

Business Rates Retail Relief Policy

1 PURPOSE & CRITERIA OF POLICY

- 1.1 This policy sets out Harrow council's Business Rate Retail Relief scheme for the financial years 2014-15 and 2015-16.
- 1.2 The policy responds to central government guidance on the introduction of Business Rates Retail Relief provided to Local Authorities in January 2014. The policy will ensure all retail businesses applying for Business Rates Retail Relief are treated in a fair, consistent and equal manner.
- 1.3 This policy:
 - A. Sets guidelines for the factors that should be considered when making a decision to award or refuse relief
 - B. Establishes a framework to ensure applications are dealt with in an efficient manner
 - C. Sets out the delegated authority to award relief in appropriate circumstances
 - D. Establishes an appeals procedure for organisations that are dissatisfied with the Council decision.
 - E. Seeks to safeguard the interest of local taxpayers by ensuring that funds allocated for the award of business rates retail relief are used in the most effective and economic way.
- 1.4 The aim of the Business Rates Retail Relief Policy is to support our local shopping centres by providing discretionary retail rate relief to retail businesses within Harrow to adapt to the changing way in which consumers shop and to support this type of retailer in the current economic climate.
- 1.5 This relief will be provided for a two year period, 2014-15 and 2015-16 and will provide relief up to a maximum of £1,000 per hereditament per year regarding qualifying occupied retail properties with a rateable value of £50,000 or less.

2. GUIDELINES FOR ACCESSING RELIEF

- 2.1 The following criteria aligns with central government guidelines and will be used to assess whether an application for business rates retail relief can be awarded to local retail businesses in Harrow:
- 2.2 Properties that will benefit from the relief will be occupied hereditaments with a rateable value of £50,000 or less that are being

used as shops, restaurants, cafes and drinking establishments in Harrow.

Shops, restaurants, cafes and drinking establishments are considered to mean:

- i) Hereditaments that are being used for the sale of goods to visiting members of the public which include:
 - 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) Hereditaments that are 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, etc)
 - Shoe repairs/key cutting
 - Travel agents
 - Ticket offices e.g. for theatre
 - Dry cleaners
 - Launderettes
 - PC/TB/domestic appliance repair
 - Funeral directors
 - Photo processing
 - DVD/video rentals
 - Tool hire
 - Car hire

- iii) Hereditaments 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

This list is a guide and not exhaustive. However properties that are not similar in use to the properties mentioned above will not be considered for rate relief.

2.3 Furthermore, the following types of uses, (and others that may not be mentioned but that also do not meet the principal objective), will not be considered for business rate retail relief. There are:

- i) Hereditaments that are being used for the provision of the following services to visiting members of the public:
 - Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, betting shops, pawn brokers)
 - Other services (e.g. estate agents, letting agents, employment agencies)
 - Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
 - Professional services (e.g. solicitors, accountants, insurance agents/financial advisers, tutors)
 - Post office sorting office, or
- ii) Hereditaments that are not reasonably accessible to visiting members of the public,
- iii) If it is considered that the establishment does not meet with Harrow Councils Administrations objectives of cleaner, safer and fairer Harrow, then the Council has a right to refuse to apply the business rates retail relief.

2.4 The decision determining whether an hereditament is being used as a shop, restaurant, café or drinking establishment, in other words a qualifying hereditament for the purposes of receiving retail relief, is entirely Harrows' decision and this will be final.

3 CALCULATION OF THE RELIEF

3.1 The maximum amount of relief to be granted to any qualifying hereditament for each of the two years under this scheme is £1,000. The amount does not vary with rateable value and there is no taper. However, if in calculating the actual rates payable, the applicable amount is less than £1000, then the maximum amount of any retail relief to be granted must not exceed the amount of business rates payable. There is no relief available under this scheme for properties with a rateable value of more than £50,000.

3.2 The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis. The following formula will be used to determine the amount of relief to be granted for a particular hereditament in the financial year:

$$\text{Amount of relief to be granted} = £1000 \times \frac{A}{B}$$

Where:

A is the number of days in the financial year that the hereditament is eligible for relief; and

B is the number of days in the financial year.

- 3.3 The relief will be applied against the net bill after all other reliefs.
- 3.4 Where the net rate liability for the day after all other reliefs but before retail relief is less than the retail relief, the maximum amount of this relief will be no more than the value of the net rate liability. This will be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.
- 3.5 Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties, subject to State Aid de minimis limits. The De Minimis Regulations allow an undertaking to receive up to 200,000 Euros of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years). Harrow Council will establish whether the award of aid will not result in the undertaking having received more than 200,000 Euros of De Minimis aid if the ratepayer declares that they may exceed the State Aid limit within their application.
- 3.6 The relief will be applied on a day to day basis using the formula set out above. A new hereditament created as a result of a split or merger during the financial year, or where there is a change of use, will be considered afresh for the relief on that day.

4. PROCESS

- 4.1 Retail businesses currently paying rates will need to complete an application form and return it with a copy of:
- The details of their business services
 - A support statement setting out how the organisation meets the Business Rates Retail criteria
- 4.2 The application will include a declaration statement to be completed regarding State Aid.
- 4.3 Incomplete applications will not be assessed.

5 AWARD ARRANGEMENTS

- 5.1 An application form is available for all applicants with a covering explanatory leaflet to allow them to indicate their status and their application for the appropriate reliefs.
- 5.2 The Revenues Service Manager and the Revenues Team Leaders review the applications with a recommendation on the appropriate levels of relief to the Head of Service, Collections & Housing Benefits, for his approval. Currently these powers are exercised as part of the delegation to the Head of Service as follows:

“authorised to exercise the powers of the Council in the collection of National Non Domestic Rates and Council Tax as set out in Section D2 and items 13 to 15 of the CEDF’S delegated authorities which includes

the institution of legal proceedings and all steps necessary to prosecute and enforce judgments in relation to the assessment of rateable values and bands, the demand, collection recovery and refund of rates and council tax, determination of relief's, remissions and exemptions, the imposition of penalties and any other action as may be required under the LGFA 1988, 1992 (as amended).

6. RIGHT OF APPEAL

- 6.1 There is no statutory right of appeal against a decision regarding business rates retail relief made by the Council. However, the Council recognises that ratepayers should be entitled to have a decision reviewed objectively if they are dissatisfied with the outcome.
- 6.2 The Council agrees to abide by the following appeals process and aggrieved ratepayers should make an appeal in accordance with the process.
- 6.3 Ratepayers will be notified of the appeals process in writing at the time that they are notified of the outcome of their request for rates relief.
- 6.4 This appeals process does not affect a ratepayer's legal rights.

7. APPEALS PROCESS

- 7.1 Appeals may only be made by the original applicant and within 28 days of receiving notification of eligibility. An appellant may appoint an agent to act on their behalf and in such cases the Council will require written authorisation from the appellant before dealing with their agent.
- 7.2 Appeals against decisions made by the Service Manager, either in respect of an initial application or of an appeal, will be discussed with the relevant Head of Service. A decision made by the Head of Service in consultation with the Portfolio Holder will be final.
- 7.3 Applicants must make an appeal within four weeks of the issue of the letter notifying them of the Council's decision. Appeals must be made in writing and must give the reasons why it is believed the decision should be amended. New or additional information may be included, but only if it is relevant to the decision making process.
- 7.4 Each application will be considered individually on its merit.
- 7.5 Submitting an appeal does not affect the appellant's legal rights to challenge a decision made by the Council through the Judicial Review process.
- 7.6 Payments must continue to be made as demanded whilst any appeal is submitted and considered.

8 PERIOD OF RATE RELIEF

- 8.1 Business rate retail relief awarded under this policy will be awarded only for the financial years 2014-15 and 2015-16.
- 8.2 Ratepayers will be notified that any relief awarded is for a specific period only and as such must apply for the second year of operation of the scheme for further on-going relief.

9 BACKDATING CLAIMS

A claim made any time in the year will be backdated to the beginning of the financial year in which it was made only or the date occupation occurred in the year, if this was after the 1st of April.

Retrospective claims for previous years will not be considered. The Council also reserves the right to reject applications for previous years without explanation or right to the Appeal process.

10. CANCELLATION OF RELIEF

Relief will be cancelled if:

1. The business changes it's purpose and no longer meets the criteria
2. The property becomes empty
3. The use of the property changes
4. The rateable value of the property increases to over £50,000.

Ratepayers have a duty to notify the Council of any changes which may impact on their entitlement to any reductions in the rates payable within 21 days of the change occurring.

11. NOTIFICATION OF AWARDS

The Council will consider applications within four weeks of the application and all supporting information being received, or as soon as practicable thereafter.

Notification of the outcome of the decision will be made in writing within fourteen days of the decision being considered.

12 ACTION TO RECOVER UNPAID RATES WHILST A DECISION IS PENDING

Receipt of an application for relief or a submission of an appeal against the refusal to grant relief will not negate in any way the ratepayer's right to pay the business rates as demanded.

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