

Appendix A

National Non Domestic Rate (NNDR) Retail Relief and Re-occupation Relief Policy

1 PURPOSE & CRITERIA OF POLICY

- 1.1 This document **sets out Haringey Council's policy for the Retail Relief and Reoccupation Relief schemes** for the financial years 2014-15 and 2015-16.
 - 1.2 The policy responds to central government guidance on the introduction of Relief provided to Local Authorities. The policy will ensure all retail businesses who are granted relief or apply for 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. Sets out the delegated authority to award relief in appropriate circumstances
 - C. Establishes an appeals procedure for organisations that are dissatisfied with the Council decision.
 - 1.4 The aim of the policy is to support local retail businesses by providing discretionary retail rate relief and reoccupation relief to retail businesses within Haringey to adapt to the changing way in which consumers shop and to support this type of retailer in the current economic climate.
 - 1.5 Retail Relief: 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 to qualifying occupied retail properties with a rateable value of £50,000 or less.
 - 1.6 Reoccupation Relief: The government will provide a 50% business rates discount for 18 months for businesses moving into previously empty retail premises between 1 April 2014 and 31 March 2016, up to State Aid De Minimis limits.
- #### 2. GUIDELINES AND AWARD PROCESS (Retail Relief)
- 2.1 The following criteria aligns with government guidelines and will be used to assess whether business rates retail relief can be awarded to local retail businesses in Haringey.

2.2 Properties that may 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 Haringey. The Council will consider each case for a discretionary reduction on its merits. An application form will not be required and will only be used in circumstances that require additional verification. However some or all of the following criteria should be met in each case:

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

2.3 Furthermore, the following types of uses, (and others that may not be mentioned but that also do not meet the criteria), 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,

2.4 The decision determining whether a 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 the manager of the NNDR team.

2.5 Reoccupation Relief: Properties that may benefit from the relief will be occupied hereditaments that:

- when previously in use, were wholly or mainly used for retail and were empty for 12 months or more immediately before their reoccupation and,
- become reoccupied between 1 April 2014 and 31 March 2016.

2.6 The property types will mirror those set out above for the Retail Relief scheme but without an upper rateable value limit for the hereditament in respect of either the previous or reoccupied use. However, State Aid De Minimis limits may limit the amount of relief given.

3 CALCULATION OF THE RELIEF

3.1 Retail Relief: 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 £1,000, then the maximum amount of any retail relief to be granted must not exceed the amount of NNDR 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:

$$\text{Amount of relief to be granted} = \text{£1,000} \times \frac{A}{B}$$

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). The NNDR Manager will establish whether the award of aid will not result in the undertaking having received more than 200,000 Euros of De Minimis aid.
- 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.
- 3.7 Calculation of Reoccupation Relief: Example

A property that was previously a pub and was empty for 14 months becomes occupied on 1 April 2014 as a restaurant with a rateable value of £40,000.

Rateable Value = £40,000

Rates due (excluding any reliefs) = £40,000 x 0.482 = £19,280

Minus Reoccupation Relief for 2014-15 = £19,280 x 0.5 = £9,640

Minus 12 months retail relief = £9,640 - £1,000 = £8,640

Rates due 2014-15 (including reoccupation and retail relief) = **£8,640**

4. PROCESS AND AWARD

- 4.1 Retail businesses currently paying rates may be awarded relief if they meet the criteria as set. All ratepayers will be required to inform us if

their circumstances do not comply and an annual letter will be issued to ratepayers in this respect.

- 4.2 An application will be sent in all circumstances where Haringey Council cannot make a reasonable assessment to determine relief, based on current information held.

5. RIGHT OF APPEAL & PROCESS

- 5.1 There is no statutory right of appeal against a decision regarding business rates retail relief or reoccupation 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.
- 5.2 Appeals may be made by the ratepayer or an appointed agent to act on their behalf and in such cases the Council will require written authorisation from the appellant before dealing with their agent.
- 5.3 Appeals against decisions made by the NNDR Manager, in respect of an initial application, will be reviewed by the Assistant Head of Revenues, Benefits and Customer Services.
- 5.4 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.
- 5.5 Each application will be considered individually on its merit.
- 5.6 Payments must continue to be made as demanded whilst any appeal is submitted and considered.

6 PERIOD OF RATE RELIEF

- 6.1 Relief awarded under this policy will be awarded for the financial years 2014-15 and 2015-16. Ratepayers will be notified of the relief and the revised NNDR payable.

7 BACKDATING CLAIMS

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