

Subject: GREAT YARMOUTH TOWN CENTRE BUSINESS RATES RELIEF

Report to: Great Yarmouth Town Centre Masterplan Members Working Group 11 March 2019

Policy and Resources Committee 19 March 2019

Report by: Stuart Brabben – Revenues Manager

SUBJECT MATTER/RECOMMENDATIONS

1. That this Committee approves the Business Rates Relief Scheme for the Town Centre contained in Appendix A and to the addition of this scheme to the current Business Rates Relief Guidelines.
2. This report asks the Committee to delegate authority to the Section 151 Officer and the Development Director to;
 - (a) Approve relief applications, and
 - (b) Make any amendment to these guidelines to ensure a consistent approach in the awarding of relief is maintained and that it continues to support the policy objectives of the Council.

1. INTRODUCTION

- 1.1 The Council's Town Centre Master Plan (May 2017) outlines the priorities for this area. Particular reference in this plan is made to the Town Centre Vision, that "by 2025 new investment and employment in the town centre is generating renewed pride in Great Yarmouth and building confidence for the future. Also contained in the vision are six objectives to enable the Council to work with partners to bring the vision to life"

The six objectives are:

- Strengthening the heart of the town centre
- Improving the markets and Market Place
- Transforming the Conge
- Creating a sense of arrival in the town centre
- Unlocking the potential of Hall Quay
- Linking it all together.

- 1.2 A key action within the plan is business growth and inward investment by the targeting of the reoccupation of empty retail units within the town centre area. These business rates relief guidelines aim to incentivise that ambition.
- 1.3 Business growth and inward investment may also result in additional Business Rates income for the Council following the expiry of the reduction.

2. BUSINESS RATES RELIEF

- 2.1 Local authorities have the power to grant discretionary rate relief to organisations that meet certain criteria. Traditionally, this has been awarded to charitable bodies, community amateur sports clubs and not for profit organisations. On the introduction of the Localism Act 2011, discretionary relief is now also available to any organisations (subject to state aid rules) and that the assistance given provides benefit to the council tax payers of the authority.

3. OVERVIEW OF THE SCHEME

- 3.1 The aim of this scheme is to promote and incentivise the occupation of empty premises in the location of Great Yarmouth Town Centre.
- 3.2 In general terms the owner or ratepayer of an existing business premises or in particular a retail unit within the area shown in Appendix A will be eligible to apply for this relief if;
- The property has been unoccupied for more than three years,
 - The rateable value of the property is greater than £12,000
 - The owner provides a clear and detailed business plan of how they will develop the property, so it is occupied by a business within two years from the first day of the award of the relief; and
 - The new business must occupy and trade from the property for a continuous period of at least one year
- 3.3 This scheme will commence from 1 April 2019
- 3.4 The scheme will be reviewed on an annual basis for its effectiveness in achieving the aims of the scheme

4 FINANCIAL IMPLICATIONS

- 4.1 Business rates income forms part of the core funding of the Council and any relief reduces the income of the council and impacts other service provision. The granting of any relief under this scheme will therefore be assessed against the affordability to the Council and how the business will contribute to the delivery of the ambitions as published in the Councils Great Yarmouth Town Centre Masterplan. In determining whether any relief can be awarded relief will only be granted if it would be reasonable to do so having regard to the interests of Council Tax payers in the Borough. In assessing whether it is in the best interests of tax payers specific reference will be made to the priorities and actions contained within the Masterplan and other related corporate priorities.
- 4.2 The current direct cost impact of the award of any relief will be based on the current

rate retention guidelines. Central Government would fund 50%, Norfolk County Council 10% and the Council 40%. Under national proposals from 2020/21 there will be a greater share of the business rates retained locally, and therefore any increase to the amount retained by the Borough Council will result in the additional cost of the relief.

- 4.3** Specific budget provision is required to finance this scheme. However, in the context of the Council's funding the relief is effectively a reduction in income rather than a direct cost. As part of approving the 2019/20 budget the Council approved the earmarking of £100,000 for an Empty Business Property Initiative Fund which will be used to fund the impact of the relief.

5 RISK IMPLICATIONS

- 5.1** There is a risk that the applications for the relief would be in excess of the fund available, this will be mitigated by the monitoring of the applications for the relief and awards only being approved in line with the available fund. Further extension or increasing the funds available for the relief will be considered for approval when appropriate.
- 5.2** There is a risk that should a relief be granted and the property is not occupied in the required timescale, then the relief has not achieved the intended purpose, this would be monitored as part of the granting of the relief and could lead to the relief being withdrawn.

6.0 RECOMMENDATIONS

- 6.1** That this Committee approves the scheme contained in Appendix A and to the addition of this scheme to the current Business Rates Relief Guidelines.
- 6.2** This report asks the Committee to delegate authority to the Section 151 Officer and the Development Director to;
- (a) Approve relief applications, and
 - (b) Make any amendment to these guidelines to ensure a consistent approach in the awarding of relief is maintained and that it continues to support the policy objectives of the Council.

| Area for consideration | Comment |
|-------------------------------------|-------------------------------|
| Monitoring Officer Consultation: | None |
| Section 151 Officer Consultation: | Section 151 Officer consulted |
| Existing Council Policies: | Town Centre Masterplan |
| Financial Implications: | As detailed in the report |
| Legal Implications (including human | As above |

| | |
|----------------------------------|------|
| rights): | |
| Risk Implications: | |
| Equality Issues/EQIA assessment: | None |
| Crime & Disorder: | None |
| Every Child Matters: | None |

Great Yarmouth Town Centre Business Rate Relief Scheme

1. Introduction

Local authorities have the power to grant discretionary rate relief to organisations that meet certain criteria. Traditionally, this has been awarded to charitable bodies, community amateur sports clubs and not for profit organisations.

On the introduction of the Localism Act 2011, discretionary relief is now also available to any organisations (subject to state aid rules) and that the assistance given provides benefit to the council tax payers of the authority.

Business rates income now forms part of the core funding of the Council and any relief reduces the income of the council and impacts other service provision. The granting of any relief under this scheme is therefore assessed against the affordability to the Council and how the business will contribute to the delivery of the ambitions as published in the Councils Great Yarmouth Town Centre Masterplan.

The overarching vision contained in the Masterplan is that by 2025 new investment and employment in the town centre is generating renewed pride in Great Yarmouth and building confidence for the future. One of the six key objectives is to strengthen the heart of the town centre with a range of new occupiers and operators. These business rates relief guidelines aim to incentivise that ambition.

2. Legislative Framework

Section 47 of the Local Government Finance Act 1988 provides for local authorities to have a discretionary power to award rates relief to organisations that are liable to pay non-domestic rates.

Section 69 of the Localism Act amended section 47 to give local authorities the power to grant relief in any circumstances. However, this is subject to the condition the local authority may only grant relief if it would be reasonable to do so having regard to the interests of Council Tax payers in its area.

3. Purpose and Objectives

The purpose of these guidelines are to specify how the council will operate its discretionary powers under the Local Government Act 1988 and to indicate the factors it will consider when deciding if relief can be awarded.

The policy is intended to provide a simple and transparent process that aligns awards of discretionary relief with the Councils corporate objectives including the Great Yarmouth Town Centre Masterplan (May 2017).

4. Award Criteria

The Great Yarmouth Town Centre Master Plan (May 2017) outlines the priorities for this area. In determining whether any relief is in the best interests of tax payers the Council will make specific reference to the priorities and actions contained within the plan and other related corporate priorities.

Particular reference is made to the Town Centre Vision that “by 2025 new investment and employment in the town centre is generating renewed pride in Great Yarmouth and building confidence for the future and its six objectives that will enable the Council to work with partners to bring the vision to life”

The six objectives are:

- Strengthening the heart of the town centre
- Improving the markets and Market Place
- Transforming the Conge
- Creating a sense of arrival in the town centre
- Unlocking the potential of Hall Quay
- Linking it all together.

A key action within the plan is business growth and inward investment by the targeting of the reoccupation of empty retail units within the town centre area.

5. Applications for Town Centre Discretionary Rate Relief

Applications must be made in writing

The application must illustrate a complete picture of what is planned and the benefit it would have to the community

The evidence needs to include:

- The business case for the proposal and why the business rates relief is required and the difference the relief will make to the proposal
- What the rate relief will contribute to make the property more attractive for businesses to occupy
- Other funding streams that have also been explored and the results or current position of them
- Financial information of the company applying for the relief, including income and expenditure or final accounts
- The completion of the Relief Application form
- The completion of a State Aid declaration in Appendix B

The application and form must be completed by the ratepayer or a person authorised to act on their behalf

The Council will have the right to request any reasonable evidence in support of the application and to verify the information third parties if required

All information supplied will be dealt with in the strictest confidence

6. Payment of Relief for Businesses

Relief is granted in the form of a reduction to business rates liability. The relief will be credited directly to the businesses business rates account.

The applicant must inform the Council of any change in circumstances that affects the award of relief. In particular, this would be further assistance given that impact on the financial standing of the company or eligibility for financial assistance including state aid.

The Council will recover all overpayments of discretionary rate relief through the organisations business rates account

Any business that ceases trading will become liable for the full rates payable from the commencement of the relief.

7. Notifications

The decision on whether to award the relief will be decided jointly by the Director of Finance (Section 151 Officer) and the Development Director.

The Council will inform the organisation of the outcome of their application for Discretionary Rate Relief.

Where the application is not successful, the notification will provide reasons why we have decided not to award the discretionary rate relief

Where the application is successful the notification will include the following

- The period of the award
- The percentage of rates liability awarded for that period
- The value of the rate relief to be awarded for that period
- An amended business rates demand notice

8. Right of Appeal

The amount of award is at the discretion of the Council and we may only grant relief if it would be reasonable to do so having regard to the interests of council tax payers in its area.

No formal right of appeal exists

9. Fraud

The Council is committed to the prevention of fraud. Any organisation that fraudulently tries to apply for discretionary rate relief by falsely declaring their circumstances or providing a false statement or evidence in support of their application may have committed an offence under the Theft Act 1968. Where the Council suspects that such a fraud may have occurred, the matter will be investigated as appropriate and this may lead to criminal proceedings being instigated.

10. Review

These guidelines will be reviewed periodically taking into account Council policies and priorities and changes in legislation.

11. State Aid Rules

State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers will amount to State Aid. However Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013)¹.

The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years).

To administer De Minimis it is necessary to establish that the award of aid will not result in the undertaking having received more than €200,000 of De Minimis aid. Note that the threshold only relates to aid provided under the De Minimis Regulations (aid under other exemptions or outside the scope of State Aid is not relevant to the De Minimis calculation).

12. Great Yarmouth Town Centre Business Rates Relief Scheme Qualifying Criteria

The Council will operate a specific scheme to promote the occupation of empty premises in the location of Great Yarmouth Town Centre (see a map of the area where this relief can be applied at the end of this annex).

Essential Criteria

- (a) The owner/ratepayer of an existing empty business premises or retail unit (within the applicable area) will be eligible for business rates relief if;
 - (i) Their property has been empty and unoccupied for three years or more
 - (ii) The rateable value of the property is greater than 12,000
 - (iii) The owner provides a clear and detailed business plan of how they will develop the property, so it is occupied by a business within 2 years from the first day of the award of relief
 - (iv) Once the property is occupied, the occupation of the property must be for a continuous period of two years.

For this purpose the occupation of the property cannot be by a charity, betting shop, pawnbrokers, and pay day loan shops. This is not an exhaustive list and other types of business could also come into this category. Also, it must be a new business to the town centre area or the expansion of an existing one into additional or larger premises within the town centre area

Occupation for the purposes of this relief means that the business is trading consistently from the premises within the normal trading times and periods of the town centre area

If;

- (i) the property is not occupied within the 2 years of the rate relief being awarded, or
- (ii) If the Council considers that the trading at the premises does not meet the criteria for normal trading times and periods

Then the relief will be reclaimed and recovered through the business rate account.

13. Value of relief

Subject to the above criteria being met, the Council will provide from the date of application a maximum amount of discretionary relief for one fixed financial year period, of 50% in year 1 and 25% in year 2 to a maximum value of £50,000 in year 1, as long as the conditions are met.

14. Prioritisation

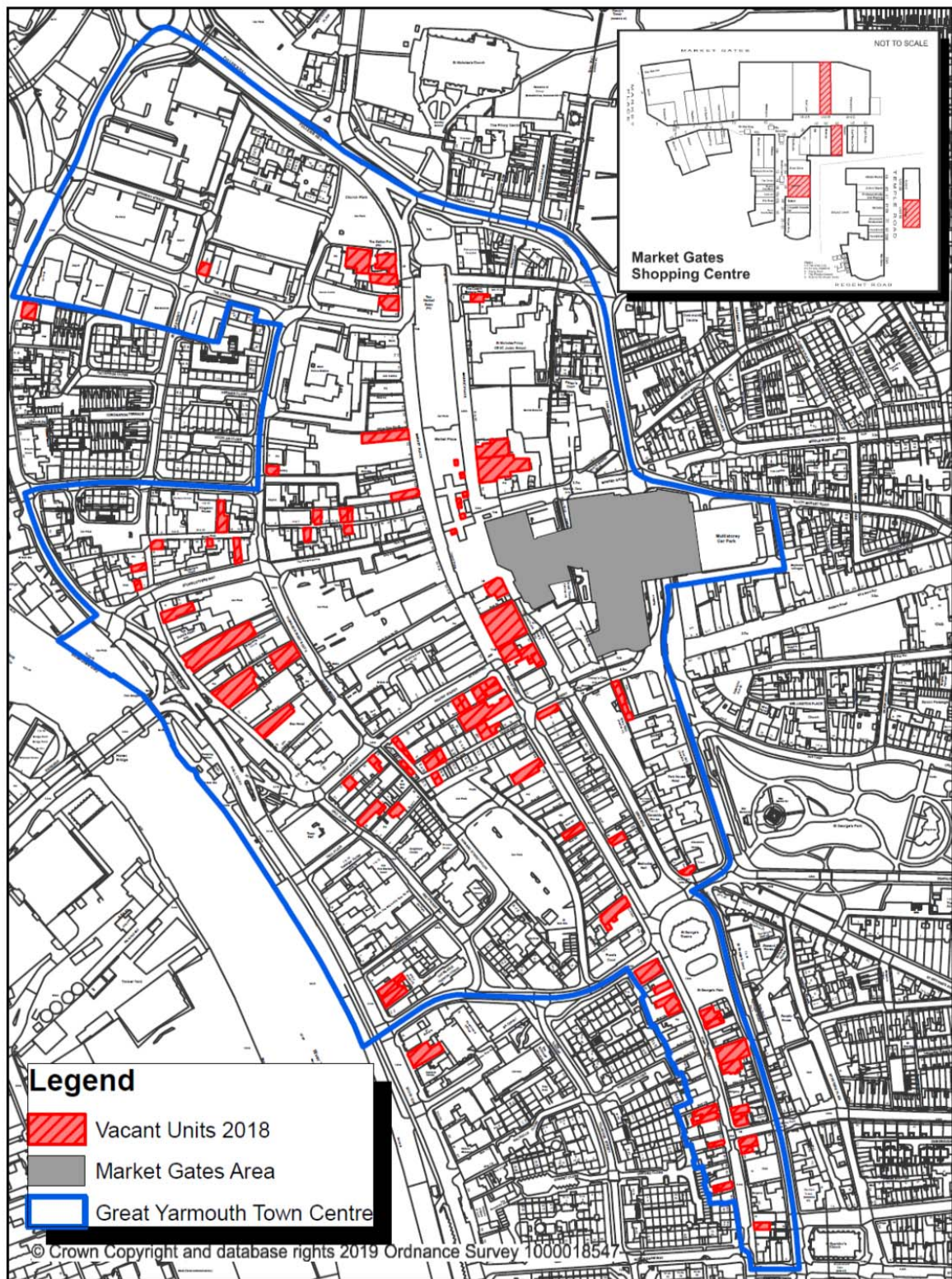
In considering applications that meet the above essential criteria, priority consideration will be given to the following factors;

- (i) Empty retail units or business premises on ground floor locations in priority areas as described in the Great Yarmouth Town Centre Masterplan.

- (ii) In the business case provided to the Council, the level of a proposed financial contribution to be made by the owner to the new business occupying the premises (i.e a rent free period)

If other rate discounts or reliefs are available, these will be applied first before any relief approved through this scheme.

Town Centre Business Rates Relief Area (From April 1st 2019)



GREAT YARMOUTH
BOROUGH COUNCIL

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Town Hall, Hall Plain
Great Yarmouth, Norfolk, NR30 2QF
Customer Contact Centre Tel. (01493) 856100
E-mail: localplan@great-yarmouth.gov.uk
Web: www.great-yarmouth.gov.uk



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| Date: 04/03/2019 |
| User Name: aparnell |
| Drawing No.: |
| Scale @ A4: 1:4,005 |

Appendix B – State Aid Questionnaire



State Aid Eligibility Questionnaire

Please complete the following boxes to confirm that you are eligible for this free support:

| | | | |
|--|---------------------|--|----------------------|
| 1. Applicant details and State Aid Eligibility | | | |
| Name of company: | | | |
| Address: | | | |
| Name of contact and position in company: | | | |
| Postcode: | | Phone number: | |
| Do other firms own more than one quarter of your company? If so please state name and address Yes <input type="checkbox"/> No <input type="checkbox"/> | | | |
| Has the company received any de minimis aid in the last two and current fiscal years?* | | | |
| Yes <input type="checkbox"/> No <input type="checkbox"/> | | | |
| If 'yes' please provide further details below: | | | |
| I confirm that _____ (name of undertaking) has received the following De Minimis aid during the previous 3 fiscal years (this being the current fiscal year and the previous two fiscal years): | | | |
| Organisation providing the Assistance/ Aid | Value of Assistance | Date of Assistance | Nature of Assistance |
| | | | |
| | | | |
| | | | |
| Declaration: | | | |
| I acknowledge that I am authorised to sign on behalf of _____ (name of undertaking) and understand the requirements of De Minimis (EC Regulations 1998/2006). | | | |
| _____ (name of undertaking) is not a business "in difficulty" as defined at 2.1 of the Community Guidelines and State Aid for Rescuing and Restructuring Firms in Difficulty (2004/C22/02) at the date of this declaration. By signing below, I confirm that I represent _____ (name of undertaking) and that the information set out above is accurate for the purposes of the De Minimis exemption. I understand that State Aid Eligibility will be reviewed on an annual basis. | | | |
| Signed: | | | Date: |
| Position within firm: | | | |
| | | | |
| For office use only | | | |
| Rates relief eligibility criteria satisfied: | | Yes <input type="checkbox"/> No <input type="checkbox"/> | |
| Name of project: | | | |
| Signed project manager: | | | Date: |
| PRINT NAME: | | | |

*Financial Years

Privacy Notice

At Great Yarmouth Borough Council we take your privacy seriously and will only use your personal information to provide the services requested from us. The personal information you have provided will be used to process Business Rates & Business Improvement Districts and will be processed in accordance with the General Data Protection Regulations (GDPR). It has been collected under Article 6(1)(e) also known as Public Task. If you require any further information please go to the web link below <https://www.great-yarmouth.gov.uk/privacy/business-rates-and-bids> or write to the Data Protection Officer, Great Yarmouth Borough Council, Hall Plain, Great Yarmouth, NR30 2QF