

**Report To: Cabinet**

**Date of Meeting: 14<sup>th</sup> January 2014**

**Lead Member / Officer: Julian Thompson-Hill / Paul Mcgrady**

**Report Author: Rod Urquhart**

**Title: Business Rates Policy Developments in Wales**

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**1. What is the report about?**

Legislative changes to Business Rates to promote new developments and to bring back into use long term empty properties.

**2. What is the reason for making this report?**

The Council needs to adopt the two new schemes

**3. What are the Recommendations?**

3.1 That members formally adopt the 'model resolutions' and 'model application forms' for both schemes as set down by the Welsh Government.

**4. Report details.**

**BACKGROUND**

4.1 The Welsh Government has recently brought in two new schemes in respect of Business Rates (Open for Business and New Developments). Both schemes are designed to promote growth and increasing levels of employment on a national scale.

4.2 The 'Open to Business Scheme' has been designed to bring back long term empty retail properties (particularly high street shops) into use. There are strict guidelines for this scheme such as:

- The maximum Rateable Value cannot exceed £45,000
- The property has been unoccupied for a continuous period of 12 months
- The maximum amount of relief is 50%
- The scheme will run from 1<sup>st</sup> Oct 2013 to 1<sup>st</sup> April 2015 (18 months)
- The relief can be awarded for up to 12 months
- Any sum of this award and any other funding must be less than the state aid de minimis (currently 200,000 Euros over a three year period)
- This relief is not available to public bodies e.g. Central or Local Government

- 4.3 The 'New Development Scheme' has been designed to promote new developments. Again there are strict guidelines for this scheme such as:
- There is no maximum Rateable Value
  - The property must have been completed on or after 1<sup>st</sup> Oct 2013
  - The scheme will run from 1<sup>st</sup> Oct 2013 to 1<sup>st</sup> Oct 2016 (3 years)
  - The maximum amount of relief is 100%
  - This relief can be awarded for up to 18 months
  - Any sum of this award and any other funding must be less than the state aid de minimis (currently 200,000 Euros over a three year period)
  - This relief is not available to public bodies e.g. Central or Local Government
- 4.4 Full details of the schemes, application forms and model resolution are shown in Appendices to this report.
- 4.5 Any relief that is awarded will be repaid to the Local Authority, through the audited Annual National Non Domestic Rates Return.
- 4.6 The Welsh Government has put forward model resolutions to the scheme and model application forms. There is a requirement to provide regular reports to the Welsh Government on the progress of the schemes, how many new jobs it has created etc

#### Issues

- 4.7 There are clearly some opportunities within this new framework to re-invigorate the high streets and promote further property development and economic growth.
- 4.8 A small working group has been created to include planning, economic development / regeneration and Finance to ensure this relief is maximised.
- 4.9 It is suggested that publicity is sought for both new schemes in order to maximise the potential, this could be done at limited cost by advertising on our web site and through commercial groups.
- 4.10 There will also be the need to produce statistical reports, by existing systems, on a regular basis to the Welsh Government showing the take up of the schemes, the number of new jobs created and the value of the relief that has been awarded.

#### **5. How does the decision contribute to the Corporate Priorities?**

By implementing this scheme we will meet our objective of 'Developing the local community'.

#### **6. What will it cost and how will it affect other services?**

There will be no additional costs in administering the scheme. Any costs of marketing etc will be fully met from existing budgets. The costs of granting the relief will be fully funded by the Welsh Government.

**7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report.**

Not applicable as this was undertaken by the Welsh Government

**8. What consultations have been carried out with Scrutiny and others?**

None.

**9. Chief Finance Officer Statement**

There are no financial implications for the Council and this represents a good opportunity to encourage business development

**10. What risks are there and is there anything we can do to reduce them?**

There is a risk that if Denbighshire does not implement the scheme it will go against National Policy.

**11. Power to make the Decision**

Section 47 of the Local Government Finance Act (LGFA) 1988