



Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Executive 28 September 2022

Wards affected: All wards

DISCRETIONARY BUSINESS RATES RELIEF FOR POP UP SHOPS

Report of Head of Finance (Section 151 Officer)

1. Purpose of report

- 1.1 To present to the Executive a discretionary policy for business rates relief on pop-up shops in the Hinckley Business Improvement District (BID) area.

2. Recommendation

- 2.1 That members approve the Pop-up Business rates relief policy at Appendix 1

3. Background to the report

- 3.1 Britain's high streets are changing and evolving fast. Town centres used to be dominated by the same large multiple outlet retailers. Sometimes referred to as the 'clone high street,' but many of these large-scale operators are disappearing due to many factors, and there is now a desire for a much more diverse visitor experience. With more small scale, specialist, and local level businesses to come forward
- 3.2 With this change has come a new appreciation of small independent businesses and following Covid as many people have a desire for their local community to thrive again, with a sense that it reflects the area they call home.
- 3.3 Hinckley and Bosworth Borough Council would like to extend our current help even further with the renaissance of local retail areas in areas that are struggling with longer term vacant retail outlets, by extending a helping hand to new businesses that wish to use a Pop-Up Shop approach in trying out their business idea.

- 3.4 The policy proposed allows the council to give 100% Business Rates relief to a maximum of £20,000 for the period of the Pop-Up Shop tenancy. The landlord will also benefit from a new the period of empty property relief once the period of the tenancy has ended.
- 3.5 If the Pop-Up Shop is in one of the units owned by the Council in the Crescent, we will also give a rent-free period for up to three months. For private landlords we would also need evidence that the rental to pop up shops had been discounted for at least a one month rent free period had been given.

Eligibility

- 3.6 This process is aimed at the prospective tenants of Pop-Up Shops within the Hinckley BID area, which takes in the area from Castle Street to the Crescent.

Key criteria considered by the council in awarding up to 100% discretionary relief for up to six months are:

- 1) The establishment of a new business or company within the Hinckley BID area.
- 2) Consideration will be given to other areas in the Borough where a shop has stood empty for at least 12 months.
- 3) The business is a new physically based business that has not traded from a business rated premises in the past 24 months prior to application.
- 4) The Business is open to members of the public.
- 5) Is an independent Trader
- 6) Can obtain some level of financial contribution from the landlord, such as a rent-free period or discounted rent
- 7) The business is not a business that is connected to the landlord in any way (e.g., the landlord is a director or close relative of the tenant).

Financial impact

- 3.7 The amount of relief that can be given in any one year is capped at £200,000 in total, which means our share of the lost rates would be £80,000. The Landlords involved would be entitled to a new period of empty property relief, which could be higher depending on the units involved, but potentially a loss of £250,000, our loss would be £100,000.

4. Exemptions in accordance with the Access to Information procedure rules

- 4.1 Report is taken in an open session.

5. Financial implications [IB]

- 5.1 Contained within the body of the report.

6. Legal implications

- 6.1 The power to give mandatory and discretionary business rates relief are given by the Local government Finance Act 1988.

7. Corporate Plan implications

- 7.1 Adoption of the proposal in this paper will contribute to the achievement of the following Corporate Aim of Empowering communities.

8. Consultation

- 8.1 The main preceptors affected are Leicestershire County Council and Leicestershire Fire and Rescue Service, who also receive a share of business rates charged. Both have been consulted on the proposed policy and have confirmed their support. Leicestershire Police Authority have also been consulted with as a preceptor on Council Tax and given support to the proposal. The Hinckley Bid have been informed of the policy as well.

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 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 There is no immediate risk to the Council, however, early consideration by the Council of its preferred approach will enable detailed planning to take place to achieve successful transition to the new arrangement in a timely and efficient manner.

10. Knowing your community – equality and rural implications

- 10.1 The Financial Statements and the audit process will allow local communities and groups to review the financial performance and stewardship of the Council.

11. Climate implications

- 11.1 None directly from this report.

12. Corporate implications

- 12.1 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
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Background papers: None
Contact Officer: Ashley Wilson, Ext 5609
Executive Member: Councillor D. Cope

Hinckley and Bosworth Borough Council

Discretionary business rates relief for Pop-Up Shops



Introduction

Britain's high streets are changing and evolving fast. Town centres used to be dominated by the same large multiple outlet retailers. Sometimes referred to as the 'clone high street,' but many of these large-scale operators are disappearing due to many factors, and there is now a desire for a much more diverse visitor experience. With more small scale, specialist, and local level businesses to come forward

With this change has come a new appreciation of small independent businesses and following Covid as many people have a desire for their local community to thrive again, with a sense that it reflects the area they call home.

Hinckley and Bosworth Borough Council would like to extend our current help even further with the renaissance of local retail areas in areas that are struggling with longer term vacant retail outlets, by extending a helping hand to new businesses that wish to use a Pop-Up Shop approach in trying out their business idea.

We will do these by giving 100% Business Rates relief to a maximum of £20,000 for the period of the Pop-Up Shop tenancy. The landlord will also benefit from a new period of empty property relief once the period of the tenancy has ended. If the Pop-Up Shop is in one of the units owned by the Council in the Crescent, we will also give a rent-free period for up to three months. For private landlords we would also need evidence that the rental to pop up shops had been discounted for at least a one month rent free period had been given.

Pop-Up Shop - What are they and who benefits.

A pop-up shop is where a short-term lease (less than six months) is agreed between a landlord and a business or individual to occupy a vacant property for a short period of time. The notion of a pop-up unit is mainly thought of as being shop, but it could also include other projects including art galleries and community projects.

New Businesses particularly benefit from Pop Ups as it provides an excellent opportunity to try a new business and see if the concept will work without the need for a long-term commitment.

Landlords that are willing to work with the Council on this can also benefit. There is the potential for a small rental income. Also having a tenant will improve the appearance of the property; and raises the awareness of the property to potential long-term tenants.

Pop-Up units improve the vibrancy of areas that may be suffering from longer term problem and help attract new customers; at the same time, a property in use is usually more secure suffers less vandalism and may potentially even lower a property's insurance premiums.

The local community benefit as they have more local choice and options in the area and local shops continue to be available to meet local needs.

The Council will also put any new businesses in this scheme into its communications online and in the Borough Bulletin, which has a distribution to 47,500 households.

Who normally pays Business Rates on a Pop-Up Shop?

When a Pop-Up shop takes occupancy of a vacant unit, the responsibility to pay business rates usually passes from the landlord to the tenant. This is if the tenant is in occupation for more than 6 weeks. Under this scheme the Council will give 100% discretionary relief on business rates to a maximum of £20,000. This relief will only be provided after all other applicable reliefs have been applied first, such as Small Business Rates Relief.

Eligibility

This process is aimed at the prospective tenants of Pop-Up Shops. Key areas for this Business rates discretionary relief are within the Hinckley BID area, which takes in the area from Castle Street to the Crescent. (See Appendix B for map of inclusion).

Key criteria considered by the council in awarding up to 100% discretionary relief for up to six months are:

- 1) The establishment of a new business, activity or company within the Hinckley BID area.
- 2) Consideration will be given to other areas in the Borough where a shop has stood empty for at least 12 months.
- 3) The business is a new physically based business that has not traded from a business rated premises in the past 24 months prior to application.
- 4) The Business is open to members of the public.
- 5) Is an independent Trader
- 6) Can obtain some level of financial contribution from the landlord, such as a rent-free period or discounted rent
- 7) The business is not a business that is connected to the landlord in any way (e.g., the landlord is a director or close relative of the tenant).

Business that would **not** normally be considered as eligible for this scheme are:

- Established businesses with a physical presence on the “High Street,” in any area of the UK (These are covered by Discretionary business rates relief for new or expanding businesses scheme)
- The Voluntary sector and Charities, Local or National Government bodies (Unless services or activities are considered in the benefit of the local community, or in support of council priorities, and will be at the discretion of the council).
- Betting shops, off licences, pawn brokers, high interest loan companies or similar, adult entertainment of a sexual nature, or any business that in the view of the council would not fit in with its values.
- Businesses making a retrospective application (Exceptions may be made in some instances)
- Second or multiple applications from the same business or individual within a 12-month period from the last day of a previous pop-up shop agreement in the borough.

Hinckley Bid area

There will be a small charge that is paid to the Hinckley Bid of a levy set at 1.95% of the rateable value of the property. For example, a property with a rateable value of £12,000 would pay a levy of £234. This is collected for the Hinckley Bid, which is not part of Hinckley and

Bosworth Borough Council. Information of the benefits of paying the levy can be found on: <https://www.hinckleybid.co.uk/> or by calling 01455 698494. The benefits are proportion of the shopping area, listing your business and events to increase potential shopper footfall.

Applications

The application form at Appendix A must be completed by the prospective Pop-Up Shop tenant before the commencement of occupation in the property being used as a Pop-Up Shop. In considering applications that meet the above essential criteria, priority consideration will be given to the following factors:

- 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
- Whether the organisation provides new or more choice to local people and will be advertised locally
- Whether the organisation currently has or plans to provide continue the business if the Pop-Up period is successful
- Businesses that have obtained a landlord contribution, such as one month rent free or a discounted rental.

Notes on application process:

An applicant may not be expected to deliver against all of these.

General enquires about the scheme can be made to our customer services, who will take a message and get an appropriate member of staff to contact you.

The Council will cap the total amount of relief in any one financial year (1 April to 31 March) at £250,000. Any applications that take the total amount of relief will be asked to either postpone their tenancy or agree to pay the Business Rates and applications are assessed on a first come first served basis

Is planning consent required for a Pop-Up Shop

If a Pop-Up retail shop is proposed for an existing retail unit (including shops, cafes and financial services) or office unit at ground floor level, it is unlikely that there will be a requirement for a change of use planning application, with these uses falling within the same planning use class (Class E). However, a standalone Pop-Up unit may require planning permission depending on the location of the unit and the length of the lease. Proposals for hot food takeaways will require planning permission.

Before embarking on a Pop-Up shop project, you may like to contact the Council's Planning Department for some advice and guidance on how planning consent relates to Pop-Up shops here: https://www.hinckley-bosworth.gov.uk/info/200074/planning_and_building_control/494/introduction_to_development_management/2.

Appendix A

Application

Key criteria considered by the council in awarding up to 100% discretionary relief (to a maximum of £20,000) for up to six months are:

- 1) The establishment of a new business or company within the Castle Street / Stockwell Head area of Hinckley or Council owned units within the Crescent Shopping centre.
- 2) Consideration will be given to other areas in the Borough where a shop has stood empty for at least 12 months.
- 3) The business is a new physically based business that has not traded from a business rated premises in the past 24 months prior to application.
- 4) The Business is open to members of the public.
- 5) Is an independent Trader
- 6) Can obtain some level of financial contribution form the landlord, such as a rent-free period or discounted rent.
- 7) The business is not a business that is connected to the landlord in any way (e.g., the landlord is a director or close relative of the tenant).

Please provide brief details of how you meet the key criteria and priority considerations noted in the general information section above.

Note, applications will not be considered in retrospect.

Feel free to add additional sheets if needed.

Your Contact details

Business Rates account number: (If known)	
Business Rates property address: (Property address where you are applying for Business Rate Relief)	
Company / Business name:	
Contact name:	
Address for correspondence: (If different from the property address above)	
Contact telephone number:	
Contact email address:	

Your Landlord Contact details

Contact name:	
Address for correspondence: (If different from the property address above)	
Contact telephone number:	
Contact email address:	

About your business/company

Is the company a limited company? Please mark an 'x' as appropriate	Yes	No
If yes, please provide your company number:		

Comments if required		
If the business is not a registered company, what is your trading status (for example, sole trader, partnership or 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

Expected lease/tenancy agreement dates, please state:	Date of commencement (dd/mm/yy):	
	Term of the agreement: (Number of months or weeks)	
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)		
What will the property be used for? For example, restaurant or retail, Art exhibitions		

Key criteria check – Please mark an ‘x’ as appropriate

1) The establishment of a new business or company within the Castle Street / Stockwell Head area of Hinckley or Council owned units within the Crescent Shopping centre.	Yes	No
2) Consideration will be given to other areas in the Borough where a shop has stood empty for at least 12 months.	Yes	No
3) The business is a new physically based business that has not traded from a business rated premises in the past 24 months prior to application.	Yes	No
4) The Business is open to members of the public.	Yes	No
5) Is an independent Trader	Yes	No
6) Can obtain some level of financial contribution from the landlord, such as a rent-free period or discounted rent.	Yes	No
7) Is the business connected to the landlord in any way (e.g., the landlord is a director or close relative of the tenant)?		
Comments (Optional)		

State Aid De Minimis declaration

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

The EU state aid regulations have been replaced by new rules on subsidy control. These new rules are the Small Amounts of Financial Assistance Allowance.

Small Amounts of Financial Assistance Allowance - Grants (*Rates relief would be treated the same as a cash grant*) may be paid in accordance with Article 3.2(4) of the TCA, which enables an applicant to receive up to a maximum level of subsidy without engaging Chapter 3 of the TCA. This allowance is the equivalent of 325,000 Special Drawing Rights, to a single economic actor over any period of three fiscal years and includes any subsidy previously received as 'de minimis' aid or as Small Amounts of Financial Assistance under Article 3.2(4) of the Trade and Co-operation Agreement (TCA) from any subsidy awarding body. As at 21 June 2022 this was the equivalent of £352,806, **using the Special Drawing Right calculator**

If Businesses are in any doubt, they should take their own legal advice.

Businesses must ensure that by receiving business rates support they will not breach the applicable thresholds. Businesses will be required to self-certify this is the case when applying for business rates relief for a pop-up shop.

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

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 new rules on subsidy control

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: -----

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 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: -----

Appendix B: Map of area of eligible businesses area lie within the Hinckley BID Boundary

