



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

21ST NOVEMBER 2019

**SUPPORTING TOWN AND RETAIL BUSINESSES IN RHONDDA CYNON TAF –
LOCAL BUSINESS RATE REDUCTION SCHEME**

**REPORT OF DIRECTOR OF FINANCE AND DIGITAL SERVICES IN DISCUSSIONS
WITH THE RELEVANT PORTFOLIO HOLDER (CLLR M NORRIS)**

Author(s): MR MATTHEW PHILLIPS, HEAD OF SERVICE (REVENUES & BENEFITS)

1. PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to provide Members with details of a proposed new Business Rate Reduction Scheme, which will provide town centre and retail businesses with help towards their business rates liability during the financial year 2020/21.

2. RECOMMENDATIONS

It is recommended that Cabinet:

- a) Note the details of the proposed scheme as set out in paragraph 5;
- b) Agree that a consultation exercise be undertaken on the proposed scheme; and
- c) Receive a further report outlining the results of the consultation exercise in order to determine whether and if so how they wish to proceed with the scheme.

3 REASONS FOR RECOMMENDATIONS

- 3.1 To provide further support to town centre and retail businesses within Rhondda Cynon Taf as part of the package of support as set out in the report of the Service Director of Prosperity and Development presented to Cabinet on 8th May 2019.

4. BACKGROUND

- 4.1 This purpose of the overall package of support to town centre businesses is set out in detail in the Cabinet report of 8th May 2019 and covers a wide range of actions that are intended to deliver on the Councils commitment to support the regeneration of town centres and encourage investment in the high street economy, as set out in the Councils current Corporate Plan.

- 4.2 With regard to business rates, the report requested that officers develop a scheme and report back to a future Cabinet meeting for consideration and if appropriate, agreement of that scheme.

5. PROPOSED LOCAL BUSINESS RATE REDUCTION SCHEME

- 5.1 Members will be aware (as presented to Cabinet on the 9th April 2019) that the Welsh Government (WG) High Street and Retail Rates Relief Scheme (HSRR) for 2019/20 increased the level of relief available to qualifying businesses to £2,500 (subject to state aid limits) for all occupied retail properties with a rateable value of £50,000 or less. It is estimated that around 1,200 businesses in Rhondda Cynon Taf will benefit from approximately £1.8M of support through this scheme. This represents a significant increase in support as compared to 2018/19 where 504 businesses were awarded a total of £137k.
- 5.2 In order to support our town centre and retail businesses further for 2020/21 it is proposed that a further local discretionary relief be provided in addition to the WG HSRR (as above) of up to a maximum of £300 per qualifying business. The qualifying criteria of the HSRR shall be applied. It is estimated that 485 businesses would benefit from this further support.
- 5.3 If WG determine to change their HSRR scheme for 2020/21, then officers will need to review the qualification criteria and level of award of the additional local relief set out above in order to ensure its affordability within existing resources.
- 5.4 The scheme would be available to all businesses across Rhondda Cynon Taf in line with the qualifying criteria set out at Appendix 1 with those non qualifying businesses set out at Appendix 2. Subject to the continuation of the existing WG HSRR scheme for 2020/21, qualifying businesses would be credited with this further local relief as a top up to the HSRR.
- 5.5 It is proposed that the scheme as set out above would be consulted upon with the results reported back to Cabinet to determine whether and if so how they wish to proceed.

6 EQUALITY AND DIVERSITY IMPLICATIONS

- 6.1 The matters set out in this report are factual; there are no equality and diversity implications.

7 CONSULTATION / INVOLVEMENT

- 7.1 It is proposed that a consultation exercise is undertaken on the local discretionary relief.

8 FINANCIAL IMPLICATION(S)

- 8.1 The Council has included the resource requirement in its Medium Term Financial Plan to fund this scheme.

- 8.2 If WG determine to amend their HSRR scheme for 2020/21 then this proposed local business rates relief will need to be reviewed accordingly.

9 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 9.1 The proposed local Business Rates Relief Scheme is in accordance with the Council's statutory powers under Section 47 of the Local Government Finance Act 1988.
- 9.2 For the scheme to be applied in Rhondda Cynon Taf, the Council needs to formally resolve to adopt the scheme locally in exercise of its discretionary powers under section 47(1) (a) of the 1988 Act and the Director of Finance and Digital Services will administer the scheme and make the necessary determinations in accordance with the Council's 'officer scheme of delegation'.

10 LINKS TO THE CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT.

- 10.1 The proposals are aligned to the Council's Corporate Plan priorities, one of which is 'Building a strong economy', and the Wellbeing of Future Generations (Wales) Act 2015 and in particular "A more prosperous Wales".

11 CONCLUSION

- 11.1 This local discretionary business rates relief scheme will provide further much needed financial support for local businesses to meet their 2020/21 rate liability and forms part of a wider package of support intended to create and maintain vibrant town centres across Rhondda Cynon Taf, which is something that this Council has committed to in its 2016-20 Corporate Plan "The Way Ahead".

Appendix 1

Examples of the types of retail premises that **may** qualify for assistance under the Wales High Street and Retail Relief Scheme:

- Properties that are being used for the sale of goods to visiting members of the public:-
 - Shops (such as: florist, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, newsagents, hardware stores, supermarkets, etc.)
 - Opticians
 - Pharmacies
 - Post offices
 - Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
 - Car/ caravan show rooms
 - Second hand car lots
 - Markets
 - Petrol stations
 - Garden centres
 - Art galleries (where art is for sale/hire)
- Properties that are being used for the provision of the following services to visiting members of the public:-
 - Hair and beauty services
 - Shoe repairs/ key cutting
 - Travel agents
 - Ticket offices e.g. for theatre
 - Dry cleaners
 - Launderettes
 - PC/ TV/ domestic appliance repair
 - Funeral directors
 - Photo processing
 - DVD/ video rentals
 - Tool hire
 - Car hire
 - Cinemas
 - Estate and letting agents
- Properties that are being used for the sale of food and / or drink to visiting members of the public:-
 - Restaurants, including drive through/drive in restaurants
 - Takeaways
 - Sandwich shops
 - Cafés
 - Coffee shops
 - Pubs
 - Wine Bars

Appendix 2

Examples of the types of retail premises that **will not** qualify for assistance under the Local Business Rates Relief Scheme:

- Properties being used wholly or mainly for the provision of the following services to visiting members of the public:
 - Financial services (e.g. banks, building societies, cash points, ATMs, bureaux de change, payday lenders, betting shops, pawn brokers)
 - Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
 - Professional services (e.g. solicitors, accountants, insurance agents, financial advisers, tutors)
 - Post office sorting office
 - Tourism accommodation, e.g. B&Bs, hotel accommodation and caravan parks
 - Sports clubs
 - Children's play centres
 - Day nurseries
 - Outdoor activity centres
 - Gyms
 - Kennels and catteries
 - Show homes and marketing suites
 - Employment agencies

In addition, the following properties will not be eligible to relief under the scheme:

- a) Properties with a rateable value of more than £50,000
- b) Properties that are not occupied
- c) Properties that are owned, rented or managed by a local authority
- d) Properties that are in receipt of mandatory charitable relief

Other Information:-

Relevant Scrutiny Committee

[ARTICLE 6 – OVERVIEW AND SCRUTINY COMMITTEE](#)

(Terms of Reference of each of the Scrutiny Committees to assist Officers with selecting the correct Committee.)

Contact Officer

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

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November 2019

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Background Papers
NONE

Officer to contact:

MR MATTHEW PHILLIPS, HEAD OF SERVICE (REVENUES & BENEFITS)