

## **EASTLEIGH BOROUGH COUNCIL**

### **RETAIL RATE RELIEF POLICY**

#### **REOCCUPATION**

##### **Purpose of this policy**

1. Under S47 of the Local Government Finance Act 1988 the Council can use their discretionary powers to grant relief to businesses in its area.
2. In line with Government recommendation this policy outlines the relief to be given where a property that is a retail hereditament and is occupied after a long period of time subject to meeting certain criteria as detailed in this document.

##### **Properties that will benefit from relief**

3. 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 paragraph 5 below
  - Were empty for 12 months or more immediately before its occupation
  - Becomes 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 in paragraph 5 below
4. There is no rateable value limit for the hereditament in respect of either the previous reoccupied use. However, State Aid De Minimis limits may limit the amount of relief given.
5. In relation to premises' previous use for the purpose of this Reoccupation Relief retail is considered to mean:-
  - i. **Hereditaments that were 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 were 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 were being used for the provision of the following services:**

- 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
- Coffee shops
- Pubs
- Bars

6. The new use of the reoccupied premises can be for any use not just retail except for hereditaments wholly or mainly used as betting shops, payday loan shops and pawn brokers.

7. 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 to be retail for the purpose of granting this relief.

### **How much relief will be available?**

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.
9. The eligibility for the relief and the relief itself will be calculated on a daily basis.
10. The amount of relief 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 that day.

### **Splits, mergers and changes to existing hereditaments**

11. 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 in paragraph 3 and 6).
12. Where a hereditament in receipt of Reoccupation Relief splits or merges to form new hereditaments, the new hereditament will not be eligible for the remaining term of Reoccupation Relief.
13. 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.
14. 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 relief if the criteria are met.

### **Change to Ratepayer**

15. 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 be entitled to the remaining term of the relief, subject to the new ratepayer's State Aid de minimis limits.

## **Disputes on the granting of relief**

16. The Council needs to determine whether particular properties not listed are broadly similar in nature to those above and, if so, to consider them eligible for the relief. Conversely, properties that are not broadly similar in nature to those listed above should not be eligible for the relief.
17. Where there is a dispute/appeal about entitlement to this relief the Head of Revenue & Benefit has delegated authority to decide whether or not the hereditament meets the policy criteria and whether to grant relief under this policy.
18. There will be no further right of appeal following the Head of Revenue & Benefits decision, which will be notified to the ratepayer, in writing, within 14 days of the decision being taken.

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