

Public Document Pack



Hinckley & Bosworth
Borough Council

Bill Cullen MBA (ISM), BA(Hons) MRTPI
Chief Executive

Date: 10 October 2017

To: Members of the Executive

Mr MA Hall (Chairman)
Mr K Morrell (Vice-Chairman)
Mr RG Allen
Mrs MA Cook

Mr C Ladkin
Mr M Nickerson
Mrs MJ Surtees
Mr P Wallace

Copy to all other Members of the Council

(other recipients for information)

Dear Councillor,

There will be a meeting of the **EXECUTIVE** in the De Montfort Suite - Hub on **WEDNESDAY, 18 OCTOBER 2017 at 6.30 pm** and your attendance is required.

The agenda for the meeting is set out overleaf.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R Owen'.

Rebecca Owen
Democratic Services Officer

EXECUTIVE - 18 OCTOBER 2017

A G E N D A

1. APOLOGIES
2. MINUTES (Pages 1 - 2)
To confirm the minutes of the meeting held on 23 August 2017.
3. ADDITIONAL URGENT BUSINESS BY REASON OF SPECIAL CIRCUMSTANCES
To be advised of any additional items of business which the Chairman decides by reason of special circumstances shall be taken as matters of urgency at this meeting.
4. DECLARATIONS OF INTEREST
To receive verbally from Members any disclosures which they are required to make in accordance with the Council's code of conduct or in pursuance of Section 106 of the Local Government Finance Act 1992. **This is in addition to the need for such disclosure to be also given when the relevant matter is reached on the agenda.**
5. QUESTIONS
To hear any questions in accordance with Council Procedure Rule 12.
6. ISSUES ARISING FROM OVERVIEW & SCRUTINY
(If any)
7. LOCAL LETTINGS POLICY (Pages 3 - 12)
To inform members of the acquisition of 6 new apartments at Ferry Pickering Close Hinckley and completion of 30 new council dwellings at Southfield Road Hinckley, and to request a local lettings policy be introduced for allocation of these properties
8. BUSINESS RATES ENTERPRISE ZONE RELIEF POLICY (Pages 13 - 34)
To inform the committee of business formalisation of the council's Enterprise Zone relief policy arrangement.
9. BUSINESS RATES DISCRETIONARY RELIEF - NEW BUSINESS INVESTMENT INCENTIVE (Pages 35 - 40)
To inform members of a proposed change to the discretionary business rates relief policy to encourage inward investment into the area by new businesses.
10. BUSINESS RATES RELIEF SCHEMES 2017/18 (Pages 41 - 46)
To advise Members of additional business rate relief schemes arising from the Government's Spring Budget and to agree the recommendations below.
11. BUSINESS RATES 100% RETENTION PILOT (To Follow)
12. ANY OTHER ITEMS OF BUSINESS WHICH THE CHAIRMAN DECIDES HAVE TO BE DEALT WITH AS MATTERS OF URGENCY

Agenda Item 2

HINCKLEY AND BOSWORTH BOROUGH COUNCIL

EXECUTIVE

23 AUGUST 2017 AT 6.30 PM

PRESENT: Mr MA Hall - Chairman
Mr K Morrell – Vice-Chairman
Mrs MA Cook, Mr C Ladkin and Mr M Nickerson

Members in attendance: Councillors Mr RG Allen, Mr RB Roberts, Mrs H Smith, Mr BE Sutton, Mr R Ward, Mr HG Williams and Ms AV Wright

Officers in attendance: Steven Merry, Rebecca Owen, Rob Parkinson and Sharon Stacey

114 APOLOGIES

Apologies for absence were submitted on behalf of Councillor Surtees.

It was noted that Councillors Boothby and Rooney had ceased to be members of the Executive since the agenda was dispatched.

115 MINUTES

On the motion of Councillor Ladkin, seconded by Councillor Nickerson, it was

RESOLVED – the minutes of the meeting held on 28 June 2017 be confirmed and signed by the Leader.

116 DECLARATIONS OF INTEREST

No interests were declared at this stage.

117 ENVIRONMENTAL HEALTH COMMERCIAL SERVICE PLAN

Members received a report which sought approval of the Environmental Health Commercial Services Enforcement Service Delivery Plan for 2017/18 as required by the Food Standards Agency and the Health and Safety Executive.

Achievements during the previous year were highlighted and officers were thanked for their hard work. It was moved by Councillor Morrell, seconded by Councillor Hall and

RESOLVED – the Environmental Health Commercial Services Enforcement Service Delivery Plan 2017/18 be approved.

(The Meeting closed at 6.35 pm)

CHAIRMAN

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Hinckley & Bosworth Borough Council

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

Executive 18 October 2017

WARDS AFFECTED: Hinckley Castle

LOCAL LETTINGS POLICY

Report of Director (Community Services)

1. PURPOSE OF REPORT

- 1.1 To inform members of the acquisition of 6 new apartments at Ferry Pickering Close Hinckley and completion of 30 new council dwellings at Southfield Road Hinckley, and to request a local lettings policy be introduced for allocation of these properties.

2. RECOMMENDATION

- 2.1 That the Executive approves:
- the adoption of a local lettings policy for both schemes in order to encourage a balanced and sustainable community
 - that the local lettings policy for Ferry Pickering Close is reviewed on an annual basis
 - that the local lettings policy for Southfield Road is used for the first lettings of the properties only.

3. BACKGROUND TO THE REPORT

- 3.1 The Housing Act 1996 allows local authorities to introduce local lettings policies in their areas as an important part of Council's ability to respond to local need. It applies to a defined geographical area and is usually applied for a limited time. This gives flexibility within the allocations system to respond to a specific set of circumstances. It is commonly used to address areas suffering from high levels of anti social behaviour but is also an important tool to assist in ensuring developments achieve a balanced community, or to allow local residents to remain within their community as their housing needs change.

- 3.2 However there is an obligation on councils to ensure that overall, allocations should be to people in the reasonable preference categories and that local lettings policies do not discriminate directly or indirectly, on racial or other equality grounds. Therefore they can only be applied to a limited part of the local authority's stock.

- 3.3 A local lettings policy works within the local authority's existing allocations policy, usually by adding an extra requirement to the existing criteria in the policy. Where new developments come forward, and a number of new properties become available to let within a short space of time, a local lettings policy can be useful:
- to help create stable communities by balancing the number of residents with high level and complex needs with lower need households.
 - by giving opportunities to home seekers on lower priority bands on the housing register to bid for housing
 - in creating a sustainable scheme thereby reducing the turnover of stock, which in itself can cause management problems and a negative perception of the scheme.
- 3.4 The intention for both of the local lettings policies attached in the appendices, is to reserve some of the available properties to people across all needs bands on the Housing Register. Within these categories, housing eligibility will comply with the conditions set out in the Housing Allocations Policy.
- 3.5 Ferry Pickering Close, Hinckley
This scheme is developed on the old Jarvis Porter site off Coventry Road, Hinckley. The developer was unable to engage a Registered Provider to buy the affordable housing on site and so the Council has taken possession of 6 x 1 bed roomed flats in a single self contained block. The local lettings policy will reserve 2 apartments for priority needs, 2 for high needs, one for medium needs and 1 for a low need household. The policy will be monitored and reviewed on an annual basis.
- 3.6 Southfields Road Hinckley
This is a development of 68 properties on the Richard Roberts factory site next to the railway station in Hinckley. All 68 properties are for affordable housing, 38 to be owned by Nottingham Community Housing Association and 30 will be affordable rented homes owned by the council. The council properties consist of:
- 12 x 1 bed flats
 - 7 x 2 bed houses
 - 8 x 3 bed houses
 - 3 x 2 bed bungalows
- The properties owned by Nottingham Community Housing Association consist of 21 properties for rent and 17 houses for shared ownership. All of the rented housing on site should be completed by January 2018.
- 3.7 As the scheme at Southfield Road consists of a number of property types including family housing, the local lettings policy will apply to the first allocation of the council housing only. Subsequent lettings will comply with the Housing Allocations Policy and the vacancies will go to the bidder with the highest priority.
- 3.8 The local lettings policy for Southfield Road allocates across the priority, high, medium and low needs bands for each property type. Overall, of the 30 properties, 10 will be allocated to priority needs applicants, 10 to high priority needs applicants. 4 to medium needs, 1 to medium or low needs and 5 to low needs applicants. This ensures that households with the highest needs will still receive the majority of the lettings on the site. Allocation of the different needs categories will be pepperpotted to achieve a mix of needs bands across the site.

- 3.9 There are currently 1276 households on the waiting list. The table below shows the bedroom size they are eligible for, and the number of people in each needs band.

Property size	Priority band	High band	Medium band	Low band	Total
1 bedroom	20	62	329	266	677
2 bedrooms	15	31	138	261	445
3 bedrooms	3	7	31	92	133
4 or more bedrooms	2	2	3	14	21
Total	40	102	501	633	1276

4. EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES

- 4.1 This report will be taken in public session.

5. FINANCIAL IMPLICATIONS [TF]

- 5.1 The new properties will be included in the rent setting process for 2018/19. The income from properties will be in the of £136,000 per annum.

6. LEGAL IMPLICATIONS [AR]

- 6.1 The Council needs to ensure that the Local Lettings Policy is introduced in accordance with the requirements of Part 6 of the Housing Act 1996 and associated legislation and guidance. The Local Lettings Policy is intended to assist with the allocation of new properties in the borough as above and, as such, needs to be compliant with the relevant statutory provisions.

7. CORPORATE PLAN IMPLICATIONS

- 7.1 The delivery of new council housing supports the following aims of the Corporate Plan 2017 – 2020:
- Places: 4) Improve the quality of existing homes and enable the delivery of affordable housing

8. CONSULTATION

- 8.1 Elected Members for Hinckley Castle Ward have been consulted.

9. RISK IMPLICATIONS

- 9.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.
- 9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

9.3 The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
A local lettings policy may exclude people in need from accessing accommodation	Some properties will still be reserved for priority cases. The policy will be monitored and reviewed annually.	Director (Community Services)

10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

10.1 The schemes are both in the urban area of the Borough and therefore do not impact on rural services. Affordable housing is provided to meet the needs of vulnerable people who cannot afford to meet their needs through the open market.

11. CORPORATE IMPLICATIONS

11.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Procurement implications
- Human Resources implications
- Planning implications
- Data Protection implications
- Voluntary Sector

Background papers: Appendix 1: Local Lettings Policy Ferry Pickering Close
 Appendix 2: Local Lettings Policy Southfield Road

Contact Officer: Valerie Bunting x 5612
 Executive Member: Councillor P Wallace

LOCAL LETTINGS POLICY FOR NEW DEVELOPMENT	
Scheme	Ferry Pickering Close, Hinckley, Leicestershire LE10 0YN
Landlord	Hinckley and Bosworth Borough Council
Acquisition Date	11 th May 2017
Properties covered by the Local Lettings Policy	<p>Total of 6 general needs properties; 2 x 1 bed ground floor flats No. 39 & 41 2 x 1 bed first floor flats No. 43 & 45 2 x 1 bed second floor flats No. 47 & 49</p> <p>Lettings will be at Social Rents. This Local Lettings Policy covers arrangements for the allocation of the rented units within this scheme only.</p>
Purpose of this Local Lettings Policy	<p>Hinckley and Bosworth Borough Council is committed to creating balanced communities and the purpose of this policy is to ensure that the allocations process for these new homes contributes to a sustainable community.</p> <p>The Council's Housing Allocations Policy will remain the overarching mechanism against which eligibility will be determined and allocations made. Applicants will need to satisfy both the Housing Allocations Policy and the Local Lettings Policy in order to be considered for an allocation on this scheme. In accordance with the Housing Allocations Policy a Local Lettings Policy can be produced in addition to encourage the creation of a settled and balanced community.</p>
Marketing	All properties will be advertised on the Council's Choice Based Lettings Scheme. Applicants who may wish to be considered for this scheme will need to be accepted and registered with the Council before the properties are advertised in order to bid.
Allocations Criteria	<p>The Council will seek to create a balanced community by allocating a mix of applicants from different housing need bands across the scheme. Whilst we will continue fulfil our obligations to applicants in reasonable preference categories, applicants in lower housing need bands will also have the opportunity to access new housing that would otherwise be largely unavailable to them. All properties will be allocated in accordance with the Housing Allocations Policy with regard to household eligibility and property type and all the usual criteria will need to be satisfied before an offer can be made. Within each band applicants will be ordered by effective date (length of time within band) and then by registration date.</p> <p>Each property will be advertised individually with the following criteria:</p> <p>1 x ground floor - Priority need band only 1 x ground floor - High need band only Preference to transfer applicants affected by welfare reform i.e spare room subsidy</p>

	<p>1 x first floor - Preference to applicants with clear rent accounts - High need band only Preference to transfer applicants affected by welfare reform i.e spare room subsidy Preference to applicants with clear rent accounts</p> <p>1 x first floor - Medium need only 1 x second floor - Priority need only 1 x second floor - Low Housing Need only</p> <p>Whilst the ground floor flats do not have any support element e.g emergency alarm, they will be available to bid on for applicants who have a need ground floor accommodation as well as applicants who are considered to have a general housing need. If the properties have specific features such as a level access shower or other mobility facilities they will be advertised as such and the relevant preferences will apply as per the Housing Allocations Policy.</p>
Non compliance with the Local Lettings Policy	<p>All properties will be advertised through the Council’s Choice Based Lettings Scheme. However, in some cases it may be necessary for the Council to make a “direct match” or management allocation as described in the Housing Allocations Policy.</p> <p>In the event that insufficient bids are received to meet the requirements for each housing need, a further advert will be placed to give opportunity for applicants who had previously not bid to do so.</p> <p>Allocations for any remaining properties after two advertising cycles which we have been unable to allocate within this Local Lettings Policy, will then be made in accordance with the usual Housing Allocations Policy. This will avoid rent losses and ensure no detrimental impact on the area as a result of properties being left empty long term.</p>
Termination of the Local Lettings Policy	<p>This Local Lettings Policy will apply to first lets on the scheme and to all subsequent lets. There is no set date for termination of this policy.</p>
Monitoring and Review	<p>Hinckley and Bosworth Borough Council will undertake review this Local Lettings Policy on an annual basis.</p>
Equal Opportunities	<p>In producing this Local Lettings Policy, Hinckley and Bosworth Borough Council are required to comply with equality legislation and ensure that there is no unlawful discrimination in the allocation of dwelling.</p>

LOCAL LETTINGS POLICY FOR NEW DEVELOPMENT	
Scheme	Southfield Road, Hinckley
Landlord	Hinckley and Bosworth Borough Council
Acquisition Date	TBC – Handover expected to begin October 2017
Properties covered by the Local Lettings Policy	<p>Total of 30 rented properties;</p> <p>6 x 1 bed ground floor flats No. 8,10,12,15,17,19 Bennett Close, LE10 1BJ</p> <p>6 x 1 bed first floor flats No. 9,11,14,16,18,20 Bennett Close, LE10 1BJ</p> <p>7 x 2 bed houses No. 1,2,3,4,5,6,7 Bennett Row, LE10 1BF</p> <p>8 x 3 bed houses No. 32,33,34,35,36,37,38,39 Bradley Row, LE10 1BF</p> <p>3 x 2 bed bungalows No. 29,30,31 Bradley Row, LE10 1BF</p> <p>Lettings will be at Affordable Rents. This Local Lettings Policy covers arrangements for the allocation of the rented units within this scheme only.</p>
Purpose of this Local Lettings Policy	<p>Hinckley and Bosworth Borough Council is committed to creating balanced communities and the purpose of this policy is to ensure that the allocations process for these new homes contributes to a sustainable community.</p> <p>The Council’s Housing Allocations Policy will remain the overarching mechanism against which eligibility will be determined and allocations made. Applicants will need to satisfy both the Housing Allocations Policy and the Local Lettings Policy in order to be considered for an allocation on this scheme. In accordance with the Housing Allocations Policy a Local Lettings Policy can be produced in addition to encourage the creation of a settled and balanced community.</p>
Marketing	All properties will be advertised on the Council’s Choice Based Lettings Scheme. Applicants who may wish to be considered for this scheme will need to be accepted and registered with the Council before the properties are advertised in order to bid.
Allocations Criteria	The Council will seek to create a balanced community by allocating a mix of applicants from different housing need bands across the scheme. Whilst we will continue fulfil our obligations to applicants in reasonable preference categories, applicants in lower housing need bands will also have the opportunity to access new housing that would otherwise be

largely unavailable to them. All properties will be allocated in accordance with the Housing Allocations Policy with regard to household eligibility and property type and all the usual criteria will need to be satisfied before an offer can be made. Within each band applicants will be ordered by effective date (length of time within band) and then by registration date.

Each property type will be allocated in the following way. Properties may be advertised individually rather than be multiple advert to ensure the necessary criteria can be applied. Initially, successful applicants may not be made aware of the number of the property that they are to be allocated in order to try to ensure a mix of housing need band across each property type.

2 x ground floor 1 bed flats - **Priority need band only**

2 x ground floor 1 bed flats - **High need band only**

Preference to transfer applicants affected by welfare reform i.e spare room subsidy. In such cases, preference to applicants with clear rent accounts

1 x ground floor 1 bed flat - **Medium need band only**

1 x ground floor 1 bed flat - **Low need band only**

Whilst the ground floor flats do not have any support element e.g emergency alarm, they will be available to bid on for applicants who have a need ground floor accommodation as well as applicants who are considered to have a general housing need. If the properties have specific features such as a level access shower or other mobility facilities they will be advertised as such and the relevant preferences will apply as per the Housing Allocations Policy.

Total = 6 x Ground floor flats

2 x first floor 1 bed flats - **Priority need band only**

2 x first floor 1 bed flats - **High need band only**

Preference to transfer applicants affected by welfare reform i.e spare room subsidy. In such cases, preference to applicants with clear rent accounts

1 x first floor 1 bed flat - **Medium need band only**

1 x first floor 1 bed flat - **Low need band only**

Total = 6 x First floor flats

	<p>3 x 2 bed houses - Priority need band only 2 x 2 bed houses - High need band only Preference to transfer applicants affected by welfare reform i.e spare room subsidy. In such cases, preference to applicants with clear rent accounts</p> <p>1 x 2 bed house - Medium need band only 1 x 2 bed house - Low need band only</p> <p>Total = 7 x 2 bed houses</p> <p>2 x 3 bed houses - Priority need band only 2 x 3 bed houses - High need band only 2 x 3 bed house - Medium need band only 2 x 3 bed house - Low need band only</p> <p>Total = 8 x 3 bed houses</p> <p>1 x 2 bed bungalow - Priority need band only 1 x 2 bed bungalow - High need band only 1 x 2 bed bungalow - Medium and Low band only</p> <p>Bungalows are available to bid on for applicants aged 60 or over and applicants aged 40 or over with a need for this type of accommodation. If the properties have specific features such as a level access shower or other mobility facilities they will be advertised as such and the relevant preferences will apply as per the Housing Allocations Policy.</p> <p>Total = 3 x 2 bed bungalows</p>
<p>Non compliance with the Local Lettings Policy</p>	<p>All properties will be advertised through the Council’s Choice Based Lettings Scheme. However, in some cases it may be necessary for the Council to make a “direct match” or management allocation as described in the Housing Allocations Policy.</p> <p>In the event that insufficient bids are received to meet the requirements for each housing need, a further advert will be placed to give opportunity for applicants who had previously not bid to do so. Allocations for any remaining properties after two advertising cycles which we have been unable to allocate within this Local Lettings Policy, will then be made in accordance with the usual Housing Allocations Policy. This will avoid rent losses and ensure no detrimental impact on the area as a result of properties being left empty long term.</p>
<p>Termination of the Local Lettings Policy</p>	<p>This Local Lettings Policy will apply to first lets on the scheme only. Any future relets will be made in accordance with the Councils Housing Allocations Policy.</p>
<p>Monitoring and Review</p>	<p>This Policy will be reviewed throughout the allocation process to ensure that the objectives are being met and a review may be possible if there is a</p>

	need for this type of policy to be applied in the future.
Equal Opportunities	In producing this Local Lettings Policy, Hinckley and Bosworth Borough Council are required to comply with equality legislation and ensure that there is no unlawful discrimination in the allocation of dwelling.



Hinckley & Bosworth
Borough Council

A Borough to be proud of

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

SCRUTINY COMMISSION
EXECUTIVE

9 October 2017
23 August 2017

WARDS AFFECTED: All Wards

BUSINESS RATES ENTERPRISE ZONE RELIEF POLICY

Report of Head of Finance

1. PURPOSE OF REPORT

- 1.1 To inform the committee of business formalisation of the council's Enterprise Zone relief policy arrangements.

2. RECOMMENDATION

- 2.1 That the committee notes the contents of the report, particularly the widening of the interpretation as given at paragraph 3.10.

3. BACKGROUND TO THE REPORT

- 3.1 Enterprise Zones (EZ) were launched by Central Government in 2011 to promote the development and commercialisation of underused sites as well as to promote economic growth and job creation. To encourage this Local Authorities are able to offer businesses trading from an EZ up to 100% business rate discount over a 5 year period, subject to De Minimis rules.. This has been the practice of the council, but it has not had its own interpretation of the requirement in the form of a local policy. The Council were approach by the Leicester & Leicestershire Enterprise Partnership (LLEP) to draft a policy to aid clarity and help promote the EZ.
- 3.2 A policy has been drafted and is attached at appendix 1. The policy is aimed at giving businesses and developers an indication as to the level of EZ relief they may be able to receive. Prior to now, there was no formal policy in place. As growth in the Enterprise Zone is expected to increase significantly in the future, then we need a formal policy. The attached policy has been drafted in consultation with the LLEP and District Chief Executive group.
- 3.3 Following The business rate relief actually granted will be decided based on an application process and will be dependent on the facts presented on a case-by-case basis. Whilst the Enterprise Zones seek to encourage inward investment into the

area applicants should understand there is no automatic entitlement to relief, it will not be available to all.

- 3.4 The MIRA Technology Park Enterprise Zone (MTP EZ) was allocated EZ status in 2011 and is the only transport sector focused Enterprise Zone. An extension to the site was granted as from 1 April 2016.
- 3.5 For the MIRA Technology Park EZ the following business sectors have been targeted:
- transport and supporting sectors,
 - advanced transport manufacturing and engineering,
 - transport based design, and
 - Supportive innovation and R&D sector companies.
 - Ancillary services that contribute to the overall objectives and functioning of the park.
- 3.6 Dependent upon the information provided, applications will be placed into one of the following three categories and decisions regarding EZ relief will be determined by the qualifying criteria specific to each category. Those categories are listed below, and further information is contained in the policy attached:
- 1) New business from outside of Leicester and Leicestershire
 - 2) Relocated or expanding business from within Leicester and Leicestershire
 - 3) Existing business within the Enterprise Zone.
- 3.7 The Enterprise Zone was created to encourage private sector growth. Therefore applications for EZ relief from public or third sector organisations are unlikely to be supported, but decisions will be made on a case by case basis. Furthermore, the local authority is unlikely to support any applications for EZ relief on retail premises in the Enterprise Zone.
- 3.8 The only exceptions to this rule, which is a change to current practice and is at the discretion of the Council, relates to offering relief to support facilities which promote the Enterprise Zone's image as a place of work. This exception includes, but is not restricted to:
- childcare facilities,
 - medical facilities,
 - automated teller machines,
 - or conference facilities with overnight accommodation
- 3.9 Any decision on these exceptions will be made on a case-by-case basis. The main concern for the EZ will be the conference facilities with overnight accommodation as they plan to develop a hotel on the site. Therefore, members will need to balance the potential growth and jobs creation that may be encouraged against the potential loss of business rates income.
- 3.10 Any business, which moves into the Enterprise Zone post 31st March 2018 will not benefit from EZ relief. It is believed that the Government will relax this time restriction, and the policy will be revised if this proves to be the case. All EZ relief granted is subject to De Minimis rules.

4. EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES

4.1 Report to be taken in open session

5. FINANCIAL IMPLICATIONS [AW]

5.1 The policy does not change the level of relief that can be claimed under our current arrangements, but formalises how relief will be awarded and in what instances. There is some expending of the current practice as noted at paragraph 3.9 above.

5.2 Relief under this policy is classed as “state aid.” The European Union regulates state support to businesses, with the aim of ensuring fair competition and proper functioning of the single market. There is yet no indication of how the UK’s withdrawal from the European Union will affect state aid rules.

5.3 Relief is made available under the “de minimis” provisions, which enable governmental bodies such as the Local Authority to provide support, which does not exceed 200,000 euros over a three-year period. At the time of writing, this amounts to around £58,000 per year. Therefore any business awarded this relief will pay less rates in the EZ up to an amount of £58,000 a year. Currently 100% of business rate growth generated in the EZ is retained by the LLEP for investment locally.

6. LEGAL IMPLICATIONS [AR]

6.1 Enterprise zones were introduced through the Non-Domestic Rating (Designated Areas) Regulations 2013. The proposed policy document and recommendations within this report are in accordance with these regulations.

7. CORPORATE PLAN IMPLICATIONS

7.1 The Council's governance arrangements are robust

8. CONSULTATION

8.1 LLEP and District Chief Executives group.

9. RISK IMPLICATIONS

9.1 It is the council’s policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer’s opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
None		

10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

Various reliefs are available for businesses and charities under the business rate regulations.

11. CORPORATE IMPLICATIONS

By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications
- Planning Implications
- Voluntary Sector

Background Papers: Revenues and Benefits Monitoring Reports
Author: Ashley Wilson, Head of Finance ext 5609
Executive Member: Cllr M Hall



Hinckley & Bosworth
Borough Council

Enterprise Zone Business Rates Relief Policy

INTRODUCTION

Enterprise Zones (EZ) were launched by Central Government in 2011 to promote the development and commercialisation of underused sites as well as to promote economic growth and job creation. To encourage this Local Authorities are able to offer businesses trading from an EZ up to 100% business rate discount over a 5 year period, subject to De Minimis rules. In the first round of applications, Local Enterprise Partnerships were invited to submit proposals for large sites mostly located near large cities and areas with high levels of deprivation.

This policy is aimed at giving businesses and developers an indication as to the level of EZ relief they may be able to receive. The relief actually granted will be decided based on an application process and will be dependent on the facts presented on a case-by-case basis. Whilst the Enterprise Zones seek to encourage inward investment into the area applicants should understand there is no automatic entitlement to relief, it will not be available to all.

The MIRA Technology Park Enterprise Zone (MTP EZ) was allocated EZ status in 2011 and is the only transport sector focused Enterprise Zone. An extension to the site was granted as from 1 April 2016.

For the MIRA Technology Park EZ the following business sectors have been targeted:

- transport and supporting sectors,
- advanced transport manufacturing and engineering,
- transport based design, and
- Supportive innovation and R&D sector companies.
- Ancillary services that contribute to the overall objectives and functioning of the park.

Dependent upon the information provided applications will be placed into one of the following three categories and decisions regarding EZ relief will be determined by the qualifying criteria specific to each category. Those categories are listed below:

1. New business from outside of Leicester and Leicestershire
2. Relocated or expanding business from within Leicester and Leicestershire
3. Existing business within the Enterprise Zone.

The Enterprise Zone was created to encourage private sector growth. Therefore applications for EZ relief from public or third sector organisations are unlikely to be supported, but decisions will be made on a case by case basis. Furthermore, the local authority is unlikely to support any applications for EZ relief on retail premises in the Enterprise Zone. The only exceptions to this rule may be support facilities which promote the Enterprise Zone's image as a place of work, including but not restricted to; childcare facilities, medical facilities, automated teller machines or conference facilities with overnight accommodation, but, again, decisions will be made on a case by case basis.

Any business, which moves into the Enterprise Zone post 31st March 2018 will not benefit from EZ relief. It is believed that the Government will relax this time restriction, and the policy will be revised if this proves to be the case. All EZ relief granted is subject to De Minimis rules.

Applications for properties which are used for temporary storage will be decided on a case by case basis.

Where an existing business has been displaced from their ordinary business property as a direct result of the ongoing development of the Enterprise Zone, and the business voluntarily relocates to another property within the Enterprise Zone, the local authority will look on the circumstances favourably and award 100% EZ relief at the new property, subject to state aid limits, to compensate their flexible approach in the interests of the ongoing development of the Enterprise Zone. Such business will not have to satisfy the intended growth or workforce development tests. This is only intended as a one-time award.

1. New business from outside of Leicester and Leicestershire

In order to receive relief the applicant must be able to demonstrate that their business is directly involved in one of the target sectors for the MTP EZ listed above.

Any business moving to the Enterprise Zone from outside of the economic area but which is not directly involved in one of the target sectors as listed above, or does not provide professional, financial or logistical support to them, will be invited to make an application for EZ relief and decisions as to the level of relief granted will be made on a case by case basis.

As a general rule the local authority does not support retail development within the designated Enterprise Zone. However, the local authority will consider applications in limited circumstances. Each application will be considered on its merits against the aims and objectives of the Enterprise Zone, but any award of EZ relief may be less than the 100% maximum. Applicants may receive up to 5 financial year's relief during their occupation of the EZ, up to the end date for the relief.

2. Relocated or expanding business from Leicester and Leicestershire

Any business that wishes to relocate to the Enterprise Zone from a property within the local economic area will be categorised as a 'relocated business'. These businesses can make an application for EZ relief, but relief will only be considered if the applicant can meet a 'growth test' in addition to the sector requirements. This can be demonstrated by way of a business plan to:

- Increase employment by 20% or
- Increase turnover by 20%

Future entitlement to relief would be reviewed if it becomes apparent that plans are not being achieved. Businesses which take on an additional business property within the Enterprise Zone and who continue to occupy premises elsewhere within the Leicester and Leicestershire area will be categorised as an 'expanding business'.

For a 'relocated business' and 'expanding business' moving onto the site before the end date for the relief, up to 100% EZ relief will be available for up to 5 financial years for applicants taking on the new business property and whose business is wholly or mainly engaged in the target sectors.

3. Existing business within the Enterprise Zone

For an existing business already located within the MIRA Enterprise Zone relief may be applied for in relation to an expansion of operations. Relief awarded will be restricted to the rates arising from the consequent increase in rateable value.

Up to 100% EZ relief will be available for businesses located within the Enterprise Zone before the end date for the relief. Applicants may only receive up to 5 financial year's relief during their occupation of the EZ.

Businesses already in receipt of EZ relief will continue to benefit from the award until the end of the relief period.

How the rate relief will be calculated on eligible businesses

In general, the relief will be assessed and calculated on a daily basis. The Enterprise Zone relief will be applied against the net bill after all other reliefs. Where the net rate liability after all other reliefs, but before Enterprise Zone relief, is less than the Enterprise Zone relief, the maximum amount of this relief will be no more than the value of the net rate liability. If at any point in the five year period from the award of relief the premises becomes unoccupied the relief will cease immediately.

If a business has more than one property on the MIRA Enterprise Zone site then relief will be awarded for each property subject to State Aid De Minimis rules (providing all other eligibility is met).

How businesses apply?

The Business occupiers will first need to register for payment of Business Rates by contacting Hinckley and Bosworth Borough Council Business Rates Team, as detailed below, if you are not already registered.

**The Business Rates Team,
The Leicestershire Partnership,
PO Box 10004,
Hinckley,
Leicestershire
LE10 9EJ**

To send an online enquiry to the team click here:

<https://www.hinckley-bosworth.gov.uk/businessratesQ>

Telephone: 01455 255668

If you consider your business might be eligible for relief through this scheme, you will need to complete an EZ Discretionary Rate Relief application form. This is available to complete from our Business Rates Team noted above. Please note that it is the responsibility of the business applying for relief to supply the requisite information to prove eligibility.

Applications will be considered within six weeks of receipt and the applicant will be notified of the outcome by letter/ email.

If you require any further information about this relief scheme, please contact the authority at the above address or via the contact phone number above.

Appeals

In the situation where an application for Enterprise Zone rate relief has been declined, the applicant may submit an appeal for the decision to be reconsidered. An appeal request should be made to the Business Rates Team at the address above, no later than one month after the notification date of the application outcome. The request must clearly state why the decision is considered incorrect and include any additional supporting evidence to that effect. Appeals will be considered by a review panel within six weeks of receipt. The appeal decision will be final.

State Aid

Relief under this policy is classed as “state aid.” The European Union regulates state support to businesses, with the aim of ensuring fair competition and proper functioning of the single market. There is as yet no indication of how the UK’s withdrawal from the European Union will affect state aid rules.

Relief is made available under the “de minimis” provisions, which enable governmental bodies such as the Local Authority to provide support which does not exceed 200,000 euros over a three year period. At the time of writing, this amounts to around £58,000 per year.

The limit applies not just to rate relief granted on a particular property. It applies to all support granted, by any governmental body, to the entire business enterprise. It does not apply to support provided under an EU provision other than the de minimis rules (such as regional investment aid).

Some types of business are excluded from benefitting from the de minimis rules. These exclusions are unlikely to apply to businesses relocating to, or expanding on, the zone but will nonetheless be taken into account by the authority when assessing eligibility to rate relief.

The rules regarding ineligible sectors can be found here:

http://ec.europa.eu/competition/state_aid/legislation/de_minimis_regulation_en.pdf

Legal framework

EZ relief for businesses located within a designated Enterprise Zone is permitted pursuant to section 47 of the Local Government Finance Act 1988, as amended by the Non-Domestic Rating (Designated Areas) Regulations 2013. The decision whether to award relief is discretionary.

Periodic reviews

All awards of EZ relief are subject to periodic review to ensure continued compliance with the aims of this policy. Where an applicant no longer complies with the requirements above the local authority will provide 12 months notice of the withdrawal of the relief.

EZ relief is designed to encourage and assist economic growth. Therefore it is not permissible for a business to move in and out or within the Enterprise Zone to take advantage of the relief

provisions. A cumulative view will be taken of applicants when dealing with applications for relief to ensure the objectives of the Enterprise Zone are being met. This may result in applications for relief being refused.

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**Enterprise Zone
Business Rates Relief Application Form**

MIRA Technology Park Enterprise Zone

Please refer to the MIRA Technology Park Enterprise Zone Business Rates Relief Policy prior to completing this form



**Hinckley & Bosworth
Borough Council**

Contact details				
Business Rates Account Number: (if known)				
Business Rates property address: Property address where you are applying for Enterprise Zone Business Rate Relief. If you are occupying more than one property please provide address of each.				
Company name:				
Contact name:				
Address for correspondence: (if different from the property address above)				
Contact telephone number:				
Contact email address:				
About your business/company				
Does your business fall within the targeted business sectors within the Enterprise Zone relief policy?		Yes		No
If you answered No please provide a brief description of how your business provides support facilities which promote the Enterprise Zone's image as a place of work Please use a separate sheet if required				

Is the company a limited company? Please mark an 'x' as appropriate.		Yes		No	
If yes, please provide your company number:					
If the organisation is part of a group or holding company please provide details of the group's structure in the box below. Please use a separate sheet if required.					
Is the organisation a registered charity? Please mark an 'x' as appropriate.		Yes		No	
If yes, please state:	Registration No.:	Date registered:			
If the business is not a registered company/charity what is your trading status (e.g. sole trader, partnership, self-employed)? Please give name/s of sole trader/partners and trading name:					
Does the business/organisation occupy other premises? Please mark an 'x' as appropriate.		Yes		No	
If you answered yes please provide the full address of each of them. Please use a separate sheet if required.					

The property where you are applying for relief				
If you own the property please state the date of purchase (dd/mm/yy):				
If you hold a lease/tenancy agreement please state:	Date of commencement (dd/mm/yy):			
	Term of the agreement:			
Have you moved into the property? Please mark an 'x' as appropriate.	Yes		No	
If yes, when did you move in (dd/mm/yy)?				
If no, when do you expect to move in (dd/mm/yy)?				
If you are a tenant, please give your landlord's name and address. Please note you must be the rate payer to receive the relief.				
What will the property be used for?				
Growth Test				
Is the business/organisation a new start-up? Please mark an 'x' as appropriate.	Yes		No	
Is the business/organisation new to Hinckley and Bosworth Borough? Please mark an 'x' as appropriate.	Yes		No	

<p>Is the business/organisation an existing Hinckley and Bosworth Borough business/organisation? Please mark an 'x' as appropriate.</p>	<p>Yes</p>		<p>No</p>	
<p>If the business/organisation is an existing Hinckley and Bosworth Borough business/organisation please state how it meets at least one of the following criteria:</p>				
<p>The business has a business plan to increase the number of permanent employees (full time equivalents) by 20% within a 36 month period following locating in the Enterprise Zone. Please mark an 'x' as appropriate.</p>	<p>Yes</p>		<p>No</p>	
<p>The business has a business plan to increase turnover by 20% within a 36 month period following locating in the Enterprise Zone. Please mark an 'x' as appropriate.</p>	<p>Yes</p>		<p>No</p>	
<p>The location of the business within the Enterprise Zone will assist economic growth through another means. Please mark an 'x' as appropriate.</p>	<p>Yes</p>		<p>No</p>	
<p>If you answered yes to any of the above criteria please provide details/evidence in the box below and enclose any relevant documentary evidence with your application form.</p> <p>The Council reserves the right to request further documentary evidence (e.g. audited accounts/business plans) with respect to any responses given.</p>				

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Other information				
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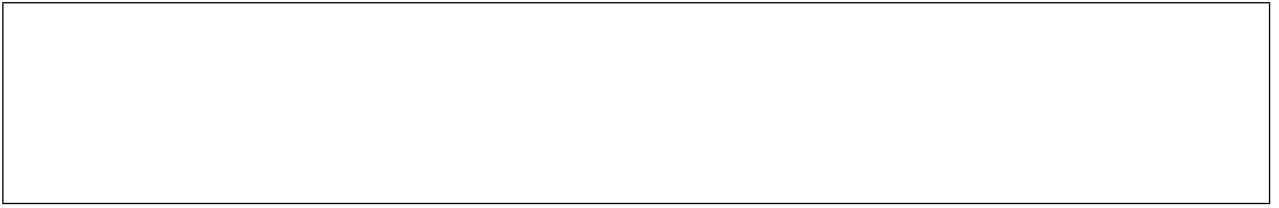
Is the business/organisation planning to recruit locally? Please mark an 'x' as appropriate.	Yes		No	
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Is the business/organisation planning to target any of its recruitment to younger age people (16-25)? Please mark an 'x' as appropriate.	Yes		No	
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If you answered yes to any of the above criteria please provide details/evidence in the box below and enclose any relevant documentary evidence with your application form.

The Council reserves the right to request further documentary evidence (e.g. audited accounts/business plans) with respect to any responses given.

<p style="font-size: 48px; opacity: 0.2; transform: rotate(-30deg);">DRAFT</p>
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State Aid De Minimis declaration

State Aid is financial support that is provided by the State to business organisations.

State Aid rules exist to avoid public funded interventions distorting competition within the European Union. Business Rates Relief is State Aid. Generally State Aid is prohibited and unlawful. However there are a number of exemptions, which if they apply, render the State Aid lawful and permitted. The relevant exemption in respect of this application is De Minimis Aid. For your application to be successful it must fall within the De Minimis Aid criteria. The relevant regulation is the Commission Regulation (EC) No 1998/2006 (De Minimis Regulations).

Under the De Minimis Aid criteria there is a De Minimis Threshold. Where an applicant, parent company or subsidiary receives aid, over a three year period that exceeds the threshold, they will not be entitled to De Minimis Aid.

To decide whether your application is eligible for De Minimis Aid we need to know if you or any company in your group of businesses have received State Aid or if you expect to receive any State Aid in the current financial year or the previous two financial years. Usually where De Minimis Aid has been provided, you will have received a letter informing you that the assistance you were given was given under De Minimis Regulations.

Please note that any Discretionary Business Rate Relief awarded is included in the De Minimis Threshold.

Generally the De Minimis Threshold is €200,000 over the current financial year and the two previous financial years. However, the threshold for undertakings involved in road transport is €100,000. If some aid has been received by the undertaking in previous years but this does not exceed the De Minimis threshold then a partial business rate relief may be granted up to the De Minimis threshold level. The threshold applies to all aid received by a parent company/group of businesses rather than just a subsidiary.

For exchange rate purposes, the Commission's exchange rate should be used as it is or was on the day the aid was granted.

Where the de minimis aid has been applied incorrectly then recovery will be for the full amount of the aid regardless of whether only part of it exceeds the threshold.

De Minimis Aid cannot be given in certain circumstances, these include:

Aid to enterprises in road haulage operations for the acquisition of road freight transport vehicles.

Towards the same costs that are being supported under another block exemption or notified scheme. It is unlawful to provide De Minimis Aid for costs being funded under the State Aid cover of an exemption or notified scheme, if it means the specific allowable aid intensity will be exceeded.

Aid to enterprises in the agricultural sector (with the exception of those active in processing and marketing of agricultural products).

Aid to enterprises active in the coal sector.

Aid to undertakings in difficulty.

Aid for export-related activities, namely aid directly linked to the quantities exported, to the

establishment and operation of a distribution network or to other current expenditure linked to the export activity.

You also need to be aware that if the European Commission considers that you are not eligible for De Minimis Aid the amount of aid awarded will be recoverable from you; with interest. It is therefore important that you are confident that you meet the De Minimis Aid criteria.

The following is not a comprehensive list of all possible forms of State Aid. However, it should give you an indication of common forms of State Aid which you may have been given over the past three years. If you are in any doubt as to whether previous assistance received would constitute State Aid, please raise your concerns with us as soon as possible.

- Business rate reliefs on properties elsewhere in England
- State grants
- Interest rate relief
- Tax relief
- Tax Credits
- State guarantees or holdings
- Direct subsidies
- Tax exemptions

Relevant information and State Aid De Minimis regulations are available at: www.gov.uk/state-aid

Please complete and sign one of the following two State Aid De Minimis declarations. Your application will not be considered without this declaration being completed. This application must be signed by the ratepayer, or where the ratepayer is a company, by an employee of that company – either a director or partner. Without exception, any refund of business rates as a result of this application will be made directly to the ratepayer and not to a third party.

Either

I confirm that the business/organisation or any holding or subsidiary companies has not received/will not be receiving any other De Minimis State Aid for the previous three financial years (this being the current financial year and the previous two financial years)

I acknowledge that I am authorised to sign on behalf of:

NAME OF UNDERTAKING (business name):

I understand the requirements of De Minimis (EC Regulations 1998/2006).

By signing below, I confirm that I represent:

NAME OF UNDERTAKING (business name):

I also confirm that the information set out above is accurate for the purposes of the De Minimis exemption.

Signature:		Name:	
Business name:		Position:	

Or

I confirm that the business/organisation or any holding or subsidiary companies has received/will be receiving other De Minimis State Aid for the previous three fiscal years (this being the current fiscal year and the previous two fiscal years).

Please provide details below.

Organisation providing the assistance/aid:	Value of assistance/aid obtained:	Date of assistance/aid:	Nature of assistance/aid:

I acknowledge that I am authorised to sign on behalf of
NAME OF UNDERTAKING (business name):

I understand the requirements of De Minimis (EC Regulations 1998/2006).

NAME OF UNDERTAKING (business name):

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:

I also confirm that the information set out above is accurate for the purposes of the De Minimis exemption.

Signature:		Name:	
Business name:		Position:	

Declaration

Please complete and sign this declaration. Your application will not be considered without this declaration being completed. This application must be signed by the ratepayer, or where the ratepayer is a company, by an employee of that company – either a director or partner.

- I declare that the information given in this form is complete and accurate to the best of my knowledge and belief.
- I authorise Hinckley & Bosworth Borough Council to make any necessary enquiries to verify the information on this form, within the terms of the Data Protection Act 1988.
- I declare any change that may affect entitlement to this relief will be notified to the Council.
- I realise it is a criminal offence for a ratepayer to give false information when making an application for Business Rate Relief and may result in criminal prosecution.

Name:		Position:	
Signature:		Date:	

How we use your information/Data Protection Disclaimer

The Council uses your personal information in order to administer and enforce Business Rates under the Local Government Finance Act 1988. The authority has a duty to protect public funds it administers, and may use information you have provided on this form for the prevention and detection of fraud. It may also share this information with other bodies responsible for auditing or administering public funds for these purposes.

The Business Rates Team,
 The Leicestershire Partnership,
 PO Box 10004,
 Hinckley,
 Leicestershire
 LE10 9EJ

To send an online enquiry to the team click here:
<https://www.hinckley-bosworth.gov.uk/businessratesQ>

Telephone: 01455 255668

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Hinckley & Bosworth Borough Council

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

SCRUTINY COMMISSION
EXECUTIVE

9 October 2017
18 October 2017

WARDS AFFECTED: All Wards

BUSINESS RATES DISCRETIONARY RELIEF – NEW BUSINESS INVESTMENT INCENTIVE

Report of Head of Finance

1. PURPOSE OF REPORT

- 1.1 To inform members of a proposed change to the discretionary business rates relief policy to encourage inward investment into the area by new businesses.

2. RECOMMENDATION

2.1 That members:

- note the contents of the report,
- agree the adoption of a new incentive policy, and
- agree SLT's preferred option (Option 1) from those noted.

3. BACKGROUND TO THE REPORT

- 3.1 Local Government faces continued uncertainty in relation to traditional funding stream as income from Central Government is reduced. Hinckley and Bosworth Borough Council are dedicated to meeting the ongoing needs of our communities, when faced with these continued pressures on available resources and national government reforms. Therefore like many other Local Authorities we need to consider how we can use our powers to meet the corporate plan aims to "Boost economic growth and regeneration by encouraging investment that will provide new jobs and places to live and work all over the borough."
- 3.2 Therefore like other Local Authorities there is the option to use discretionary relief under section 47 of the Local Government Finance Act 1998 has been amended by the Localism Act 2011 to give councils the power to give a locally determined discretionary discount on business rates. This can be used to encourage new businesses to locate within the borough.

- 3.3 The argument for sensible use of discretionary relief is that it boosts investment in an area, increases employment and the economic performance of an area. The proposed options take this further than the current discretionary relief policy and use this power to attract new businesses to the area by offering larger amounts of discretionary relief on business rates for a set period.
- 3.4 The new policy would require publication on the website with an application form being available.

Option 1: 50% of rates for two years aimed at new businesses to the area and relocating within area for growing businesses

- 3.5 This would be based on giving 50% business rate relief for a period of two years to new businesses relocating into the Hinckley and Bosworth area, or an existing business moving to a larger premise within the same area.
- 3.6 The key criteria are noted in the table below:

Key Criteria	
1)	The establishment of a new business or company within the HBBC area
2)	The creation of new or additional employment opportunities in the area
3)	The relocation of an existing business to a larger premise within the District
4)	No applications can be made in retrospect, i.e. all applications need to be submitted before relocation or investment has taken place
In considering applications that meet the above essential criteria, priority consideration will be given to the following factors:	
(i)	the impact of the business on the local community and environment, is the business one that the Council feels is desirable to have in the area. .
(ii)	whether the organisation provides a significant number of jobs which are likely to result in the recruitment of local people, and will be advertised locally..
(iii)	whether the organisation currently has or plans to provide skills and training for its staff, particularly to upskill its staff and where possible provides apprenticeship opportunities.
(iv)	whether the organisation provides inward investment from a country outside the United Kingdom and is one of the initial companies from that country locating in the HBBC area.

- 3.7 To be eligible for relief the applicants will also have to agree if they leave the area or cease trading within five years they will have pay the council the level of relief given.
- 3.8 An applicant may not be expected to deliver against all of these criteria but will be required to demonstrate that they will make a significant impact on the economy of the Borough and bring community benefit through their combined delivery against these criteria.
- 3.9 The level of any Small Business Rate Relief Scheme discount and any other discounts that the business may be entitled to will be taken into account in determining the level of additional business rates discount under this scheme.

- 3.10 In addition to the criteria set out in the table above, to avoid businesses relocating from other district areas within Leicester and Leicestershire, the scheme would be that the new or expanding businesses should normally:
- represent a new economic activity for the company within Leicester and Leicestershire,
 - represent net new jobs within Leicester and Leicestershire, and
 - not create jobs that have a significant risk of displacing similar employment from existing businesses in the area.
- 3.11 An exception to the considerations noted in paragraph 3.10 can be applied, where relief can be used to prevent businesses leaving the Leicestershire area as part of either a planned expansion of an existing business, or a relocation of an existing business, which would have a negative impact for the economy and employment of the area.

Option 2: Relief given up to 100% of rates over three years aimed at new businesses to the area

- 3.12 The criteria are as for option one, with the exception that there would be no claw back as it is aimed at maximising the ability of the council to offer incentives aimed at attracting new businesses to the area. Also, existing businesses relocating within the Borough would not be eligible.

Option 3

- 3.13 This can be based on a combination of the two approaches note above. For example, 100% relief under option 1, or 50% relief under option 2.

State aid

- 3.14 Relief under any of the options noted above would be classed as “state aid.” The European Union regulates state support to businesses, with the aim of ensuring fair competition and proper functioning of the single market. Relief is made available under the “de minimis” provisions, which enable governmental bodies such as the Local Authority to provide support which does not exceed 200,000 euros over a three year period. At the time of writing, this amounts to around £61,700 per year.
- 3.15 Some types of business are excluded from benefitting from the de minimis rules. These exclusions are unlikely to apply to the policy options noted above, but will nonetheless be taken into account by the authority when assessing eligibility to rate relief.

4. EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES

- 4.1 Report to be taken in open session

5. FINANCIAL IMPLICATIONS [AW]

- 5.1 The options noted extend the current discretionary policy to allow relief to be given above the current £6,000 cap for eligible businesses.

5.2 Relief under this policy is classed as “state aid.” Relief is made available under the “de minimis” provisions, which enable governmental bodies such as the Local Authority to provide support, which does not exceed 200,000 euros over a three-year period. At the time of writing, this amounts to around £61,700 per year. Therefore any business awarded this relief will pay less rates p to an amount of £61,700 a year, with 40% (£24,680) falling upon HBBC. Discretionary relief is not reimbursed via S31 funding from Government.

5.3 This would have to be set against any increase in business rates following the end of the relief policy.

6. LEGAL IMPLICATIONS [AR]

6.1 Set out within the body of this report.

7. CORPORATE PLAN IMPLICATIONS

7.1 The Council's governance arrangements are robust

8. CONSULTATION

8.1 LLEP and District Chief Executives group. There is a duty to consult Leicestershire County Council (LCC), Leicester City Council and the Leicestershire Combined Fire Authority.

9. RISK IMPLICATIONS

9.1 It is the council’s policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer’s opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
None		

10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

Various reliefs are available for businesses and charities under the business rate regulations.

11. CORPORATE IMPLICATIONS

By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications

- Human Resources implications
 - Planning Implications
 - Voluntary Sector
-

Background Papers: Revenues and Benefits Monitoring Reports

Author: Ashley Wilson, Head of Finance ext 5609
Executive Member: Cllr M Hall

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Hinckley & Bosworth Borough Council

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

SCRUTINY COMMISSION	9 October 2017
EXECUTIVE	18 October 2017
WARDS AFFECTED:	All Wards

BUSINESS RATES RELIEF SCHEMES 2017/18

Report of Head of Finance

1. PURPOSE OF REPORT

- 1.1 To advise Members of additional business rate relief schemes arising from the Government's Spring Budget and to agree the recommendations below.

2. RECOMMENDATION

- 2.1 That the Executive notes the introduction of the prescribed schemes detailed below and delegates authority to the Head of Finance to administer:

- a) The Public Houses Relief Scheme and
- b) The Supporting Small Business Relief Scheme.

- 2.3 Approve the Revaluation Discretionary Rate Relief Scheme for 2017-18 at Appendix 1.

- 2.4 Delegate authority to the Head of Finance to administer and award the reliefs in accordance with the Revaluation Discretionary Rate Relief Scheme as outlined in the report including revising the scheme for the subsequent three years.

3. BACKGROUND TO THE REPORT

- 3.1 The rateable values of all non-domestic properties have recently been re-assessed by the Valuation Office Agency, with the new rateable values being in force from 01/04/2017. As a result of the revaluation some businesses are facing large increases in the amount they have to pay.

- 3.2 When a revaluation takes place the government designs a transitional relief scheme which phases in any large increases or decreases in rateable values over several years. Any such schemes must be implemented by the Council as a billing authority.
- 3.3 In the Spring Budget in March 2017, the Chancellor announced three further relief schemes to support certain businesses as a result of the 2017 revaluation. These reliefs were:
- **Public Houses Relief Scheme** - Eligible public houses with a rateable value of below £100,000 will receive up to £1,000 discount on their bill in 2017/18.
 - **Supporting Small Businesses** - From 1 April 2017 the thresholds for Small Business Rate Relief have been changed and this along with the revaluation has resulted in some businesses facing large increases in the amount payable.
 - **Discretionary Revaluation Rate Relief** - A £300 million pot of money will be distributed to local authorities over the next 4 years for them to help businesses facing large increases as a direct result of the 2017 revaluation. Our allocation is £279,000 for 2017/18, which will be covered by a grant allocation to cover our element, being £139,500. The other 50% representing amounts that would normally be passed on to Central Government.
- 3.4 The design and administration of revaluation discretionary rate relief schemes is for local authorities to determine, and is independent of the Council's existing Discretionary Rate Relief policy.

Details of each scheme

Public House Relief Scheme

- 3.5 This Relief applies for one year only to occupied properties. The eligibility criteria listed in Business Rates Implementation Letter (BRIL 4/2017) will determine the level of relief available. The intention is that eligible public houses should:
- Be open to the general public
 - Allow free entry other than when occasional entertainment is provided
 - Allow the consumption of alcohol without requiring food to be consumed
 - Permit drinks to be purchased at a bar
- 3.6 This means it will exclude certain premises, such as restaurants, cafes, nightclubs, hotels, snack bars and guest houses amongst others. The Council has identified 59 properties to date which it believes will be eligible for this relief.

Supporting Small Businesses

- 3.7 Following further guidance from the Department for Communities and Local Government (DCLG) 20 properties have been identified which will potentially benefit from the cap on business rate increases for small businesses.
- 3.8 The Supporting Small Business Relief will ensure that the increase per year in the bills of these ratepayers is the greater of:
- 1) a percentage increase p.a. of 5%, 7.5%, 10%, 15% and 15% (2017/18 to 2021/22) all plus inflation; or

2) a cash value of £600 per year (£50 per month). This cash increase ensures that those ratepayers paying nothing or very small amounts in 2016/17 after small business rate relief will pay something.

3.9 Although we have identified all those affected, there is still a need to update our software to apply the discounts, which should be actioned by mid-October 2017

Revaluation Discretionary Rate Relief Scheme

3.10 This is the only element where Billing Authorities are responsible for designing the scheme that will operate in their areas. Officers have consulted, as required, with the Council's major preceptors (Leicestershire County Council and the Leicestershire Combined Fire Authority) and met with other Leicestershire authorities. The scheme will allow each authority to apply local variances in line with each authority's grant allocation. The Department for Communities and Local Government (DCLG)CLG has announced the amounts it intends to allocate to this authority over the next 4 years as follows:

Council	17/18	18/19	19/20	20/21
HBBC	279,000	136,000	56,000	8,000

3.11 DCLG have confirmed that there is no flexibility in the funding and no carry forward are permitted

Proposals for the Revaluation Discretionary Rate Relief Scheme

3.12 The proposed scheme set out below is for the 2017/18 financial year only. Given the tapering nature of the grant the scheme will be reviewed for subsequent years.

3.13 In 2017/18, the relief will be awarded to businesses in Barwell, Earl Shilton, Market Bosworth and Hinckley Town Centre (the BID area).

3.14 Relief will be awarded on the basis of the items in the table below:

To Include	To Exclude
Properties with rateable values less than £51,000 that have had a 12.5% increase in RV and are in receipt of Transitional Relief (TR)	Multi property businesses, national chains, international operations and all those with substantial turnovers and high profits
Occupied properties	Public Houses as they will fall under the Pub Relief Scheme
	County Council and Parish/Town councils
	Ratepayers in receipt of mandatory and/or other discretionary relief
	Ratepayers in receipt of Small Business Rate Relief
	Ratepayers with less than £600 extra to pay in 2017/18
	Exclude certain Valuation Office property codes/descriptions (Appendix 1)

- 3.15 The funding allocation was determined by Central Government on the basis of the number of businesses in each area with Rateable Values less than £200,000 which have experienced an increase in their rateable value of over 12.5%. DCLG have confirmed that the criteria for funding does not have to be used for in the scheme criteria. The Discretionary Scheme can be determined by each Local Authority in accordance with their specific aims and priorities.

Further Action Required

- 3.16 Formal response to from main preceptors providing to be provided August/September 2017, no objection expected based on initial discussions.

Administration costs

- 3.18 The DCLG intends to pay authorities a new burden sum in respect of the additional administration and IT related costs of administering the new schemes, in line with the current New Burdens Framework. A flat rate of £12,000 will be paid to all billing authorities. A further new burden sum of £0.50 per bill reissued will also be paid.
- 3.19 As a condition of this award, the relief will need to be recalculated in the event that there is a change of ratepayer for a property or a backdated increase/decrease in the ratepayer's rateable value.

4. EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES

- 4.1 Report to be taken in open session

5. FINANCIAL IMPLICATIONS [AW]

- 5.1 After applying the above parameters to the data, as at 31.7.17, there are 58 ratepayers who could potentially apply for the new relief. The total rates payable for the 58 accounts in 2017/18 is £331,048. On this basis, we could apply up to an 80% discount to the total of their 2017/18 rates bill. This is derived from:

- $\text{£279,000 (DRR budget) / £331,048 (2017/18 total rates payable for potentially properties eligible) * 100 = 84.28\%}$

- 5.2 Targeted ratepayers can apply and are awarded an 80% discount, this would leave approximately £14,162 unspent. This can be used for individual hardship cases that the council may choose to support or to supplement the ratepayers who receive Discretionary Rate Relief under this scheme but are then subject to a backdated increase in their RV.

- 5.3 The above figures may be slightly different once a refresh of the data is completed prior to the application forms and state aid declarations being issued to targeted ratepayers in September.

6. LEGAL IMPLICATIONS [AR]

- 6.1 The statutory power to offer such a relief is set out within s.47 of the Local Government Finance Act 1988.
- 6.2 This section was also amended by The Localism Act 2011 which allowed local authorities the ability to give local discounts.

7. CORPORATE PLAN IMPLICATIONS

7.1 The Council's governance arrangements are robust

8. CONSULTATION

8.1 There is a duty to consult Leicestershire County Council (LCC) and the Leicestershire Combined Fire Authority.

9. RISK IMPLICATIONS

9.1 It is the council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
None		

10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

Various reliefs are available for businesses and charities under the business rate regulations.

11. CORPORATE IMPLICATIONS

By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications
- Planning Implications
- Voluntary Sector

Background Papers: Revenues and Benefits Monitoring Reports

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PROPERTY DESCRIPTION	
ADVERTISING RIGHT & PREMISES	Exclude
CAR SHOWROOM & PREMISES	Exclude
CLUBS, COMMUNITY CENTRES ETC	Exclude
CAR PARK & PREMISES	Exclude
CAR PARKING SPACE & PREMISES	Exclude
BANK & PREMISES	Exclude
BETTING SHOP & PREMISES	Exclude
WAREHOUSE & PREMISES	Exclude
LAND USED FOR STORAGE & PREMISES	Exclude
STORES & PREMISES	Exclude
OTHER COMMERCIAL	Exclude
SCHOOL & PREMISES	Exclude
COLLEGE & PREMISES	Exclude
DAY NURSERY & PREMISES	Exclude
SCHOOL AND PREMISES	Exclude
UNIVERSITY & PREMISES	Exclude
OTHER EDUCATIONAL	Exclude
SURGERY & PREMISES	Exclude
HEALTH CENTRE & PREMISES	Exclude
POLICE STATIONS	Exclude
FIRE STATION & PREMISES	Exclude
COMMUNICATIONS TATION & PREMISES	Exclude
OTHER MISCELLANEOUS	Exclude
OTHER PUBLIC UTILITIES	Exclude