

Melton Borough  
Council

Business Rates –  
Retail Relief Scheme

2014/15 and 2015/16

**MELTON BOROUGH COUNCIL**  
**BUSINESS RATES – RETAIL RELIEF SCHEME**

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# MELTON BOROUGH COUNCIL – BUSINESS RATES – RETAIL RELIEF SCHEME

## 1) Legislative Framework

The award of any relief is at the discretion of Melton Borough Council and is made under Section 47 of the Local Government Finance Act 1988 as amended by the Localism Act 2011.

## 2) Scheme Statement

It is the intention of Melton Borough Council to exercise its powers under S47 LGFA 1988 to award Retail Relief to all 'qualifying' ratepayers.

## 3) Duration of Scheme

The Scheme will last for the financial years 2014/15 and 2015/16 only.

## 4) Granting of Relief

As the granting of the relief is discretionary, Melton Borough Council may choose not to grant the relief if they consider that appropriate, for example where granting the relief would go against the authority's wider objectives for the local area.

## 5) Qualifying Properties

Properties that will benefit from the relief will be **occupied** properties with a rateable value of £50,000 or less, that are **wholly or mainly** being used as shops, restaurants, cafes and drinking establishments.

The Council considers shops, restaurants, cafes and drinking establishments to mean:

**i. Properties that are being used for the sale of goods to visiting members of the public:**

FLORIST	STATIONERS	CHARITY SHOPS
BAKERS	OFF LICENCE	OPTICIANS
BUTCHERS	CHEMIST	POST OFFICES
GROCERS	NEWSAGENTS	FURNISHING SHOPS
GREENGROCERS	HARDWARE STORE	DISPLAY SHOPS
JEWELLERS	SUPERMARKETS	CARPET SHOPS
DOUBLE GLAZING	GARAGE DOORS	CAR SHOWROOM
CARAVAN SHOW ROOMS	SECOND-HAND CAR LOTS	MARKETS
PETROL STATIONS	GARDEN CENTRES	ART GALLERIES (Art for sale)

This list is not intended to be exhaustive and may be added to

**ii. Properties that are being used for the provision of the following services to visiting members of the public:**

HAIR AND BEAUTY SERVICES	HAIR DRESSERS	NAIL BARS
BEAUTY SALONS	TANNING SHOPS	TRAVEL AGENTS
TICKET OFFICES	DRY CLEANERS	LAUNDERETTES
PC/TV REPAIR	DOMESTIC APPLIANCE REPAIR	FUNERAL DIRECTORS
PHOTO PROCESSING	DVD/VIDEO RENTALS	TOOL HIRE
CAR HIRE		

This list is not intended to be exhaustive and may be added to

**iii. Properties that are being used for the sale of food and/ or drink to visiting members of the public:**

RESTAURANTS	TAKEAWAYS	SANDWICH SHOPS
COFFEE SHOPS	PUBLIC HOUSES	BARS

This list is not intended to be exhaustive and may be added to.

**6) Non-Qualifying Properties**

The list below is of properties that do not qualify for retail relief and is based on the types of uses that the Government does not consider to be retail use for the purpose of this relief.

**i. Properties that are being used for the provision of the following services to visiting members of the public:**

FINANCIAL SERVICES	BANKS	BUILDING SOCIETIES
CASH POINTS	BUREAU DE CHANGE	PAYDAY LENDERS
BETTING SHOPS	PAWN BROKERS	ESTATE AGENTS
LETTING AGENTS	EMPLOYMENT AGENCIES	MEDICAL SERVICES
VETINARY SERVICES	DENTISTS	DOCTORS
OSTEOPATHS	CHIROPRACTORS	PROFESSIONAL SERVICES
SOLICITORS	ACCOUNTANTS	INSURANCE AGENTS
FINANCIAL ADVISERS	TUTORS	POST OFFICE SORTING OFFICE

**ii. Properties that are not reasonably accessible to visiting members of the public**

Shops providing Bluetooth services	Shops used for advertising purposes only	Shops used for marketing purposes only
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## **7) Amount of Relief Available**

- The total amount of Retail Relief available for each property for each of the years under this scheme is £1,000. The amount does not vary with rateable value and there is no taper. There is no relief available under this scheme for properties with a rateable value of more than £50,000.
- 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 property in the financial year:

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

Where: A is the number of days in the financial year that the property is eligible for relief; and B is the number of days in the financial year

- **The relief will be applied against the net bill after all other reliefs.**
- 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.
  - i.e. If the net rate liability is £500 the Retail Relief = £500
- 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.

## **8) Splits, Mergers and changes to existing properties**

The relief will be applied on a day to day basis using the formula set out above. A new property 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.

## **9) Awarding the Relief.**

The decision to award Retail Relief to a individual property will be made by a panel consisting of:

- Town Centre Manager
- Economic Development Officer
- Financial Support Officer

A Customer Service Advisor may be co-opted on to the panel as appropriate

## **10) Reviewing a Decision**

A ratepayer may ask for a decision of the Council in relation to the award or non-award of Retail Relief to be reviewed. The review panel will consist of

- Revenue Business Partner
- Welfare, Housing and Revenues Officer
- Customer Service Manager

Any T3 Officer may be co-opted on to the panel as appropriate

### **11) Applying for Retail Rate Relief**

The Council will seek to grant Retail Relief to a ratepayer prior to their Business Rates Bill being issued so there is no formal requirement for an application for Rate Relief. However, the scheme will be advertised on the Council website [www.melton.gov.uk/business](http://www.melton.gov.uk/business) and will be promoted in communications to businesses such as Business Matters.

If a ratepayer wishes to apply for the Retail Relief they should contact the Council at [contactus@melton.gov.uk](mailto:contactus@melton.gov.uk)

### **12) State Aid**

State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. However Retail Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations

The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years). To administer De Minimis it is necessary for the local authority to establish that the award of aid will not result in the undertaking having received more than €200,000 of De Minimis aid.

Therefore the Council will issue a declaration to all qualifying ratepayers asking businesses to declare where they have exceeded the State Aid limits. If this is the case the Council will only award any Rate Relief up to the de minimus limit.

## 13) Calculation examples for 2014-15

### Example 1 – An occupied shoe shop with a rateable value of £40,000

Rateable Value = £40,000

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

Minus 12 months retail relief = £19,280 - £1,000 = £18,280

Rates due (including retail relief) = **£18,280**

### Example 2 – A shoe shop with a rateable value of £40,000 that is unoccupied between 1 April 2014 and 30 September 2014 and is then occupied until 31 March 2015.

Rateable Value = £40,000

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

Minus 3 months (no empty rates payable) = £40,000 x 0.482 x 91 = £4,806.79  
365

Minus 6 months retail relief (01/10/14-31/03/15) = £1,000 x 182 = £498.63  
365

Total due for year = **£13,974.58**

### Example 3 – An occupied shoe shop with a rateable value of £10,000 that is in receipt of small business rate relief of £1,554 per year.

Rateable Value = £10,000

Rates due (excluding any reliefs) = £10,000 x 0.471 = £4,710

Minus small business rate relief of 33% = £4,710 - £1,554 = £3,156

Minus 12 months retail relief = £3,156 - £1,000 = £2,156

Rates due (including all reliefs) = **£2,156**

### Example 4 – An occupied charity shop with a rateable value of £10,000 that is in receipt of mandatory charitable rate relief

Rateable Value = £10,000

Rates due (excluding any reliefs) = £10,000 x 0.471 = £4,710

Minus charitable rate relief of 80% = £4,710 - £3,768 = £942

Minus 12 months retail relief = £942 - £942 (max relief allowable) = £0 Rates due  
(including all reliefs) = **£0**

### Example 5 – A shoe shop with a rateable value of £30,000 that has occupied premises previously used as a jewellers shop that was empty for more than 12 months immediately prior to occupation.

Rateable Value = £30,000

Rates due (excluding any reliefs) = £30,000 x 0.482 = £14,460

Minus reoccupation relief of 50% = £14,460 - £7,230 = £7,230

Minus 12 months retail relief = £7,230 - £1,000 = £6,230

Rates due (including all reliefs) = **£6,230**