



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 and 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