



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

13TH FEBRUARY 2020

**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 Cabinet with the results of the consultation process on a local Business Rate Reduction Scheme for Rhondda Cynon Taf and an update on the continuation of the Welsh Government High Street and Retail Rate Relief (HSRR) Scheme for 2020/21.

2. RECOMMENDATIONS

- 2.1 It is recommended that Cabinet:
- a) Note the outcome of the consultation exercise as set out in paragraph 7;
 - b) Note the continuation of the Welsh Government High Street and Retail Rate Relief Scheme for the year for 2020/21; and
 - c) Consider whether, and if so how, they wish to proceed with the proposed local Business Rate Reduction Scheme for 2020/21.

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 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.
- 4.3 On 21st November 2019, Cabinet considered the details of a proposed Local Business Rate Relief scheme and agreed to initiate a consultation on the proposed scheme.
- 4.4 The consultation began on 2nd December 2019 and closed on 27th January 2020. The results are set out at Appendix 3 of this report.

5. PROPOSED LOCAL BUSINESS RATE REDUCTION SCHEME

- 5.1 On 23rd January 2020, WG issued the HSRR scheme details and guidance, which confirms that the 2020/21 scheme would be unchanged to the 2019/20 scheme. That is, the HSRR scheme would offer a maximum payment of £2,500 to all qualifying businesses with a Rateable Value of £50,000 or less.
- 5.2 In order to support our town centre and retail businesses in 2020/21 it is proposed that a local discretionary relief be provided in **addition** to the WG HSRR 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 in Rhondda Cynon Taf would benefit from this further support.
- 5.3 In cases where the “net” rates bill (following the award of HSRR and any other applicable reliefs) is less than £300, the rates bill will be reduced to zero.
- 5.4 Subject to the decision of Cabinet, the local Business Rate Relief would be shown on the 2020/21 Annual Rates bill, due to be posted to all ratepayers in March 2020, along with any other applicable reliefs, thereby providing local businesses with surety with regard to their liability for the forthcoming financial year, that is, it would avoid/minimise any unnecessary re-billing.
- 5.5 The list of the types of businesses able to qualify for the relief is set out at Appendix 1 with those non-qualifying businesses set out at Appendix 2.

6. EQUALITY AND DIVERSITY IMPLICATIONS

- 6.1 There are no equality and diversity implications.

7. CONSULTATION / INVOLVEMENT

- 7.1 A consultation exercise on this proposal took place between 2nd December 2019 and 27th January 2020.
- 7.2 The consultation process comprised an on-line questionnaire, complemented by social media activity promoting and signposting.
- 7.3 The feedback is attached at Appendix 3 to this report.

8. FINANCIAL IMPLICATION(S)

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

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 would provide important additional 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 Corporate Plan.

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

Proposed local business rate reduction scheme

In order to further support our town centre and retail businesses for 2020/21 it is proposed that a new local discretionary Non Domestic Rate (NDR) Relief be provided of up to a maximum of £300 per qualifying business. Based on current information, it is estimated that 485 businesses would benefit from this support.

The Council already has a number of packages in place to support our valued Town Centres and Retail Business and this proposed new discretionary NDR relief provides businesses with additional help in paying their NDR for 2020/21.

This will be in addition to other support already available including the Welsh Governments High Street and Retail Rates Relief Scheme (HSRR). The same qualifying criteria as the HSRR will be applied.

Consultation results

- The online survey was live for 8 weeks between December 2 2019 and January 27 2020
- 26 people responded to the consultation online
- 96.2% of respondents agreed that the Council should continue to support town centres and retail businesses within Rhondda Cynon Taf
- 84.6% of respondents agreed that providing additional support towards the payment of Non Domestic (Business) Rates through a local discretionary relief is a positive way of helping sustain Town Centres and Retail Businesses
- 76.9% of respondents agreed with The Council's proposal to use the same qualifying criteria for this local scheme as that used for the Welsh Government High Street and Retail Rate Relief Scheme

- 62.5% of respondents agreed that £300 per qualifying business is an appropriate discretionary relief

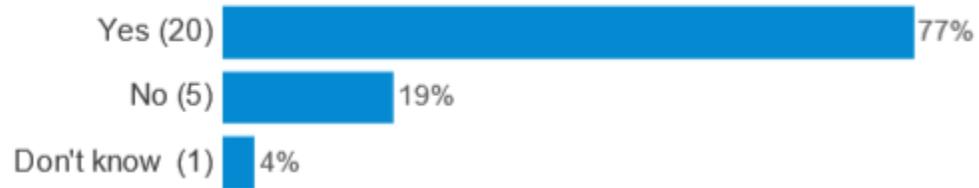
Do you agree that the Council should continue to support our Town Centres and Retail Businesses within Rhondda Cynon Taf ?



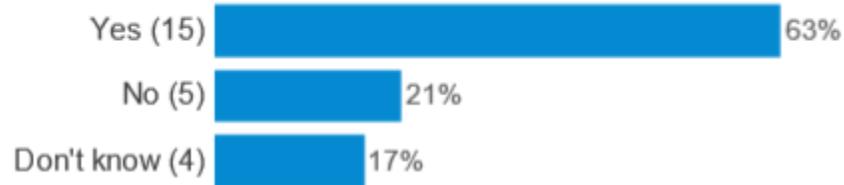
Do you agree that providing additional support towards the payment of Non Domestic (Business) Rates through a local discretionary relief is a positive way of helping sustain our Town Centres and Retail Businesses?



Do you agree that the above qualifying criteria is appropriate?



Do you think that £300 per qualifying business is appropriate, taking into account the council's other service pressures and investment priorities?



Views on how the Council might further or alternatively support our town centres and retail businesses

This should be done ASAP

you could offer free rent for a trial time to see if business could get established also I have been shocked at the high rates you charge at the craft centre/model house Llantrisant. please consider reducing rate, i as a tax payer would rather see these unit & others like in use rather than empty & deteriorating !!!! it will aid regeneration of our towns.

Reduce car parking fees or introduce free parking after 10am - if even for only 3 or 4 hours

See below.

In what way discretionary ? Businesses should pay towards upkeep of the local community.

Changes to planning regulations are needed to stop national chains 'hoovering-up' small businesses. I am lucky enough to live in Treorchy (which is doing well) but if ever a weatherspoons, Tesco or Starbucks move in we'll end up like Tonypany (and no-one wants that).

Consider zero rate for new businesses for 2-3years.

Through more careful planning decisions, trying to ensure there is a more varied and versatile type of shop/business..

Organise and communicate communal opening hours in return for the discounts. Shops opening hours change daily and reduce trade. On a Saturday many shops close early, others are open until two and others are open until four or five. Would just like predictability.

Charge owners of empty retail / commercial land and properties empty building fees 100% same as the proposed residential charges.

Properties used for domestic and non domestic purposes should be exempt from business rates to encourage start ups.

Any help to businesses in general is great. More support is needed for martial art businesses, we give such great value to health and fitness members of the public and its not being heard enough.

local small independent businesses should have 100% relief. There is already tremendous pressure on independent shops on the high street and the business rates bill could make these businesses close and then that has a detrimental effect on our high street. Shops such as cross-nation travel agents like Tui/Greggs/Banks etc should pay rates as they make huge profits nationwide unlike small shops who only trade in the community. They are ones who need help not businesses of their profit. Make the criteria profit based not size of property

Additional comments:

Whilst in principle I agree with assistance for small business, I do wonder if the money is needed more elsewhere e.g. social care. I admit that our town centres are dying off, but I'm not certain that financial assistance for business rates for small business is what will save it. Town centres are dying because people don't use them, we're all guilty of flooding to retail parks or shopping online, before heading to the town centre to shop. This is what kills off small businesses, so I'm not entirely certain financial relief of £300 will make any difference. To be clear, this is the fault of us as consumers, not the local authority.

I am generally supportive of the proposals but I think petrol stations and take-aways should be excluded; both are bad for the environment and take-aways can contribute to the obesity epidemic.

No rates for first twelve months of a new business.

Fees needed for empty properties to pay for the relief for properties in use. The empty and damaged properties need to be charged 100% in addition to the normal council/business rate to be in line with new proposed changes for residential charges.

We run a Local business on aberaman ind. est. Would that apply to us? All small business could do with more support.