

REPORT FOR DECISION



DECISION OF:	CABINET
DATE:	8 APRIL 2015
SUBJECT:	BURY INVESTING IN GROWTH - LOCAL BUSINESS RATES DISCRETIONARY SCHEME FOR NEW BUILDS
REPORT FROM:	LEADER OF THE COUNCIL & CABINET MEMBER FOR FINANCE
CONTACT OFFICER:	MIKE OWEN, INTERIM CHIEF EXECUTIVE
TYPE OF DECISION:	KEY DECISION
FREEDOM OF INFORMATION/STATUS:	This report is for publication
SUMMARY:	This report outlines the proposed business rates incentive scheme for new build commercial properties which will be operated in Bury.
OPTIONS & RECOMMENDED OPTION	Cabinet is asked to approve the scheme.
IMPLICATIONS:	
Corporate Aims/Policy Framework:	Do the proposals accord with the Policy Framework? Yes No
Statement by the S151 Officer: Financial Implications and Risk Considerations:	<p>There will be no cost / loss of income to the Authority as the scheme will apply to sites which are not currently included in the business rates base.</p> <p>Indeed, the proposals should attract investment and see the business rates base and future income grow for the Council; mitigating future funding pressures.</p>

- 1.3 The proposed local scheme gives businesses a period of partial exemption from payment of business rates. The scheme will apply to newly built non-domestic properties shown in the Rating List where no property existed previously or where the previously existing property (whether domestic or non-domestic) has been demolished. This includes where businesses are re-locating within the borough. The Discretionary Local Discount will apply to the 15 relevant areas identified on the UDP which are considered to be employment regenerating sites.
- 1.4 The aim of the scheme will be to encourage new job creation and job safeguarding through investment in new commercial buildings within the Borough. It will also encourage growth and the development of the business rates base.

2.0 MAIN ELEMENTS OF THE SCHEME

- 2.1 Relief will be considered from 1st April (or from the date on which the property is or from the date on which the property is brought into the Rating List if later than 1st April) in the year in which the application is received. If an application is made part way through the year, need to confirm the relief would run for 12 months from the date of application: not for the remainder of the financial year.
- 2.2 The relief will apply to occupied and unoccupied new builds and will be considered after all other reliefs and exemptions have been applied.
- 2.3 Relief will be given on a sliding scale over 4 years:
 - 80% relief in Year 1
 - 60% relief in Year 2
 - 40% relief in Year 3
 - 20% relief in Year 4

3.0 OPERATION OF THE SCHEME

- 3.1 There will need to be a formal application for relief made by the owner or occupier of the building.
- 3.2 The scheme will be administered by the Business Rates Team within Customer Support and Collections.
- 3.3 An appeals process will be established in case of any dispute regarding entitlement to the relief. Initially an appeal will be made to and considered by the Collections Manager. If it remains unresolved, this will be further considered by a cross service panel including the Head of Property Services, head of Customer Support and Collections and Assistant Director of Communities. Although the criteria for an award is deliberately specific, each application will be looked at on its own merits at all stages of consideration to ensure the policy intention of the relief is maintained.

4.0 FINANCIAL IMPLICATIONS

- 4.1 There will be no direct loss to the Authority as the scheme will apply to properties which haven't been included in the business rates base.
- 4.2 There will be no cost / loss of income to the Authority as the scheme will apply to sites which are not currently included in the business rates base.
- 4.3 Indeed, the proposals should attract investment and see the business rates base and future income grow for the Council; mitigating future funding pressures.
- 4.4 Medium Term forecasts suggest that Bury will be exclusively reliant upon locally generated income (Business Rates & Council Tax) by 2020 if Revenue Support Grant continues to be cut at the current rate.
- 4.5 The recent budget announcement regarding GM Authorities retaining 100% of new commercial entries into the List may have a bearing but at this stage there is no specific information on how this announcement will operate in practice.

5.0 CONCLUSION

- 5.1 This scheme presents a very real opportunity to incentivise businesses to choose Bury as their place to invest and grow. The scheme directly supports a number of important themes within Team Bury's Economic Development Strategy and will contribute to the Council's stated objective of creating a strong local economy.

List of Background Papers:-

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