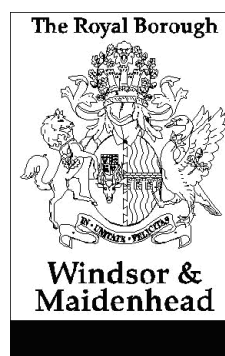


Report for: ACTION



Contains Confidential or Exempt Information	NO - Part I
Title	Business Rates Discretionary Discounts – Retail Reoccupation Relief
Responsible Officer(s)	Andrew Brooker – Head of Finance Andy Jeffs – Head of Revenues and Benefits
Contact officer, job title and phone number	Andy Jeffs – Head of Revenues and Benefits 01628796527
Member reporting	Councillor Simon Dudley – Lead Member Finance
For Consideration By	Cabinet
Date to be Considered	31 March 2016
Implementation Date if Not Called In	12 April 2016
Affected Wards	All

REPORT SUMMARY

1. In September 2014 Cabinet received and approved a report recommending changes to the Retail Reoccupation Relief scheme, to introduce a new discretionary relief of up to 100%, for a period of 18 months for businesses that reoccupied retail premises which had been empty for 12 months or more, that would run along side the central government scheme.
2. The scheme since its introduction has been very successful with 15 empty business premises being reoccupied across the borough and reliefs totalling £169k being granted to businesses, of which, £137k was funded by central government, £31k the Council, and £1k Fire and Rescue . (see appendix 2).
3. The central government element of the scheme ends on 31 March 2016, and Cabinet as asked to consider introducing a new discretionary relief scheme to replace the existing one from 1 April 2016.
4. The new scheme would offer businesses that reoccupy retail premises that have been empty for more than 12 months up to 100% relief from business rates for a period of 18 months. Applications would be considered and decisions to grant any relief would be based on their own merits on a case by case basis. The scheme would run from 1 April 2016 to 31 March 2018. The amount of relief available would be capped at £150k in 2016-17 and 2017-18.

If recommendations are adopted, how will residents benefit?	
Benefits to residents and reasons why they will benefit	Dates by which residents can expect to notice a difference
1. Reduction in the number of empty shops in main retail areas	March 2017
2. Increased business rates income once the period of relief ends	March 2018

1. DETAILS OF RECOMMENDATIONS

RECOMMENDATION: That Cabinet:

- i. Agrees to replace the existing Retail Reoccupation Relief scheme with a new scheme from 1 April 2016 which would provide businesses who apply between that commencement of the scheme and the 31 March 2018, and who reoccupy retail premises that have been empty for 12 months or more with up to 100% relief, capped at £150k each year, from business rates for a period of 18 months from the date the business occupies the premises, and**
- ii. The revised Discretionary Rate Relief Policy appended to this report is adopted.**

2. REASON FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

- 2.1 The recommended option has been chosen as it supports the Council's commitment to fully support and encourage thriving and diverse town centres.
- 2.2 Options considered.

Option	Comments
1. End the current scheme on 31 March 2016 in line with the government scheme end date This is not recommended	Not recommended as the existing scheme has been successful
2. Introduce a new discretionary scheme under the powers the Council has to grant up to 100% relief from business rates for a period of 18-months on applications received between 1 April 2016 to 31 March 2017 This is not recommended	Not recommended as period of new scheme is too short
3. Introduce a new discretionary scheme under the powers the Council has to grant up to 100% relief from business rates for a period of 18-months on applications received between 1 April 2016 to 31 March 2018 This is the recommended option	Recommended option

3. KEY IMPLICATIONS

There are currently 114 empty retail premises across the Royal Borough. The outcomes below are based on the remaining empty units being the harder ones to let and the fact that the Government scheme and associated publicity will cease on 31 March 2016.

Defined Outcomes	Unmet	Met	Exceeded	Significantly Exceeded	Date they should be delivered by
Percentage of empty retail units re-occupied	<1%	1-5%	6-10%	>10%	31 March 2018

4. FINANCIAL DETAILS

Financial impact on the budget

	2015/16	2016/17	2017/18
	Revenue £'000	Revenue £'000	Revenue £'000
Budget for relief	£300	£0	£0
Contribution from collection fund	£300	£0	£0

The Council has the power introduce discretionary business rates relief schemes.

Discretionary relief is now financed 50% by Central Government, 49% by the Council and 1% by the Fire and Rescue Authority.

An example of a medium size shop (similar to Greggs in Maidenhead) would typically pay £20k in Business Rates, a major store such as Marks and Spencers might pay closer to £250k.

Currently £300k has been allowed in the budget proposals, £150k for 2016-17 and £150k for 2017-18 from the collection fund. Publicity around this new scheme would make it clear that the value of discounts awarded will be capped at these values.

The percentage of relief funded by the Council is:

	Central Government	RBWM	Fire & Rescue
New scheme	50%	49%	1%

Based on the Greggs example above:

	Central Government	RBWM	Fire & Rescue
New scheme	£10,000	£9,800	£200

5. LEGAL IMPLICATIONS

- 5.1 The powers to introduce this discretionary scheme are in Section 43 of the Local Government Finance Act 1988, and Section 47-49 of the Local Government Finance Act 1988 as amended by the Localism Act 2011.

When determining an approach Cabinet needs to be aware of state aid restrictions but it is envisaged that this scheme will fall into the de-minimus category for state aid.

www.bis.gov.uk/policies/europe/state-aid

6. VALUE FOR MONEY

- 6.1 This initiative falls into the invest to save category, close monitoring of Business Rate income in those areas where discretionary relief is applied will ensure the scheme is providing value for money.

7. SUSTAINABILITY IMPACT APPRAISAL

- 7.1 If successful, the initiative will preserve/promote local retail offers which will reduce the need for residents to travel for that offer with consequent environmental benefits.

8. RISK MANAGEMENT

Risks	Uncontrolled Risk	Controls	Controlled Risk
Adverse reaction from existing traders	Low/Medium	Publicise positive impact of increased footfall brought about by new retail offer on all traders	Low
Risk to collection fund from too many applications	Low/Medium	Cap either total cost of scheme or discount available on a single application	Low

9. LINKS TO STRATEGIC OBJECTIVES

- 9.1 The Retail Reoccupation Relief scheme falls under the following strategic priorities:

Residents First

- Improve the Environment, Economy and Transport
- Work for safer and stronger communities

Value for Money

- Increase non-Council Tax revenue
- Invest for the future

Delivering Together

- Strengthen Partnerships

10. EQUALITIES, HUMAN RIGHTS AND COMMUNITY COHESION

10.1 At this stage no equality issues, arising from this initiative have been identified.

11. STAFFING/WORKFORCE AND ACCOMMODATION IMPLICATIONS

11.1 None

12. PROPERTY AND ASSETS

12.1 No direct impact although the Council owns a number of town centre properties whose value might be expected to increase if this scheme intended outcomes materialise.

13. ANY OTHER IMPLICATIONS

13.1 None

14. CONSULTATION

14.1 No further consultation has been carried out since the original policy proposal was carried out in November 2013.

15. TIMETABLE FOR IMPLEMENTATION

Date	Details
12 April 2016	New Retail Reoccupation Relief Policy Implemented

16. APPENDICES

Appendix 1 – Discretionary Rate Relief Policy – *available electronically*

Appendix 2 – Retail Reoccupation Relief Granted - *available electronically*

17. BACKGROUND INFORMATION

- Business Rates – Discretionary Relief for Occupiers of Empty Shops – Cabinet September 2013
- Business Rates – Business Rates Discounts – Empty Retail Properties – Cabinet December 2013
- Business Rates – Business Rates Discounts – Empty Retail Properties – Cabinet September 2014

18. CONSULTATION (MANDATORY)

Name of consultee	Post held and Department	Date sent	Date received	See comments in paragraph:
Internal				
Cllr Burbage	Leader of the Council	01/03/16	01/03/16	
Cllr Dudley	Lead Member for Finance	29/02/16	29/02/16	
Cllr Hill	Lead Member for R&B, Customer Services and IT	29/02/16	29/02/16	
Simon Fletcher	Strategic Director Operations and Customer Services	28/02/16	29/02/16	
Andrew Brooker	Head of Finance	28/02/16	29/02/16	

REPORT HISTORY

Decision type:	Urgency item?
Key decision	Yes – Item not included on forward plan as existing scheme was to cease on 31 March 2016. The report needs to go to March Cabinet as new scheme is due to start on 1 April 2016.

Full name of report author	Job title	Full contact no:
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