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| Report to | Partnerships Scrutiny Committee |
| Date of meeting | 4 November 2021 |
| Lead Member / Officer | Lead Member for the Economy and Corporate Governance & Lead Member for Finance, Performance and Strategic Assets |
| Report author | Emlyn Jones & Steve Gadd |
| Title | Post Covid Recovery in Town Centres and NNDR |

1. What is the report about?

- 1.1. The report details the number of vacant business premises in Town Centres and National Non-Domestic Rates (NNDR) initiatives.
- 1.2. The report highlights the challenges that Town Centres Businesses face across the county due and approaches being taken to address these.

2. What is the reason for making this report?

- 2.1. To provide information to scrutiny regarding the current state of our town centres, the remedial action taken to date and future initiatives to redress the challenges businesses face.

3. What are the Recommendations?

- 3.1. That the Committee considers the contents of the report and provides observations on the matters reported herein.

4. Report details

- 4.1. Whilst the total number of Empty Properties within the Council's area has increased from 267 properties (April 2020) to 294 properties (Sept 2021), an increase of 27 empty properties the total amount of Business Rates properties has also increased from 4361 properties (April 2020) to 4455 properties (Sept

2021). The empty properties represent 6.7% of the overall 4,455 Business Rates properties.

- 4.2. As members may know there are a number of different exemptions from empty property rates, such as within the 3 or 6-month initial empty period, Insolvency, below the chargeable Rateable Value threshold, listed buildings, land, telecommunication masts and prohibited by law. Appendix 1 shows the breakdown of the empty properties and associated exemptions.
- 4.3. The main proportion of the empty properties are in and around the main towns, with much smaller amounts in the more rural parishes. The number and class property type shown in Appendix 2.
- 4.4. There are two key Welsh Government initiatives, providing support to certain classes of Business, through relief schemes, which will reduce or even nullify the Business Rates liability, the headline schemes are as follows:
 - The Small Business Rates Relief Scheme, which awards up to 100% relief, for Businesses that have a Rateable Value below £6,000 and are on a tapered reduction from £12,000 to £6,000 Rateable Value.
 - The Retail, Hospitality and Leisure Rates Relief Scheme, which provides a 100% reduction in Business Rates for qualifying Businesses in 2020/21 and 2021/22
- 4.5. There is a further option for Local Authorities to award a reduction in the rates payable, using the powers granted under the Localism Act 2011. This would be through awarding a discretionary relief. However, the full cost of any award under this scheme would be paid by the Council.
- 4.6. A further issue with an award under the Localism Act is that other Businesses could claim that the Council was creating an anti-competitive environment, in that it was subsidising some ratepayers, thus disadvantaging others.
- 4.7. Whilst the reliefs are available, we have seen both locally and at a national level that there are still closures of shops, then the properties are becoming empty, there are 4 main reasons for this:

- Whilst the Business Rates charge has been reduced property rents have not seen an equivalent reduction and in many cases there has been a no rent reduction offered by the landlords.
- Some shops, particularly the bigger companies have moved individual shops into bigger premises e.g. Carphone Warehouse, closing in Prestatyn Retail Park and Rhyl, then being subsumed into the bigger premises in the Clwyd Retail Park in Rhyl.
- Other shop units have closed too and have a presence in another shop, such as Argos in Sainsbury's or Costa Coffee being part of a garage.
- The switch to online shopping had started to change citizens shopping patterns, this was further accelerated by Covid19. Many businesses, particularly banks have closed many branches as people have gone online. Additionally, customers now use retail shops either as a pick up or drop off point far more, having ordered the goods via the internet.

4.8. Footfall data for our towns can be found at Appendix 3. The data shows the clear negative impact Covid-19 had on town centres as government guidance on trading and travel restrictions was adopted. As restrictions are removed footfall is indicating returns to pre pandemic levels in 2019.

4.9. Economic and Business Development (EBD) have commissioned a business survey in order to gain an understanding of the challenges that businesses are facing as a result of Covid-19. The launch was aligned with the end of furlough with a view that this would provide greater insight. A report of the findings will be available early 2022, they will help inform future work packages. In addition, a monthly 'Business Bulletin' is issued to businesses in the county to advise of support offered locally, regionally and nationally. The bulletin currently reaches 3,700 businesses.

4.10. EBD are delivering the projects below with funding provided by Welsh Government's *Transforming Town Centres Business Fund*. Please see appendix 4 for detail

- Pop Up Shop
- Smart Window Dressing

4.11. The Transforming Towns (TT) Thematic programme affords Local Authorities in Wales a broad and flexible package of support, aimed at revitalising town

centres throughout Wales. The programme follows a 'Town Centres first' approach to regeneration, and is conferred and prioritised at a regional level. In the instance of North Wales, prioritisation is overseen by the Regional Regeneration Officers' Group, comprising of the six local authorities and informed by the North Wales Regeneration Strategy. An update of the North Wales RRP is currently being undertaken by the region. Projects currently being delivered through this package include Llangollen 2020 Castle Street, Hummingbird Denbigh, Queens Market Phase 1 & Rhyl Town Centre Gateway Phase 1.

4.12. EBD is supporting the application for the Levelling Up Fund. The purpose of the Fund is to invest in infrastructure, including regenerating town centres and high streets, upgrading local transport, and investing in cultural and heritage assets. Please see appendix 5 for detail.

4.13. Welsh Government have selected Rhyl as one of four pilot towns for the Town Centre Entrepreneurship Fund. The fund offers up-to £10k per business in the way of revenue to start up or relocate in the town. To date 22 businesses have expressed an interest, the applications are processed by Business Wales. EBD actively promotes the fund.

4.14. EBD is working on the digital projects listed below to support business recovery. Please see appendix 6 for detail

- Smart Towns Maybetech
- Denbighshire County Council Digital Grant Scheme

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

5.1. Our work in Town Centres will make contributions to the 2017-2022 corporate priorities including:

- Developing new town centre housing targeted at younger people;
- Bringing redundant space back into commercial and residential use;
- Supporting the creation of an attractive town centre environment that supports economic prosperity;
- Improving the connection between residents and their town centre, shops, services and employment opportunities;

- Developing town centres as places where young people want to live and work;
- Enabling local people to plan and shape the future of their town centre.

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

6.1. In addition to the public funding we are able to access to deliver the key projects it is important that we work with public and third sector partners to maximise their investment opportunities in the town.

6.2. The formal approval of expenditure decisions will remain within existing delegations and processes, including the requirement for all capital expenditure proposals to be considered by the Strategic Investment Group (SIG).

7. What are the main conclusions of the Well-being Impact Assessment?

7.1. A Well-being Impact Assessment has not been completed as a decision is not being sought by the Committee.

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

8.1. Not applicable as this report has been commissioned by the Scrutiny Committee.

9. Chief Finance Officer Statement

9.1. The background and framework of NNDR is clearly set out in Section 4 of this report. In Wales, Local Authorities collect NNDR on behalf of Welsh Government and any schemes agreed at a local level are paid for through the Council Fund and would therefore need to be funded by either increasing Council Tax or reducing service budgets.

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

10.1. Not applicable as this report is providing an update and not seeking a decision.

11. Power to make the decision

11.1. Section 21 of the Local Government Act 2000

11.2. Sections 7.2.3 and 7.4.2(b) of the Council's Constitution