

REPORT TO	DATE OF MEETING
Cabinet	11 th February 2015



SUBJECT	PORTFOLIO	AUTHOR	ITEM
Business Rates Autumn Statement Measures	Cllr Hamman	Michael Fisher	4

SUMMARY AND LINK TO CORPORATE PRIORITIES

The changes proposed in this report are aimed at extending the support we offer to businesses with their business rates.

The Chancellor of the Exchequer as part of the Government's Autumn Statements of December 2012, 2013 & 2014 announced a number of measures with regard to Business Rates. These measures included

- a) The Retail Price Index increase in 2014-15 was capped at 2% instead of 3.2%
- b) Continued the doubling of the Small Business Rate Relief for a further 12 months until 31 March 2016
- c) Allow a relief from Empty Property Rates for New Build Properties between the 30th September 2013 and the 1st October 2016
- d) Ratepayers receiving Small Business Rate Relief that take on an additional property which would currently disqualify them from receiving relief will continue to receive their existing relief for 12 months
- e) a discount for shops, pubs and restaurants with a rateable value of £50,000 or below for two years up to the state aid limits, from 1 April 2014 of £1000 and 1st April 2015 of £ 1500
- f) Extend Transitional Relief into 2015-16 by means of a Section 47 discount, within state aid limits
- g) a 50 per cent business rates relief for 18 months - between 1 April 2014 and 31 March 2016 - for businesses that move into retail premises that have been empty for a year or more
- h) ratepayers will be allowed to elect to pay bills over 12 instalments instead of ten

The Government have requested that the above Empty Property Relief (c) £1000/£1500 discount (e), extending of Transitional relief for eligible rate payers (f) and reoccupation relief (g) be delivered through local authorities local discount powers (under s47 of the Local Government Finance Act 1988).

The remaining changes were dealt with by changes to Business Rate Legislation.

The government has undertaken to fund the proposed measures in full via Section 31 (Local Government Act 2003) grant funding

South Ribble Borough Council maintains a supportive business environment for SME's, providing direct contact with local businesses, making links to support organisations and supplying details of funding initiatives to help businesses develop here.

Exercising our discretionary powers as they are outlined in the policy builds further on this principle of support for the businesses of South Ribble.

This report supports the corporate priority of Strong South Ribble in the Heart of a Prosperous Central Lancashire

1 BACKGROUND

- 1.1 The council is delivering regeneration projects designed to further boost the appeal of the local area and help the business communities to thrive there. Regeneration of town and district Centres, including Higher Walton, Lostock Hall, Bamber Bridge, Longton, Penwortham and Leyland, aims to encourage economic growth and create a safer, more attractive environment for shoppers, visitors and those that live and work in the town Centre's. Projects include new heritage gateway features and environmental improvements designed to makes Centres accessible and attractive to visit and spend some time.
- 1.2 National and regional economic development initiatives are monitored to identify support available to secure the vitality of SMEs and high streets. Regular communication with businesses through direct contact, meetings, networking events, local newsletters and investment publications helps to ensure that local businesses have the help they need to thrive.
- 1.3 A Town Team has been established in Leyland, allowing the Council to support the businesses in proactively marketing the town through events and themed support initiatives. Support schemes are being developed and trialed and successful initiatives are being rolled-out across the borough including loyalty cards, local markets in Longton and Lostock Hall and events such as Penwortham Live, all aimed at increasing footfall and supporting businesses in town and district Centre's.
- 1.4 South Ribble Borough Council has been working hard to support businesses in our area. The council believes strongly in providing the right atmosphere to support a strong and vibrant economy. We believe the measures contained within this policy will assist with this priority.
- 1.5 The Local Government Finance Act 2012 amended the Local Government Finance Act 1988 and provided Local Authorities powers to award, Local Discounts for Business Rate Payers. These powers were in addition to the existing Discretionary Rate Relief powers
- 1.6 The Government requested that Local Authorities award a local discount under Section 47 to deal with the changes c), e) f) and g) above.
- 1.7 South Ribble Borough Council has developed the draft Policy (APPENDIX 1) to address these changes and support the retail economy of South Ribble Borough Council

2 RECOMMENDATIONS

That Cabinet recommends

- 2.1 **That Council approves the amended policy in APPENDIX A. The policy remaining in force between the 30th September 2013 and expiring on the 1st October 2016 unless otherwise amended and approved by Council**
- 2.2 **That Council approves delegated authority for the Revenues Manager or responsible officer to decide upon any application for relief made under this policy taking into**

account the contents of this policy, the council's priorities and policies and in addition the advice provided by the Department for Communities and Local Government's "Retail Relief - Guidance" and "New Build Empty Property – Guidance" documents. This mirrors the provisions contained within our existing Discretionary Rate Relief Policy

3 DETAILS AND REASONING

- 3.1 The Government announced in the Autumn Statement in December 2012 its intention to try promote commercial development. It stated that it wished to provide a New Build Relief for Business Rate Premises constructed and completed after the 30th September 2013 and before the 1st October 2016. This will provide developers an 18 month exemption from empty property rates on New Build properties.
- 3.2 In the Autumn Statement on 5 December 2013 the Government proposed a relief that it would 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. Subsequently on the 4th December 2014 the Government announced that it would provide additional funding to allow this relief to be increase to £1500 in 2015-16. It is South Ribble Borough Council s intention to make this happen for its rate payers
- 3.3 In the Autumn statement of 2014 the Chancellor stated that he wished Local Authorities to adopt a policy that will allow Transitional relief to continue into 2015-16 for properties with a Rateable Value below 50,000. This scheme would normally have finished on the 31st March 2015 with revaluation. The government postponed revaluation of business rate premises until April 2017 therefore the need to extend this relief had arisen. This will only affect a small number of Business premises and the costs will be fully met via government Section 31 grant
- 3.4 The retail sector is changing, particularly due to internet shopping, and many high streets are experiencing challenges as they look to adapt to changing consumer preferences in how people shop. South Ribble Borough Council welcomes and supports the Government wishes to offer assistance to its town centres. We wish to offer the proposed support outlined in the Autumn Statement
- 3.5 The policy also contains measures that will hopefully encourage empty retail premises back into use. Potential ratepayers will be offered a 50% reduction in their rate liability if they occupy properties that have been empty for a period greater than 12 months. This Change will hopefully see some of the empty retail units on our High Streets becoming occupied and used for retail purposes
- 3.6 The policy will apply criteria to the types of eligible uses for premises to qualify for the reoccupation relief
- 3.7 The policy in Appendix A will ensure that South Ribble Borough Council's High Streets benefit from Central Government Funded assistance outlined in the last three Autumn Statements
- 3.9 Assistance provided under this policy will be subject to State Aid De-Minimus Limits as outlined within the policy and on the UK Governments website www.gov.uk/state-aid

4 Consultation

- 4.1 There is no legal requirement to undertake formal consultation.
- 4.2 All business will be formally notified of these discounts as part of the Annual Billing process

WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of its proposals in all the areas listed below, and the table shows any implications in respect of each of these.

FINANCIAL	The costs of this relief will be met in full via Section 31 grant funding. Therefore implementing this policy has no budgetary impact.
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LEGAL	The policy has been drafted to fully comply with all legislative requirements.
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RISK	South Ribble will not be able to provide the additional assistance contained within the autumn statement to businesses in the area
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THE IMPACT ON EQUALITY	It is not considered that there are any adverse impacts on equality issues arising from this report
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OTHER (see below)	
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<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>
<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>

BACKGROUND DOCUMENTS

Local Government Finance Act 1992 as amended

Local Government Act 2003 as amended

Local Government Finance Act 2012 as amended

Department for Communities and Local Governments "Retail Relief - Guidance" booklet

Department for Communities and Local Government's "New Build Empty Property – Guidance " booklet

Extension of Transitional Relief for small and medium properties - Guidance