



Notice of a public

Decision Session - Executive Leader (incorporating Finance & Performance)

To: Councillor Gillies (Executive Leader)

Date: Monday, 11 March 2019

Time: 3.00 pm

Venue: The Auden Room - Ground Floor, West Offices (G047)

AGENDA

Notice to Members – Post Decision Calling In:

Members are reminded that, should they wish to call in any item* on this agenda, notice must be given to Democratic Services by **4:00 pm on Wednesday, 13 March 2019**.

*With the exception of matters that have been the subject of a previous call in, require Full Council approval or are urgent which are not subject to the call-in provisions. Any items that are called in will be considered by the Customer and Corporate Services Scrutiny Management Committee.

Written representations in respect of items on this agenda should be submitted to Democratic Services by **5:00pm on Thursday, 7 March 2019**.

1. Declarations of Interest

At this point in the meeting, the Executive Leader is asked to declare:

- any personal interests not included on the Register of Interests
 - any prejudicial interests or
 - any disclosable pecuniary interests
- which he may have in respect of business on this agenda.

- 2. Minutes** (Pages 1 - 4)
To approve and sign the minutes of the Decision Session held on 14 January 2019.

- 3. Public Participation**
At this point in the meeting, members of the public who have registered to speak can do so. The deadline for registering is **5.00pm on Friday, 8 March 2019**. Members of the public can speak on agenda items or matters within the Executive Member's remit.

To register to speak please contact the Democracy Officer for the meeting, on the details at the foot of the agenda.

Filming, Recording or Webcasting Meetings

Please note that, subject to available resources, this meeting will be filmed and webcast, or recorded, including any registered public speakers who have given their permission. The broadcast can be viewed at <http://www.york.gov.uk/webcasts> or, if recorded, this will be uploaded onto the Council's website following the meeting.

Residents are welcome to photograph, film or record Councillors and Officers at all meetings open to the press and public. This includes the use of social media reporting, i.e. tweeting. Anyone wishing to film, record or take photos at any public meeting should contact the Democracy Officer (contact details are at the foot of this agenda) in advance of the meeting.

The Council's protocol on Webcasting, Filming & Recording of Meetings ensures that these practices are carried out in a manner both respectful to the conduct of the meeting and all those present. It can be viewed at https://www.york.gov.uk/downloads/file/11406/protocol_for_webcasting_filming_and_recording_of_council_meetings_20160809

- 4. Retail Discount Scheme 2019/20 to 2020/21** (Pages 5 - 18)
This report sets out the details of York's proposed new retail discount scheme for the period 2019 to 2021, providing a reduction in business rates for qualifying businesses, and seeks approval for the category of retail properties that will benefit from the scheme.

5. Urgent Business

Any other business which the Executive Member considers urgent under the Local Government Act 1972.

Democracy Officer:

Name: Angela Bielby

Telephone: 01904 552599

Email: a.bielby@york.gov.uk

For more information about any of the following, please contact the Democracy Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports and
- For receiving reports in other formats

Contact details are set out above.

This information can be provided in your own language.

我們也用您們的語言提供這個信息 (Cantonese)

এই তথ্য আপনার নিজের ভাষায় দেয়া যেতে পারে। (Bengali)

Ta informacja może być dostarczona w twoim własnym języku. (Polish)

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

یہ معلومات آپ کی اپنی زبان (بولی) میں بھی مہیا کی جاسکتی ہیں۔ (Urdu)

 **(01904) 551550**

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City of York Council

Committee Minutes

Meeting	Decision Session - Executive Leader (incorporating Finance & Performance)
Date	14 January 2019
Present	Councillor Gillies (Executive Leader)

19. Declarations of Interest

The Executive Leader was invited to declare, at this point in the meeting, any personal interests not included on the Register of Interests, or any prejudicial or disclosable pecuniary interests, which he have in the business on the agenda. No additional interests were declared.

20. Minutes

Resolved: That the minutes of the Executive Leader (incorporating Finance & Performance) Decision Session held on 19 November 2018 be approved and then signed by the Executive Leader as a correct record.

21. Public Participation

It was reported that there had been no registrations to speak at the meeting under the Council's Public Participation Scheme.

22. Digital City Programme update and expanding access to York's WiFi connectivity platform

The Executive Leader considered a report which provided an update on some of the progress made within City of York Council's Digital City Programme. This included a focus on the city's free Wi-Fi and an expansion proposal including Clifford's Tower, Coppergate and the new Community Stadium complex, as part of future proofing the stadiums digital connectivity links as the Council had have done with many buildings and areas of the city. It was noted that the work was a part of the wider and continual evolving Digital City Programme, there would be potential other future requirements, and these would need to be considered as part of the capital

programme. The Shared Head of ICT Services for York and Harrogate was in attendance to present the report. In response to a question from the Executive Leader he confirmed that the costs around the new Community Stadium complex included preparation work on connectivity to the stadium.

Resolved: That;

- 1) The progress being made within the Digital City Programme be noted.

Reason: To provide an update on the key and enabling Digital City Programme with an emphasis on the cities digital connectivity landscape.

- 2) The proposal to extend access to the cities free Wi-Fi into Clifford's Tower & Coppergate be approved.

Reason: To be a part of the evolving Digital City Programme.

- 3) Digital connectivity links into the new Community Stadium complex and expand its Wi-Fi coverage be provided.

Reason: To be a part of the evolving Digital City Programme and future proof the Stadiums complex digital links.

- 4) Total funding of £308,000 from the existing ICT Capital budget be approved.

Reason: To fund the recommendations contained within this report.

- 5) The current mixed position with schools be noted, that further discussions with schools regarding Wi-Fi provision be endorsed and that a further report on these, including funding options be received in coming months.

Reason: To approve the work to explore and undertake further discussions that are required to take this recommendation forwards.

23. Variation of Shareholders Agreement relating to YPO Procurement Holdings Limited

The Executive Leader considered a report which sought approval to the proposed changes to the Shareholder Agreement with YPO Procurement Holdings Ltd (included at Annex A). The proposed changes were specifically to reduce the number of decisions reserved for unanimous agreement, and to add a new schedule of items reserved for agreement by requisite majority.

Resolved: That approval be given to the proposed amendments to the Shareholders Agreement with YPO Procurement Holdings Ltd as set out in Annex A.

Reason: To allow the company to be able to respond quickly to market conditions.

Cllr I Gillies, Executive Leader
[The meeting started at 3.00 pm and finished at 3.05 pm].

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Executive Leader (Incorporating Finance & Performance)

11 March 2019

Report of the Assistant Director Customer & Digital Services

Retail Discount Scheme 2019/20-2020/21

Summary

1. The purpose of this paper is to set out the details of York's proposed new retail discount scheme 2019 - 21 and approve the category of retail properties that will benefit from the scheme. This discount will provide a reduction in business rates for qualifying businesses, helping to sustain employment and encourage growth of the York economy.

Recommendations

2. The Executive Member is asked to consider and approve:
 - a) City of York Council's scheme for applying the retail discount in line with central government guidance as set out at Annex A;
 - b) that properties not listed in the government's guidance (and at Annex A) that may meet the qualifying criteria be considered on a case by case basis and awards made if deemed to meet the qualifying criteria by the Business Rates Team (Paragraph 9);
 - c) that properties not listed in the Government's guidance and at Annex A and are considered not to meet the Government's qualifying criteria can be considered on a case by case basis and be declined by the Business Rates Team (Paragraph 10 &11).;
 - d) that the council automatically awards this discount to all the businesses we identify as meeting the qualifying criteria (Para 19).

Reason: To support local business in York protecting employment and growing the local economy.

Background

3. The Government announced in the Budget on 29 October 2018 that it will provide a business rates scheme (Retail Discount) for occupied retail properties with a rateable value of less than £51,000 in each of the years 2019-20 and 2020-21. The value of discount should be one third of the bill, and must be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants (Local Government Act – Power to pay grant) have been applied. Where we apply a locally funded relief, for instance a hardship fund, under section 47 this is must be applied after the Retail Discount.
4. The purpose of this new discount is to support the ‘high street’ which has been affected by changes in consumer spending preferences such as online shopping. The relief is temporary for two years from April 2019.
5. There is no cost to the council in providing this discount which will be fully reimbursed by Central Government through the rates retention system.

Retail Discount

6. To qualify for the discount the hereditament (business) should be wholly or mainly being used as a shop, restaurant, cafe or drinking establishment.
7. The categories of business who Central Government consider can benefit from the discount under the scheme are as follows:

Hereditaments that are being used for the sale of goods to visiting members of the public:

- Shops (such as: florist, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets, etc)
- Charity shops
- Opticians
- Post offices
- Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
- Car/ caravan show rooms

- Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)

ii. Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Hair and beauty services (such as: hair dressers, nail bars, beauty salons, tanning shops, etc)
- Shoe repairs/ key cutting
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/ TV/ domestic appliance repair
- Funeral directors
- Photo processing
- Tool hire
- Car hire

iii. Hereditaments that are being used for the sale of food and/ or drink to visiting members of the public:

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs
- Bars

8. To qualify for the relief the hereditament should be wholly or mainly being used as a shop, restaurant, cafe or drinking establishment. In a similar way to other discounts this is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the discount.
9. The list set out above is not intended to be exhaustive as it would be impossible to list the many and varied retail uses that exist. There will also be mixed uses. However, it is intended to be a

guide as to the types of uses that Government considers for this purpose to be retail. The council has the discretion to determine whether particular properties not listed are broadly similar in nature to those above and, if so, to consider them eligible for the discount. This report recommends that the Business Rates team makes this decision on a case by case basis. Conversely, properties that are not broadly similar in nature to those listed above should not be eligible for the relief.

10. The list below sets out the types of uses that the Government **does not consider to be retail use** for the purpose of this relief. The council has the discretion to determine whether particular properties are broadly similar in nature to those below and, if so, to consider them not eligible for the relief under the local scheme.

i. Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Financial services (e.g. banks, building societies, cash points, bureaux de change, payday lenders, betting shops, pawn brokers)
- Other services (e.g. estate agents, letting agents, employment agencies)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors)
- Post office sorting offices

ii. Hereditaments that are not reasonably accessible to visiting members of the public

11. Generally speaking, the government also does not consider other assembly or leisure uses beyond those listed at paragraph 7 to be retail uses for the purpose of the discount. For example, cinemas, theatres and museums are outside the scope of the scheme, as are nightclubs and music venues which are not similar in nature to the hereditaments described at paragraph 7 (iii) above. Hereditaments used for sport or physical recreation (e.g. gyms) are also outside the scope of the discount. Where there is doubt, City of York council will exercise their discretion with reference to the above and knowledge of their local tax base.

Level of award

12. The total amount of government-funded relief available for each property for 2019-20 and 2020/21 under this scheme is one third of the bill, after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, excluding those where we have used our discretionary relief powers introduced by the Localism Act which are not funded by section 31 grants.
13. Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties, subject to State Aid De Minimis limits.

State Aid

14. The retail discount will be considered as state funding and as such is subject to European state aid rules. The De Minimis Regulations allow an undertaking to receive up to €200,000 of state aid in a three year period. It will be necessary for any business wishing to claim this relief to make an application to the council and complete a state aid declaration form.
15. There are as many as 1,500 hereditaments that could qualify for this relief. Depending on the numbers applying this will potentially create additional administrative pressure on the business rates team. It is hoped that this can be minimised through the implementation and application of efficient processes to manage applications. To put this pressure into context there are now 14 different Mandatory, Discretionary and Temporary rate reliefs to be administered by the council.

Options

16. There are no options associated with this paper.

Analysis

17. The relief could benefit as many as 1,500 hereditaments across the city on the basis of their current rateable value. The numbers applying and qualifying are not likely to be as high as this as some remain unoccupied, some belong to national chains that for state aid reasons will not apply and some will not meet the qualifying

criteria e.g. banks & building societies. In the case of unoccupied properties this relief may act as an incentive to new business. As the relief is been fully funded by Central Government and could bring in significant additional income to the York economy as well as incentivising new business, it is recommended that the policy is approved.

18. As businesses applying for retail relief will want to have a prompt response to their application the power to make individual awards should be delegated to the Business Rates Team.
19. As with the previous Retail Relief Scheme businesses often fail to apply so the council will automatically award the discount to all the properties that we can identify as meeting the criteria. It will be the responsibility of the business to complete and return state aid forms or risk the award been rescinded.

Council Plan 2015 - 19

20. The award of the new retail discount will positively impact on the council's priorities (Council Plan 2015 – 19) specifically:
 - a) a prosperous city for all
 - b) a council that listens to residents

Implications

21.
 - (a) **Financial** – As the Government will fully reimburse any awards made by the council there are no financial implications.
 - (b) **Human Resources (HR)** - There are no implications
 - (c) **Equalities** – There are no direct implications
 - (d) **Legal** – The award of retail rate relief has state aid implications.
 - (e) **Crime and Disorder** - There are no implications
 - (f) **Information Technology (IT)** - There are no implications
 - (g) **Property** - There are no implications

Risk Management

22. There are no high risks associated with retail discount. The only risks are in relation to managing the state aid implications and additional work pressures.

Contact details:

Author:	Cabinet Member and Chief Officer responsible for the report:		
David Walker Head of Financial Procedures Phone No. 01904 552261	Cllr Ian Gillies Executive Leader (Incorporating Finance & Performance)		
David Wright Revenues Benefits and Subsidy Manager Phone No. 01904 552234	Pauline Stuchfield Assistant Director Customer & Digital Services Telephone: 01904 551706		
	Report Approved	√	Date 28/02/2019
Specialist Implications Officer(s) None			
Wards Affected: All			√
For further information please contact the authors of the report			

Background Papers

Retail Relief Guidance – Department for Communities and Local Government.

Annexes

Annex A – City of York Council's Retail Discount Scheme 2019/20-2020-21

Glossary

Hereditament– A premise where business can be undertaken. The technical term used in business rate law.



Retail Discount Scheme

2019/20-2020/21

City of York Council

Retail Discount Scheme

2019/20-2020/21

Overview

This document provides the council guidance in relation to City of York Retail Discount Scheme. This relief will provide a reduction in business rates for qualifying businesses helping to sustain employment and encourage growth of the York economy.

Background

1. The Government announced in the Budget on 29 October 2018 that it will provide a business rates scheme (Retail Discount) for occupied retail properties with a rateable value of less than £51,000 in each of the years 2019-20 and 2020-21. The value of discount should be one third of the bill, and must be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied. Where the council apply a locally funded relief, for instance a hardship fund, under section 47 this is must be applied after the Retail Discount.
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3. There is no cost to the council in providing this discount which will be fully reimbursed by Central Government through the rates retention system.

Retail Discount

4. To qualify for the discount the hereditament (business) should be wholly or mainly being used as a shop, restaurant, cafe or drinking establishment.
5. The categories of business who the council consider can benefit from the discount under the scheme are as follows:

Hereditaments that are being used for the sale of goods to visiting members of the public:

- Shops (such as: florist, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets, etc)
- Charity shops
- Opticians
- Post offices
- Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
- Car/ caravan show rooms

- Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)

ii. Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Hair and beauty services (such as: hair dressers, nail bars, beauty salons, tanning shops, etc)
- Shoe repairs/ key cutting
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/ TV/ domestic appliance repair
- Funeral directors
- Photo processing
- Tool hire
- Car hire

iii. Hereditaments that are being used for the sale of food and/ or drink to visiting members of the public:

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs
- Bars

6. To qualify for the relief the hereditament should be wholly or mainly being used as a shop, restaurant, cafe or drinking establishment. In a similar way to other discounts this is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the discount.

7. The list set out above is not intended to be exhaustive as it would be impossible to list the many and varied retail uses that exist. There will also be mixed uses. However, it is intended to be a guide as to the types of uses that the council considers for this purpose to be retail. The council has the discretion to determine whether particular properties not listed are broadly similar in nature to those above and, if so, to consider them eligible for the discount. This will be considered on a case to case basis. Conversely, properties that are not broadly similar in nature to those listed above should not be eligible for the relief.
8. The list below sets out the types of uses that the Council **does not consider to be retail use** for the purpose of this relief. The council has the discretion to determine whether particular properties are broadly similar in nature to those below and, if so, to consider them not eligible for the relief under the local scheme.

i. Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Financial services (e.g. banks, building societies, cash points, bureaux de change, payday lenders, betting shops, pawn brokers)
- Other services (e.g. estate agents, letting agents, employment agencies)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors)
- Post office sorting offices

ii. Hereditaments that are not reasonably accessible to visiting members of the public

9. Generally speaking, the council also does not consider other assembly or leisure uses beyond those listed at paragraph 5 to be retail uses for the purpose of the discount. For example, cinemas, theatres and museums are outside the scope of the scheme, as are nightclubs and music venues which are not similar in nature to the hereditaments described at paragraph 5(iii) above.

Hereditaments used for sport or physical recreation (e.g. gyms) are also outside the scope of the discount. Where there is doubt, City of York council will exercise their discretion with reference to the above and knowledge of their local tax base.

Decisions and Managing the process

10. City of York Council's scheme for applying the retail discount is in line with central government guidance. The Council will make decisions on properties not specified in the guidance as below:-
- properties not listed in City of York Council's scheme that **may** meet the qualifying criteria be considered on a case by case basis and awards made if deemed to meet the qualifying criteria.
 - properties not listed in City of York Council's policy that are considered **not** to meet the Government's qualifying criteria can be considered on a case by case basis.
 - the council will automatically awards this relief to all the businesses identified as meeting the qualifying criteria. It will be the responsibility of the business to complete and return state aid forms or risk the award been rescinded.

Level of award

11. The total amount of relief available for each property for 2019-20 and 2020/21 under this scheme is one third of the bill, after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, excluding those where the council has used its discretionary relief powers introduced by the Localism Act which are not funded by section 31 grants.
12. Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties, subject to State Aid De Minimis limits.

State Aid

13. The retail discount will be considered as state funding and as such is subject to European state aid rules. The De Minimis

Regulations allow an undertaking to receive up to €200,000 of state aid in a three year period. It will be necessary for any business wishing to claim this relief to make an application to the council and complete a state aid declaration form.