards under the discretionary discount scheme will be made from the date that the Council receives the application form (providing the customer is eligible). The Council will not normally backdate awards under this scheme.

Further and multiple applications

Further applications can be made under this scheme once an award has expired, or if a customer's circumstances change, or worsen if they have previously been refused. When deciding a repeat application, the Council will consider what actions the customer has taken to improve their circumstances and what efforts they have made to pay their Council Tax, such as keeping to agreed payment arrangements.

Amount and period of award

Both the amount and period of the award of a discretionary discount is at the discretion of the Council.

The amount of the award will not exceed the full Council Tax liability. Awards of discretionary discount will not be made beyond 31st March of the financial year in which the award is made. A new application must be made for each financial year.

When making decisions on applications to a discretionary discount, the Council will consider the customer's circumstances, including:

- The shortfall between CTS and Council Tax liability (if applicable)
- The customer's Council Tax payment history (if applicable), and what efforts they have made to pay their Council Tax
- Whether or not all other avenues of financial assistance have been pursued
- Whether or not the customer has applied for an award under the Council's Social Fund scheme
- Whether or not the customer has engaged with the application process and provided all the relevant and requested information to support the application
- The personal circumstances, age, medical and social circumstances (including ill health and disabilities) of the customer, their partner and any dependants or other occupants of the customer's home
- The difficulties experienced by the customer, which prohibits them from being able to meet their Council Tax liability and the length of time that this difficulty is expected to exist
- The income and expenditure of the customer, their partner and any dependants or other relevant occupants of the customer's home
- The extent to which the customer's reasonable expenditure exceeds their income
- Any savings or capital that may be held by the customer, their partner and any other relevant member of the household, irrespective of whether the capital is disregarded within the CTS scheme
- Other outstanding debts of the customer and their partner
- Whether other family members external to the household help in any way towards the customer's financial expenditure
- The exceptional nature of the customer's and/or their family's circumstances that impact on their current financial position
- Whether the customer and their household are taking long-term action to help their problems in meeting their household costs
- Whether a discretionary discount would help prevent homelessness
- Whether a discretionary discount would help the customer being able to access or maintain employment, education or training

- Whether a discretionary discount would prevent a move that would have detrimental effects on the customer and their household, for example children's schooling, health, support networks or employment
- Any steps taken by the customer to help themselves, for example:
 - Looking for alternative cheaper accommodation
 - Financial advice they have sought to alleviate their situation, such as from Citizens Advice Bureau or Welfare Rights
 - Housing advice they have sought, such as from First Stop Darlington or the Council's Housing Options Team
 - Whether their ethnicity or disability is having, or has had, an adverse effect on their housing options or financial circumstances
- The impact of not awarding a discretionary discount or restricting payment of a discretionary discount may have on the customer and their household.

The above list is not exhaustive and any other relevant factors and circumstances will be considered. The weight to be placed upon any factor considered by the Council will be a matter for the Council in its discretion.

A reduction under this discretionary scheme does not guarantee that a further award will be made at a later date, even if the customer's circumstances do not change.

Applications may be refused, or the level of award may be reduced if:

- The Council does not consider the customer's circumstances to be exceptional
- The customer has failed to comply with the application process
- The Council considers that the customer has sufficient income, savings or capital to meet their Council Tax liability
- The Council considers that the customer can make financial savings in other areas of expenditure or outgoings
- The customer's expenditure is considered unreasonable or excessive in any area
- The customer has wilfully refused to pay their Council Tax, or has not kept up with agreed payment arrangements, without good cause
- The Council is not in a financial position to make an award, or due to the needs of other Council Tax payers in Darlington.

The above list is not exhaustive and any other relevant factors and circumstances may be considered and may be used to refuse an application.

How the discount will be applied

The discretionary discount is applied as a reduction in Council Tax liability. The reduction will be applied to the customer's Council Tax account and a revised bill will be issued.

Notification of decisions

The customer will be notified in writing whether the application is successful or not. Where the application is refused, the letter will contain the Council's reason for refusing the application.

Letters sent to successful customers will contain:

- The amount of the award
- The period of the award
- Details of how to appeal the decision or obtain information about the decision.
- The duty to notify the Council of any changes in their circumstances, which may affect their discretionary discount award.

The Council will notify the customer of the outcome of the application within one month of the application being received, or as soon as practicable.

Appeals

An appeal against a discretionary discount decision should be:

- Made in writing
- Signed by the customer or their authorised representative
- Include the reasons for the appeal.
- Made within one month of the original decision, or such longer time as the Council considers reasonable

On receipt of an appeal, the Council will consider whether the customer has provided any additional information against the criteria to justify a change in decision. Any appeal will be considered by the Revenues and Benefits Manager or Head of Revenues and Benefits.

The Council will notify the customer of the outcome of the appeal within one month of the appeal being received, or as soon as practicable.

Ending a discretionary discount award

The Council may decide to end an award of discretionary discount before the notified period end date. This could be where:

- The customer's liability to pay Council Tax ends
- The customer has a change in their circumstances relevant to their discretionary discount award
- The customer has misrepresented or failed to disclose a material fact, fraudulently or otherwise
- A discretionary discount has been awarded in error
- The customer wilfully refuses to pay their Council Tax, or does not keep up with agreed payment arrangements, without good cause
- The Council is no longer in a financial position to continue to make an award.

Overpayments

The Council may decide to recover any overpaid awards of discretionary discount, depending on the circumstances of each case, for example:

- Whether the overpayment is as a result of a misrepresentation or failure to disclose

a material fact, fraudulently or otherwise

- Whether the customer has failed to report a change in their circumstances
- Whether the overpayment was a result of an official error.

The Council will use its discretion to recover any amount of overpaid discretionary discount that it considers is recoverable.

Business Rates New Build Empty Property Relief

Background

In the Autumn statement 2013, the Government announced that it would exempt all newly built commercial property completed between 1st October 2013 and 30th September 2016 from empty property rates for the first 18 months, up to the state aids limits. The reason for introducing this exemption was to incentivise some commercial property projects to go ahead that otherwise wouldn't, helping to stimulate the construction industry.

Local Authorities have the power to grant this relief, as part of their discretionary powers under section 47 of the Local Government Finance Act 1988. Central Government will then reimburse Local Authorities for the local share of the discretionary relief using a grant under section 31 of the Local Government Act 2003.

Which properties will benefit from relief?

Properties that will benefit from relief will be all unoccupied non-domestic hereditaments that are wholly or mainly comprised of qualifying new structures.

'Structures' are defined as:

- Foundations, and/or
- Permanent walls, and/or
- Permanent roofs.

'New' is defined as:

- Completed less than 18 months previously, and
- Completed after 1st October 2013 and before 30th September 2016.

New structures will be considered 'completed' when the building, or part of the building which they form part, is ready for occupation for the purpose it was constructed. Where a completion notice has been served in respect of such a building or part of a building, the date will be the date specified in that notice.

In terms of considering whether a hereditament is 'wholly or mainly' comprised of new qualifying 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.

Although this policy does not cover properties that have been refurbished, it does cover 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 retaining façade may benefit from relief.

Splits, mergers and changes to existing hereditaments

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 by an extension, the same test will apply. The hereditament must be wholly or mainly comprised of new structures completed within the qualifying dates to benefit from relief.

Change of ownership

The relief will run with the property rather than the owner. So if a developer initially owns a hereditament that qualifies for the relief, they will be able to sell or lease the property with the benefit of the remaining term of the relief, subject to the ratepayer's state aid de minimis limits.

Amount of relief

100% relief will be given to properties qualifying under this policy, up to state aid de minimis limits.

State aid refers to financial support from a public or publicly-funded body given to organisations, which has the potential to distort competition and affect trade between member states of the European Union. Providing discretionary relief to ratepayers might, depending on the circumstances, amount to state aid.

State aid is generally prohibited by European Community rules. However, there are exceptions to this, and some financial aid is allowed under the 'de minimis' rules if the total amount of funding received by an organisation does not exceed a prescribed limit. Currently, funding over a three year period must not cumulatively exceed €200,000.

The Council will only award new build empty property relief up to the state aid de minimis limit.

Period of relief

New build empty property relief will apply to unoccupied non-domestic properties for the first 18 months following completion, if completed after 1st October 2013 and before 30th September 2016.

Non-domestic rates are not payable on non-industrial empty properties up to 3 months and industrial empty properties up to 6 months. Any new build empty property relief period will take into account the initial 3 or 6 month rate free period, subject to the state aid limit.

For example, a qualifying new build office that is unoccupied from the date it is completed will be exempt from non-domestic rates for 18 months. The first 3 months will be the mandatory empty property relief, followed by 15 months of the discretionary new build empty property relief.

Properties that switch between being occupied and unoccupied will still be able to benefit from relief for any relevant period the 18 months. At the end of the 18 month period, the relief will end, even if the property continues to be unoccupied.

For example, a new shop that is unoccupied for 8 months and becomes occupied for 4 months but becomes unoccupied again will be treated as follows:

- 3 months - mandatory empty property relief (no rates payable)
- 5 months - discretionary new build empty property relief (no rates payable)
- 4 months - property occupied (occupier pays full rates in the normal way)
- 3 months - mandatory empty property relief (no rates payable)
- 3 months - discretionary new build empty property relief (no rates payable)
- Full rates payable (whether occupied or not) after the full 18 month period.

Making an application

The new build empty property relief will be automatically awarded, where an organisation applies for and is awarded mandatory empty property relief for a new build property. A separate application is not required.

Organisations will however, be asked to complete a declaration about state aid limits before the new build empty property relief is awarded.

How the relief will be applied

The new build empty property relief will be applied as a reduction in Business Rates. The reduction will be applied to the organisation's Business Rates account and a revised bill will be issued.

Appeals

An appeal against a new build empty property relief decision should be:

- Made in writing
- Signed by an authorised representative of the organisation
- Include the reasons for the appeal.
- Made within one month of the original bill being issued, or such longer time as the Council considers reasonable

On receipt of an appeal, the Council will consider whether the organisation has provided any additional information against the criteria to justify a change in decision. Any appeal will be considered by the Revenues and Benefits Manager or Head of Revenues and Benefits.

The Council will notify the organisation of the outcome of the appeal within one month of the appeal being received, or as soon as practicable.

Business Rates Retail Relief

Background

In the Autumn statement 2013, the Government announced that it would provide Business Rates relief of up to £1,000 to all occupied retail properties with a rateable value of £50,000 or less for 2014-15 and 2015-16. The reason for introducing this relief was to support town centres by providing particular support to retailers.

Local Authorities have the power to grant this relief, as part of their discretionary powers under section 47 of the Local Government Finance Act 1988. Central Government will then reimburse Local Authorities for the local share of the discretionary relief using a grant under section 31 of the Local Government Act 2003.

Which properties will benefit from relief?

Properties that will benefit from 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.

Qualifying businesses will fall mainly under the following categories:

Hereditaments being used for the sale of goods

- Shops (florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off-licenses, chemists, newsagents, hardware stores, supermarkets etc.)
- Charity shops
- Opticians
- Post offices
- Furnishing shops / display rooms (furniture shops, carpet shops, double glazing show rooms etc.)
- Car / caravan show rooms
- Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale / hire).

Hereditaments being used for the provision of these services

- Hair and beauty services (hair dressers, nail bars, beauty salons, tanning shops etc.)
- Shoe repairs / key cutting
- Travel agents
- Ticket offices
- Dry cleaners
- Launderettes
- Computer, television, domestic appliance repairs
- Funeral directors

- Photo processing
- DVD rentals
- Tool hire
- Car hire

Hereditaments being used for the sale of food and/or drink

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs
- Bars

This list is not exhaustive and the Council will decide if the property is wholly or mainly being used for any of these purposes. This will include properties with mixed use. In a similar way to other reliefs, 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. All services must be accessible to visiting members of the public.

Which properties will not benefit from relief?

Properties that are not broadly similar in nature to those listed above will not be eligible for relief. In addition, the following types of business will **not** qualify for retail relief:

Hereditaments being used for the provision of these services

- Financial services (banks, building societies, cash points, bureaux de change, payday lenders or loan shops, betting shops, pawn brokers etc.)
- Medical services (vets, dentists, doctors, osteopaths, chiropractors etc.)
- Professional services (solicitors, accountants, insurance agents, financial advisors, tutors etc.)
- Other services (estate agents, letting agents, employment agencies etc.)
- Post office sorting offices

Any hereditaments not accessible to visiting members of the public

Amount of relief

The maximum amount of retail relief that will be awarded for each property will be £1,000 each year. The amount will not vary with rateable value and there is no taper. Properties with a rateable value of more than £50,000 will not qualify for any relief. Retail relief will be applied against the net bill after all other reliefs have been awarded and the amount will not exceed the total net rates payable.

The eligibility for retail relief and the amount of the retail relief will be calculated on a daily basis.

Organisations that occupy more than one property will be entitled to relief for each of their eligible properties, subject to state aid de minimis limits.

Splits, mergers and changes to existing hereditaments

Where a hereditament is created as a result of a split or merger of other properties, or where there is a change of use to an existing hereditament, retail relief will be awarded to qualifying properties from that date.

Period of relief

Retail relief will apply to occupied non-domestic retail properties that qualify for relief from 1st April 2014 to 31st March 2016. New properties and existing properties that qualify following a change of use will be awarded retail relief from the date of change, calculated on a daily basis.

Retail relief will end before 31st March 2016 where:

- Business Rates liability ends
- The property no longer qualifies due to a change in use.

Making an application

Applications to retail relief must be made by the rate paying organisation or their representative. An application for retail relief must be made by completing a retail relief application form, for each property. This is to ensure relief is only awarded to properties that meet the qualifying use criteria. Organisations will also need to complete a declaration about state aid limits before retail relief is awarded.

Organisations only need to apply once. Awards will continue to 31st March 2016 unless there is a change in circumstances that ends an award.

There is no deadline by which the application must be made, but organisations are encouraged to apply as soon as possible, as recovery of Business Rates will not be suspended whilst awaiting the outcome of an application.

An organisation claiming retail relief is required to notify the Council of any change of circumstances that may be relevant to their ongoing award.

How the relief will be applied

The retail relief will be applied as a reduction in Business Rates. The reduction will be applied to the organisation's Business Rates account and a revised bill will be issued.

Where the application is refused, a letter will be issued to the organisation containing the Council's reason for refusing the application and details of how to appeal the decision or obtain more information about the decision.

Appeals

An appeal against a retail relief decision should be:

- Made in writing
- Signed by an authorised representative of the organisation
- Include the reasons for the appeal.
- Made within one month of the original decision or such longer time as the Council considers reasonable.

On receipt of an appeal, the Council will consider whether the organisation has provided any additional information against the criteria to justify a change in decision. Any appeal will be considered by the Revenues and Benefits Manager or Head of Revenues and Benefits.

The Council will notify the organisation of the outcome of the appeal within one month of the appeal being received, or as soon as practicable.

Business Rates Reoccupation Relief

Background

In the Autumn statement 2013, the Government announced that it would provide a 50% Business Rates discount for 18 months for businesses moving into previously empty retail premises between 1st April 2014 and 31st March 2016, up to the state aids limits. The reason for introducing this discount was to encourage reoccupation of shops that have been empty for a long period of time and reward businesses that make this happen.

Local Authorities have the power to grant this relief, as part of their discretionary powers under section 47 of the Local Government Finance Act 1988. Central Government will then reimburse Local Authorities for the local share of the discretionary relief using a grant under section 31 of the Local Government Act 2003.

Which properties will benefit from relief?

Properties that will benefit from relief will be all occupied non-domestic hereditaments 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
- Become reoccupied between 1st April 2014 and 31st March 2016
- Are being used for any use (not just retail use) apart from the exceptions set out below.

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 restrict the amount of relief given.

What is retail use?

In relation to a premises' previous use for the purposes of reoccupation relief, retail is considered to mean the following types of businesses:

Hereditaments that were being used for the sale of goods

- Shops (florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off-licenses, chemists, newsagents, hardware stores, supermarkets etc.)
- Charity shops
- Opticians
- Post offices
- Furnishing shops / display rooms (furniture shops, carpet shops, double glazing show rooms etc.)
- Car / caravan show rooms
- Second hand car lots
- Markets

- Petrol stations
- Garden centres
- Art galleries (where art is for sale / hire).

Hereditaments that were being used for the provision of these services

- Hair and beauty services (hair dressers, nail bars, beauty salons, tanning shops etc.)
- Shoe repairs / key cutting
- Travel agents
- Ticket offices
- Dry cleaners
- Launderettes
- Computer, television, domestic appliance repairs
- Funeral directors
- Photo processing
- DVD rentals
- Tool hire
- Car hire

Hereditaments that were being used for the provision of these services

- Financial services (banks, building societies, bureaux de change, payday lenders or loan shops, betting shops, pawn brokers etc.)
- Other services (estate agents, letting agents, employment agencies etc.)

Hereditaments that were being used for the sale of food and/or drink

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs
- Bars

This list is not exhaustive and the Council will decide if the property was wholly or mainly being used for any of these purposes. This will include properties with mixed use. Hereditaments which were not wholly or mainly used for the qualifying purpose will not qualify for the relief. All services must have been accessible to visiting members of the public.

Reoccupied use

The new use of the reoccupied premises can be for any use (not just retail uses), except for hereditaments wholly or mainly being used as:

- Betting shops
- Payday lenders or loan shops
- Pawn brokers

Splits, mergers and changes to existing hereditaments

Where a hereditament is created as a result of a split or merger of other properties, the new hereditament will be eligible for reoccupation relief where at least 50% 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 qualifying criteria).

Change of ratepayer

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.

Amount of relief

Reoccupation relief will be awarded for 18 months from the first day the hereditament becomes occupied, as long as the first day falls between 1st April 2014 and 31st March 2016, subject to the hereditament remaining continuously occupied.

Reoccupation relief will be awarded at 50% of the Business Rates liability, after any mandatory or other discretionary reliefs (other than retail relief) have been applied, up to the state aid de minimis limits.

Making an application

Reoccupation relief will be automatically awarded, where an organisation notifies that they have moved into an unoccupied property that meets the qualifying conditions (and they do not fall under one of the categories for excluded new use).

An application form is not required. Organisations will however, be asked to complete a declaration about state aid limits before the reoccupation relief is awarded.

How the relief will be applied

The reoccupation relief will be applied as a reduction in Business Rates. The reduction will be applied to the organisation's Business Rates account and a revised bill will be issued.

Appeals

An appeal against a reoccupied relief decision should be:

- Made in writing
- Signed by an authorised representative of the organisation
- Include the reasons for the appeal.
- Made within one month of the original bill being issued, or such longer time as the Council considers reasonable

On receipt of an appeal, the Council will consider whether the organisation has provided any additional information against the criteria to justify a change in decision. Any appeal will be considered by the Revenues and Benefits Manager or Head of Revenues and Benefits.

The Council will notify the organisation of the outcome of the appeal within one month of the appeal being received, or as soon as practicable.