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:		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.			
		Indeed, the proposals should attract investment and see the business rates base and future income grow for the Council; mitigating future funding pressures.			

Statement by Executive Director of Resources & Regulation	It is essential that the Council seeks to promote the growth of business within the Borough and the proposed scheme provides a clear additional incentive for businesses to invest in the Borough.	
Equality/Diversity implications:	The Council will have to comply with its' equality duties. The proposed scheme is subject to a full equality assessment.	
Considered by Monitoring Officer:	Yes Comments	
Wards Affected:	All	
Scrutiny Interest:	Overview & Scrutiny	

TRACKING/PROCESS

DIRECTOR: Mike Owen

Chief Executive/ Strategic Leadership Team	Cabinet Member/Chair	Ward Members	Partners
	Yes		
Scrutiny Committee	Cabinet/Committee	Council	
	8 April 2015		

1.0 BACKGROUND

- 1.1 Section 47 of the Local Government Finance Act 1988 allows discretionary relief in certain prescribed situations. This provision was extended by Section 69 of the Localism Act in 2011 which broadened the scope of Section 47 and allows councils to grant locally determined business rate discounts outside the normal prescribed schemes.
- 1.2 The Council recognises that the economic growth of the borough and its contribution to the Greater Manchester economy is one of its key priorities. Our Team Bury Economic Development Strategy sets out a series of strategic themes designed to maximise our contribution to the economic success of Greater Manchester and, in turn how Bury can benefit from that economic growth. Specifically this proposed scheme will address the Economic Development Strategy's themes of:
 - Promoting new business formation, survival and growth
 - Developing the retail, leisure and office sectors to unlock the economic potential of the borough's town and district centres and key employment sites

- 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 Asistant 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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