

Cabinet – 19 March 2014

Retail and Reoccupation Relief for business rates

Portfolio: Councillor Christopher Towe, Finance and Personnel

Related portfolios: Councillor Adrian Andrew, Deputy Leader, Regeneration

Service: Resources

Wards: All

Key decision: No

Forward plan: No

1. Summary

- 1.1 The Localism Act 2011 gives local authorities the power to award business rate relief for classes of businesses it so determines. It is under this power that the local authority can award business rate retail relief or business rates retail reoccupation relief as outlined in the 2014 autumn statement. This report enables Cabinet to make a decision accordingly.

2. Recommendations

- 2.1 That Cabinet agrees to grant a business rate relief of up to £1,000 to all occupied retail properties with a rateable value of £50,000 or less in each of the years 2014-15 and 2015-16. The retail relief to be awarded for certain retail properties that are wholly or mainly used as shops, restaurants, cafes and drinking establishments.
- 2.2 That Cabinet agrees to grant a business rate relief of 50% for 18 months for retail properties that are reoccupied after being empty for a year or more. The relief will last for 18 months during the period 1 April 2014 and 31 March 2016. The reoccupation relief to be awarded for certain retail properties that are wholly or mainly used as shops, restaurants, cafes and drinking establishments.
- 2.3 That Cabinet delegate to the Chief Finance Officer responsibility for devising a scheme to process the business rate retail relief and the business rates reoccupation relief for qualifying bodies together with authority to amend each scheme to reflect any changes required by legislation and/or government guidance.
- 2.4 That Cabinet delegates to the Chief Finance Officer authority to manage and determine awards of business rate retail relief and business rates reoccupation relief under each scheme.

- 2.5 That Cabinet agrees both schemes are to end when the government funding ends, unless a subsequent policy decision is made by the Cabinet to continue them.

3. Report detail

- 3.1 The Government announced in the Autumn Statement on 5 December 2013 that;
- it will provide a relief of up to £1,000 to all occupied retail properties with a rateable value of £50,000 or less in each of the years 2014-15 and 2015-16.
 - it will provide a relief of 50% for retail properties that are reoccupied after being empty for a year or more. The relief will last for 18 months during the period 1 April 2014 and 31 March 2016
- 3.2 Guidelines issued by Government splits the type of property that should qualify for the relief into three types
- Properties used for the sale of goods to the public
 - Properties used for provision of certain services to the public
 - Properties used for the sale of food and/or drink to the public
- 3.2 As this is a measure for 2014-15 and 2015-16 only, the Government is not changing the legislation around the reliefs available to properties. Instead the local authorities are to use their discretionary relief powers, introduced by the Localism Act (under section 47 of the Local Government Finance Act 1988, as amended) to grant relief.
- 3.3 The Government has agreed to fully fund any relief awarded by a local authority under both schemes.
- 3.4 Any relief awarded is covered by the European Union's De Minimis Aid rules on state funding and are currently subject to 200,000 euros limit over a three year period.
- 3.5 Initial estimates show 900 businesses could benefit from the retail relief across Walsall from April 2014.
- 3.6 There are currently 327 empty retail premises across Walsall that could be subject to the reoccupation relief.

4. Council priorities

- 4.1 Supporting Business to Thrive and Supporting Local People into Work

5. Risk management

- 5.1 Should members decide to limit the award of the relief, this will reduce the effectiveness of the schemes.

6. Financial implications

6.1 The relief has no financial impact on the council as it is fully funded from Government.

7. Legal implications

7.1 Under the Localism Act 2011 the government introduced changes to local government Finance act 1988 bringing in non-domestic rates relief.

7.2 When a council is determining applications for non domestic rates relief a council must have regard to its statutory powers for granting of non domestic rates relief in addition to any guidance issued by the Secretary of State. In addition to compliance with the guidance issued by the Department of communities and local government dated January 2014 relating to retail relief.

8. Property implications
None

9. Staffing implications

9.1 The administration of the relief will be achieved from existing staffing resources.

10. Equality implications
None

11. Consultation
Relevant portfolio holders.

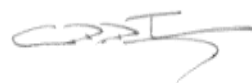
Background papers
None

Author

Karl Dipple
Head of Revenues
☎ 658982
✉ dipplek@walsall.gov.uk



Rory Borealis
Executive Director Resources
10 March 2014



Councillor Christopher Towe
Portfolio holder Finance and Personnel
10 March 2014