

**Notice of a public**

**Decision Session - Executive Member for Economy and Strategic Planning [previously Executive Member for Economic Development and Community Engagement (Deputy Leader)]**

**To:** Councillor Waller (Executive Member)

**Date:** Wednesday, 14 August 2019

**Time:** 2.00 pm

**Venue:** The King John Room (GO59) - West Offices

**A G E N D A**

**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 Democracy Support Group by:

**4.00pm on Friday 16 August 2019** if an item is called in *after* a decision has been taken.

\*With the exception of matters that have been subject of a previous call in, require Full Council approval or are urgent which are not subject to the call-in provisions. Any called in items 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 Democracy Support Group by **5.00 pm on Monday 12 August 2019**.

## 1. **Declarations of Interest**

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

- any personal interests not included on the Register of Interests
- any prejudicial interests or
- any disclosable pecuniary interests

which they may have in respect of business on this agenda.

## 2. **Minutes**

(Pages 1 - 4)

To approve and sign the minutes of the meeting held on 22 July 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 Tuesday 13 August 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 Officers (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](https://www.york.gov.uk/downloads/file/11406/protocol_for_webcasting_filming_and_recording_of_council_meetings_20160809)

#### 4. **Business Rate Support and the Councils** (Pages 5 - 26) **Property Planning**

This paper provides the Executive Member with information on the existing business rate support provided and available to businesses in the city. The paper also provides information on how the council can help in developing the city's economy through its role as a corporate landlord.

#### 5. **Urgent Business**

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

#### Democracy Officer

Angela Bielby

Contact details:

- Telephone – (01904) 552599
- Email [a.bielby@york.gov.uk](mailto:a.bielby@york.gov.uk)

**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

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Meeting	Decision Session - Executive Member for Economy and Strategic Planning [previously Executive Member for Economic Development and Community Engagement (Deputy Leader)]
Date	22 July 2019
Present	Councillor Waller (Executive Member)

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### 1. **DECLARATIONS OF INTEREST**

The Executive Member was asked to declare any personal interests not included on the Register of Interests, or any prejudicial or disclosable pecuniary interests that he might have in respect of the business on the agenda. None were declared.

### 2. **MINUTES**

Resolved: That the minutes of the last Decision Session held on 22 March 2019 be approved as a correct record and signed by the Executive Member.

### 3. **PUBLIC PARTICIPATION**

It was reported that there had been one registration to speak under the Council's Public Participation Scheme. Cllr Douglas, Shadow Spokesperson for Economy and Place, spoke on the economic opportunities and impacts of the York Central development. She noted the need for there to be a clear and firmer vision of what was wanted for York Central and she asked that greater consultation with residents, the community and visitors be carried out. She added that there needed to be greater social, economic and sustainable opportunities in York and expressed concern that an economic appraisal had not been carried out. She asked the Executive Member to make York Central a focus for his work and asked him to pull together a focus group on the matter. Cllr Douglas' comments were noted by the Executive Member.

**4. HIGH STREETS HERITAGE ACTION ZONE FUND  
EXPRESSION OF INTEREST SUBMISSION**

The Executive Member considered a report that provided an update on York Conservation Trust's (YCT) submission of an Expression of Interest (Eoi) to the High Streets Heritage Action Zone Fund, a central government funding opportunity to tackle the challenges facing historic town and city centres. The bid was focused on Herbert House, Lady Peckett Yard and Pavement. As part of the funding criteria the support of the Council was required as a co-signatory. However, there was no commitment of Council capital funding towards the proposal which would be funded by YCT and other partners.

Following an overview of the report from the Head of Regeneration Programmes, the Executive Member gave recognition to the work undertaken by his team. He offered his support to the YCT Expression of Interest on Herbert House. He noted that it was a promising plan for one of the most iconic buildings in the city, and, more importantly, would make great social use of that historic building. He then requested that Officers collate information gathered in the submission work for High Streets funds to be included in the forthcoming My City Centre consultation work.

Resolved: That;

- i. The Council's support as a co-signatory to York Conservation Trust's Expression of Interest to central government's High Streets Heritage Action Zone Fund be noted.
- ii. Officers collate information gathered in the submission work for High Streets funds to be included in the forthcoming 'My City Centre' consultation work.

Reason: In order to be updated on York Conservation Trust's submission of an Expression of Interest to the High Streets Heritage Action Zone Fund.

**5. THE ECONOMIC IMPACT OF BUSINESS RATES FOR YORK AND ITS CITY CENTRE**

The Executive Member considered a report that provided an update on the economic impact of National Non-Domestic Rates (NNDR) on York and its city centre. The Head of Economic Growth gave an overview of the report, explaining how rates were calculated. He also drew attention to the data available on the York Open Data website as detailed in paragraph 5 of the report.

The Executive Member commented that the issue of business rates was important to the operation of businesses and whilst there had been some investment in the High Streets funding, a more fundamental review of the system which taxes internet companies in a way that creates a level playing field for businesses. He added that as there had been a focus on other businesses by the government there had been a shortage on policy on the matter and taking this into consideration he asked that a coalition of information for business rate reform by officers. He requested that a consultation process is commenced with business organisations in the city for a review of locally determined policies and future representations on national policies with business rates.

Resolved: That;

- a) A guide to National Non-Domestic Rates (NNDR) and how the system for charging and collecting them works be noted.
- b) Details of the contribution that retained business rates now make to Council budgets be noted.
- c) The flexibilities that City of York Council has in terms of providing relief on those rates, our current policies and take-up levels be noted.
- d) An analysis of the specific impacts for the city centre be noted.
- e) A consultation process is commenced with business organisations in the city for a

review of locally determined policies and future representations on national policies with business rates.

Reason: To be updated on the economic impact of Business Rates for York and its city centre.

Councillor Waller (Executive Member)  
[The meeting started at 3.00 pm and finished at 3.20 pm].





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**Executive Member for Economy & Strategic Planning****14 August 2019**

Report of the Deputy Chief Executive / Director of Customer and Corporate Services

**Business Rate Support and the Councils Property Portfolio****Summary**

1. This paper provides the Executive Member for Economy & Strategic Planning with information on the existing business rate support provided and available to businesses in the city. The paper also provides information on how the council can help in developing the city's economy through its role as a corporate landlord.

**Recommendations**

2. The Executive Member is asked to:
  - a) note the contents of the report; and
  - b) consider what actions may be taken to utilise the support available in a more cohesive and strategic way to grow and manage the retail economy to the benefit of the city and its residents.

Reason: To ensure that York continues to have a buoyant, thriving and well planned business economy.

**Background**

3. There are a considerable number of national business rate reliefs available to businesses across the city. These fall into three main categories:
  - Mandatory
  - Discretionary
  - Time limited

The following paragraphs provide further information on each of the categories along with the qualifying criteria in brief. The paper also provides information on the number of businesses receiving relief, how many pay any business rates at all and who are the largest business rate payers in the city. The final section of the paper looks at the city's role as corporate landlord and how it can use this to influence and help develop a thriving and growing economy in the city that meets the needs of business, residents and visitors.

## **Mandatory Reliefs**

### 4. Mandatory reliefs include:

#### Relief for Charities

Registered charities are entitled to relief from business rates on any 'non-domestic property' that is wholly or mainly used for charitable purposes. Relief is given at 80% of the rate bill.

#### Community Amateur Sports Clubs (CASC)

Registered community amateur sports clubs can receive 80% rate relief.

To qualify as a CASC the sports club must:

- be open to the whole community
- be run as an amateur club
- be a non-profit making organisation
- aim to provide facilities for and encourage people to take part in eligible sport

To apply for relief they must first register as a CASC.

#### Relief for rural businesses

Help is available for certain types of business in qualifying rural settlement areas that have a population of less than 3000 people.

Mandatory relief of 50% is available for these eligible properties:

- the only village post office with a rateable value of up to £8,500
- the only village general store with a rateable value of up to £8,500
- the only cold food shop with a rateable value of up to £8,500
- the only village pub with a rateable value of up to £12,500
- the only village petrol filling station with a rateable value of up to £12,500

### Empty property relief

This relief is for a period of 3 months for most non-industrial businesses and 6 months for industrial after which full business rates become payable.

### Empty Property Listed Buildings

Business rates are not payable on empty listed buildings.

### Small business rate relief from 1 April 2017

From 1 April 2017, small business rate relief was permanently doubled from 50% to 100%, and thresholds were increased to benefit a greater number of businesses:

- businesses with a property that has a rateable value of £12,000 and below receive 100% relief
- businesses with a property that has a rateable value between £12,000 and £15,000 receive relief on a sliding scale
- the threshold for the higher standard business rates multiplier increased to a rateable value of £51,000
- if you currently receive small business rate relief and take on a second property you will continue to receive small business rate relief on your first property for a further 12 months. You will be charged full business rates on the new property.

## **Discretionary Reliefs**

5. There are a number of discretionary reliefs around which the council has more latitude in making awards. However in most cases the rules are set by Central Government.

### Charities & CASC discretionary top up

Registered Charities and CASC's can request discretionary rate relief 'top up' for the remaining 20% of their bill above the 80% statutory award.

### Rural top up

Businesses qualifying for mandatory rural rate relief can apply for discretionary top up relief for the remaining 50% of their bill.

### Rural discretionary

Any business in a qualifying rural area with a rateable value of up to £16,500 can apply for up to 100% discretionary rate relief.

### Hardship relief

This provides the council with the discretion to provide relief in special circumstances. The qualify criteria normally is where the business is a unique community asset and has a viable business plan.

6. The reliefs looked at so far both mandatory and discretionary have their rules set by Central Government the only exception to this been the 'discretionary top up' relief for Charities and CASC's where the rules around the amount can be set by the council.
7. The Localism Bill that came into effect on 1<sup>st</sup> April 2012 was the first time Central Government provided powers to local authorities to develop their own discretionary schemes. The purpose of the change was to empower local authorities that until 2012 had very little latitude to reduce the tax burden on non-domestic rate payers.
8. City of York council introduced a policy for its business rate discounts and this is set out at Annex A. There are currently four priorities in the policy (it is some time since these have been reviewed):
  - Ambition 1 – Supporting Young Business in our Economic Growth Sectors
  - Ambition 2 – Bringing Empty Listed Buildings back into Use
  - Ambition 3 – Significant business relocations to York
  - Ambition 4 – Business Development District
9. The Discount Policy provides a real opportunity for the council to try and shape the economy however it is at a cost to the council in foregoing business rate income and is limited by the 'state aid rules'.

### **Time Limited Reliefs**

10. There have been a number of time limited reliefs implemented by the Government over the last 5 years. These have been generally linked to reinvigorating the High Street and maintaining local Pubs. More recently the schemes have also looked to smooth the latest business rate revaluation implemented in April 2017 based on rateable values as at 1<sup>st</sup> April 2015. The revaluations are every 5 years so the next process is already starting for April 2022 based on rateable values as at 1<sup>st</sup> April 2020.
11. The current reliefs currently available are:

Retail discount 2019 to 2021

A new Retail discount scheme was announced in the Budget in October 2018.

The Government has announced a new relief scheme for retail properties that have a rateable value of less than £51,000. Under the scheme, eligible ratepayers will receive a discount of one third of their daily chargeable amount after all other reliefs have been applied. This relief will take effect between financial years 2019/20 and 2020/21.

Revaluation Relief 2017 – 2021

This relief was introduced following the 2017 valuation and was aimed at local business with a rateable value below £200K the funding available (To be shared) was on a sliding scale across 4 years:

<b>Year</b>	<b>Value</b>
2017/18	£788K
2018/19	£383K
2019/20	£158K
2020/21	£23K

Relief for local newspapers

The government is providing funding to local authorities so that they can provide a discount worth up to £1,500 a year for 2 years from 1 April 2017, to office space occupied by local newspapers. This is up to a maximum of 1 discount per local newspaper title and per property, and up to State Aid limits.

Relief for businesses losing Small Business or Rural Rate Relief following 2017 re-valuation

In the Spring Budget 2017, the Chancellor announced that a scheme of Relief would be made available to those ratepayers losing Small Business or Rural Rate Relief as a result of the 2017 revaluation will have their increases limited to the greater of either:

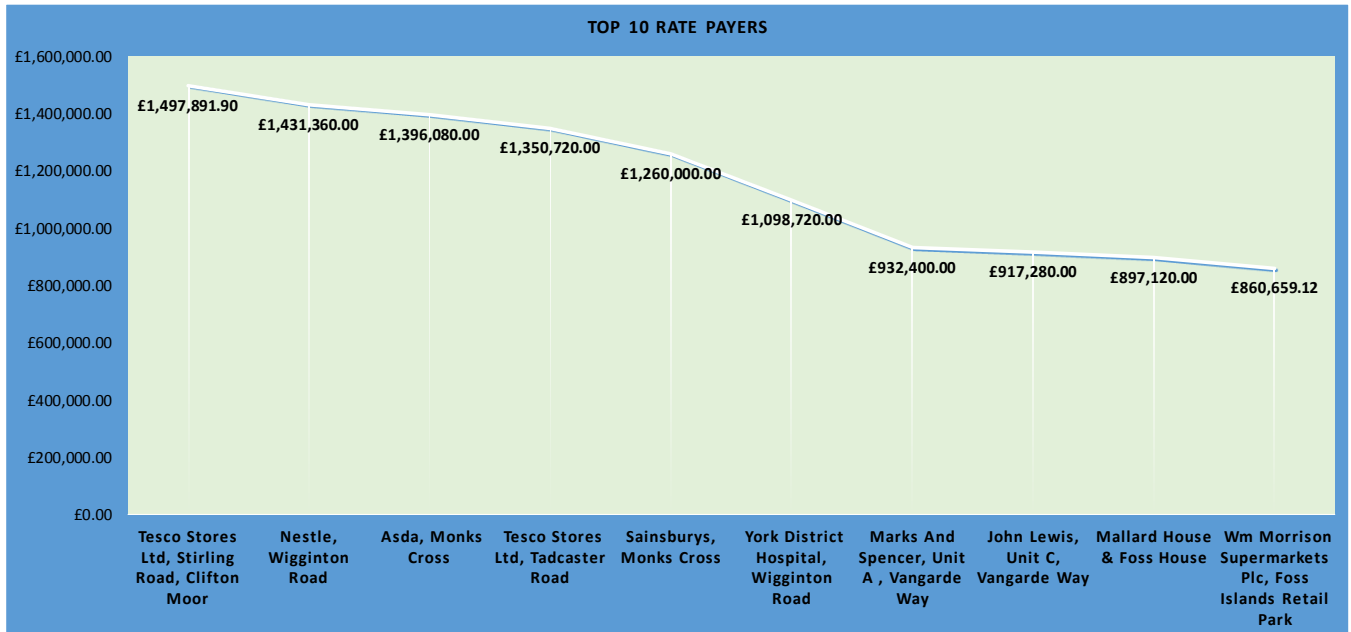
- a cash value of £600 per year, or
- the matching cap on increases for small properties in the transitional relief scheme

This relief will run for 5 years to 31 March 2022 and ratepayers will receive the relief until this date or they reach what their bill would have been within the relief scheme, whichever is first.

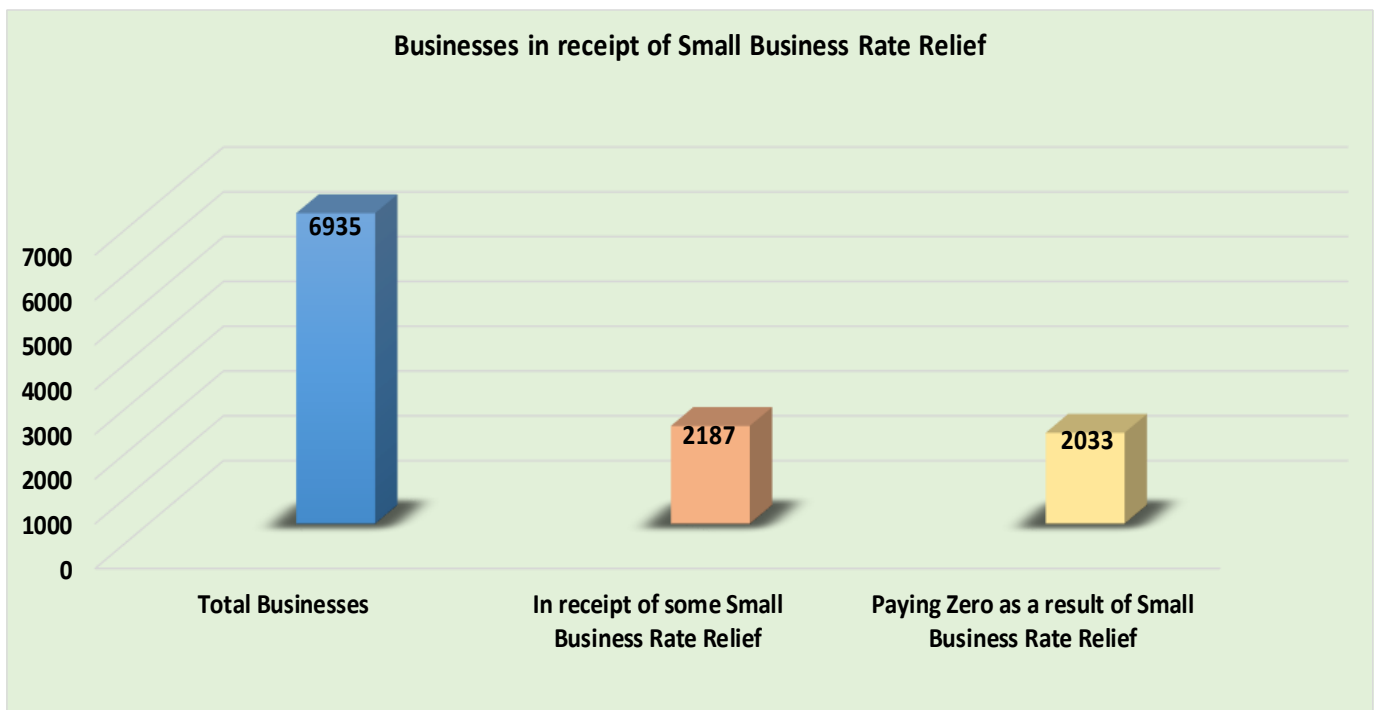
The award of this relief must comply with EU law on State Aid.

## How business rate reliefs currently support our businesses

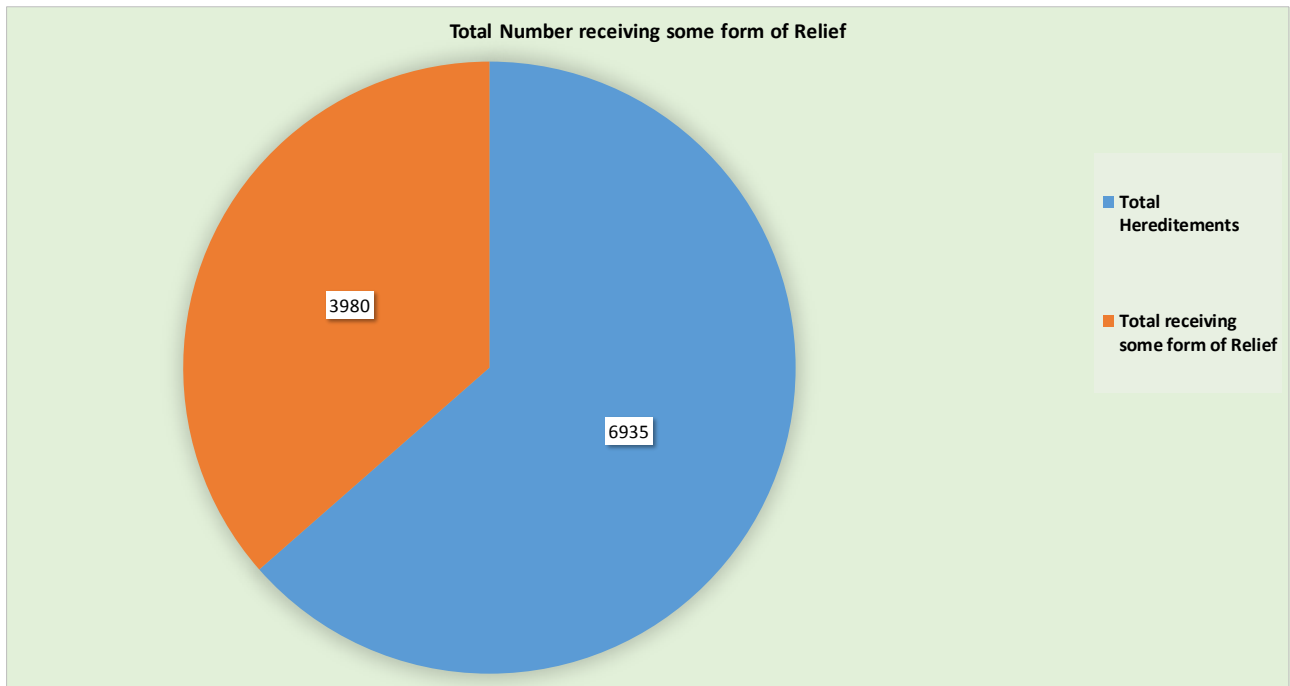
12. The following paragraphs show the support provided through current business rate reliefs, the size of the businesses community and its financial health in terms of arrears in 2019/20. The top 10 business rate payers have a total business rate liability of £10,781,571 (2019/20) this is approximately 10% of the total annual liability:



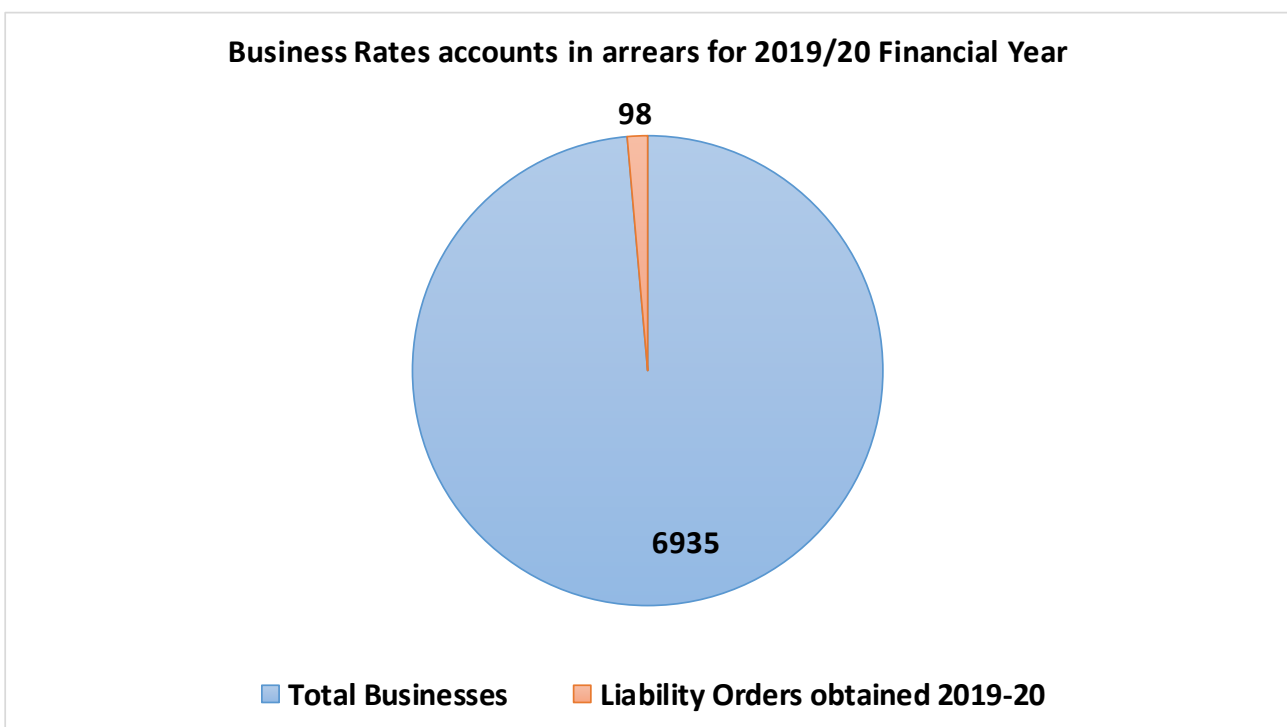
13. There are currently 6,935 business in the city including 652 shops. The number of businesses who are in receipt of small business rate relief is set out below:



14. The number of businesses receiving some form of business rate relief is:



15. The number of businesses currently in arrears:



## The Council as a Landlord

16. The council own and manage a non housing land and property portfolio valued at £335 million and which provides an income of £6.4 million and which comprises 1,295 assets.
17. The portfolio includes a commercial estate comprising over 1,100 agreements and which provide an annual revenue income of £5.8 million. This contains retail, light industrial, office and agricultural properties as well as the commercial lettings at West Office and a lease of the Race Course.
18. The portfolio is let to a considerable number of small/ local businesses and clubs for which the annual revenue income comprises £2.7million. This reflects a figure of 42% of the income generated from the total portfolio. When analysing the number of properties (excluding low value agreements such as licences) in respect of the number owned and leased to small/ local businesses, the figure occupied by such, as a proportion of the estate, is 74%. This considerable proportion of the estate, illustrates the key role that the council has in providing and managing accommodation, supportive of small business in the local economy.
19. Vacancy levels across the portfolio are low with all commercial property currently let or under offer. Whilst the council ensures it obtains best value for its assets, for which the income received supports council service delivery, it maintains a flexible approach if tenants experience difficulties in meeting their lease obligations.
20. The council has always focussed its commercial estate in York in order to promote and support economic vibrancy and ensure the preservation of historic buildings. Through its ownership of the estate the council therefore, provides accommodation which helps in developing and maintain the city's economy, serving a broad role in meeting social economic and environmental objectives such as regeneration and ensuring the sustainability and vibrancy of the city centre.
21. As detailed above this includes a considerable amount of accommodation which is occupied by small businesses. This includes premises occupied by independent retailers both in the city centre and local centres as well as property which provides the ability for businesses start ups, which includes the Eco Business Centre in Clifton Moor which provides over 60 units which is occupied by such.
22. The council has also pro actively expanded its ownership within the city centre recently, by acquiring property in Swinegate which comprises mixed use accommodation. The Swinegate area contains a range of smaller footprint offices, shops and food and beverage establishments



and is populated by a number of local, smaller retailers. Purchasing assets in this area has enabled the council to ensure the continuation of support for local businesses and to ensure that the buildings are maintained and well managed.

23. The council's property ownership and its pro activity in managing such in the city therefore, promotes local economic growth and provides key accommodation for local and small businesses to be based within. This approach is consistent with the council's over arching approach to city centre development and prosperity.

### **Consultation**

24. This is an information only report that sets out the current position so there was no consultation required in drafting. Any feedback to this paper can be sent to: [business.rates@york.gov.uk](mailto:business.rates@york.gov.uk)

### **Analysis**

25. The council through the existing business rate reliefs, its discount policy and its role as a landlord has the ability to influence and assist business growth and direction in the city. It does not have financial capacity to make quick or radicle change (If it wanted to) but it can help to shape and develop. This is only one element of any longer term vision for the city which would form part of any other major redevelopment plans the council may be involved in e.g. York Central, Southern Gateway.

### **Council Plan**

26. The development and support of the city's businesses helps create job opportunities, a thriving economy, sustainable business rate income, supporting the Council Plan commitment to achieve 'a prosperous city for all'.

### **Implications**

27. (a) **Financial** – There are no implications directly associated with this paper.
- (b) **Human Resources (HR)** - There are no implications
- (c) **Equalities** – There are no direct implications
- (d) **Legal** – The are no 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**

28. This is an information only paper and has no risks associated with it.

**Contact Details**

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**Chief Officer Responsible for the report:**

Ian Floyd - Deputy Chief Executive & Director  
of Customer & Corporate Services

Pauline Stuchfield Assistant Director  
Customer & Digital Services  
Tel No.01904 551706

**Report Approved**



**Date**

05 Aug 2019

**Specialist Implications Officer(s)** *None*

**Wards Affected:** *List wards or tick box to indicate all*

**All**

**Background Papers:**

**Annexes:**

Annex A Discretionary Business Rate Policy

## List of Abbreviations

**The rateable value (RV)** – of a commercial property essentially represents the annual rental **value** of the commercial property on the open market. All non-domestic properties have a **rateable value**, which is fixed by an independent valuation officer from the Valuation Office Agency.

**The Business Rates multiplier** - A multiplier is the number of pence per pound of rateable value that you'll have to pay in business rates, before any relief or discounts are deducted. These are reviewed every year by the government in line with inflation

**Business Rate Liability** – This is the amount of money a business must pay before any reliefs and is calculated by multiplying the rateable value (RV) of the property by the multiplier.

### Multiplier 2019/20:

- non-domestic rating multiplier 50.4p (0.504)
- small business non-domestic rating multiplier 49.1p (0.491) (RV up to £51K)

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**Discretionary Business Rates Discount Policy**

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**City of York Council**

**Discretionary Business Rate Discount Policy**

**OVERVIEW**

This policy provides the councils guidance in relation to discretionary business rate discounts. It provides the principles upon which the council will deal with any application that may be received.



## Discretionary Business Rates Discount Policy

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### Background

1. The power for local authorities to grant business rate discounts is provided through the Localism Bill and came into effect on 1<sup>st</sup> April 2012. The purpose of this change is to empower local authorities that until now had very little latitude to reduce the tax burden on non-domestic rate payers. Until the bill was passed local authorities were only able to provide discretionary rate relief in respect of:
  - a) topping up the 80% mandatory relief given to charities and Community Amateur Sports Clubs to 100%;
  - b) topping up the mandatory relief available to rural village shops;
  - c) providing up to 100% relief to other non-profit making bodies;
  - d) hardship relief to certain businesses that are finding it difficult to pay;
  - e) discretionary relief to other small rural businesses.
2. The Government's objective for this change is to provide greater opportunity for local authorities to use innovative approaches in delivering a wide range of policy objectives through use of this new power.
3. The change in powers provides local authorities complete discretion allowing them to give no discounts at all through to the extreme of providing a 100% to all businesses. From 1<sup>st</sup> April 2013 the amount of discount provided is funded on a 50/50 basis with Central Government.
4. This policy has been developed in light of our membership of the Leeds City Region business rate pool. It is intended to provide a consistent approach to business rate discounts within the pool taking into account the approach used by Leeds City Council but reflecting the aspirations and challenges facing York.



## Discretionary Business Rates Discount Policy

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### Business Rate Policy

5. The policy is one of discretion and is based upon the **four** ambitions set out in the following paragraphs. The extent to which any discount can be provided in any one year outside of the qualifying criteria is the budget available and the European State Aid Rules.
6. It is important that any decision to provide a discount is based upon the set criteria and is rigorously controlled. This will avoid external criticism from both the business community and local tax payer. It also ensures that a formal process to consider the financial implications has been undertaken and that the decision is both democratic and transparent.
7. The localisation of business rates with effect from 1<sup>st</sup> April 2013 and this policy may through stimulating economic growth help to generate greater retained income helping to provide sustainable funding against which applications can be considered.

### **Ambition 1 – Supporting Young Business in our Economic Growth Sectors**

8. The York growth sectors are defined in the draft Inward Investment Strategy. The growth sectors are:
  - a) Bio-medical/sciences
  - b) Agritech
  - c) Insurance & Professional Services
  - d) Rail & related industries
  - e) Business software innovation
  - f) Creative medicine
9. Level of Relief: Young businesses (first five years of trading) in target sectors can receive up to 2 years of rate relief 50% in first year, 20% in second year, up to a maximum of £5K in any one year. The qualifying criteria are:



### Discretionary Business Rates Discount Policy

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- a) Young – must have been founded less than 2 years from date of application;
- b) Must be independent – not a subsidiary or local branch of an existing business;
- c) Must not be eligible for small business rates relief;
- d) York-based – must be paying rates on a property in the City of York Council area;
- e) Target sectors – must be working in one of the six growth sectors;
- f) Must be able to demonstrate need for rate relief;
- g) Must be able to demonstrate the business will be viable after two years relief;
- h) Must demonstrate the potential to create new jobs.

#### **Ambition 2 – Bringing Empty Listed Buildings back into Use**

10. Empty Listed Buildings receive mandatory 100% rate relief with no time limit. As an incentive to bring such premises back into use, relief is proposed on a sliding scale – 80%/50%/20% over three years – to the landlords or occupiers of the building up to a maximum of £10K (taking into account any Government incentives) in any one year. The qualifying criteria are:
- a) The building must be Listed and have been vacant for a minimum of 12 months;
  - b) Some renovation must be required to bring the premises back into use;
  - c) Application must gain Listed Building consent for the proposed work (and planning permission, if required);

#### **Ambition 3 – Significant business relocations to York**

11. This category is intended to allow the possibility of relief being awarded to organisations seeking to relocate or invest in new operations in York, as opposed to another area outside of the City region, which would have a significant
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## Discretionary Business Rates Discount Policy

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impact on employment. Relief would be offered at 1% relief for every new job up to a maximum of 50% or funding available in financial year of application and within the State Aid Rules in the first year of relocation/inward investment only. The qualifying criteria are:

- a) Inward investment must create new jobs (not just relocation of existing employees to York);
- b) Available to companies or organisations in target growth sectors as set out in paragraph 8 above, with the exception of retail;
- c) Jobs created must not have a significant risk of displacing similar employment from existing York businesses.

### **Ambition 4 – Business Development District**

12. This ambition is to incentivise the development of business opportunities by providing a discount of 50% on the rates payable in respect of unoccupied commercial properties. The incentive is intended to encourage the development of thriving and more vibrant communities by creating employment, improving the street scene and creating opportunity through bringing unoccupied commercial properties back into use.
13. The ambition will target specific geographical areas identified through ongoing review and approved by Cabinet with automatic awards instead of individual application. The Cabinet decision will be based on consideration of the local vacancy factor of commercial properties. This ambition will help support the corporate priorities of:
  - Creating jobs and growing the economy;
  - Building strong communities.
14. The qualifying criteria are:
  - The premise must be unoccupied, commercial and on the Valuation Office List;
  - Any discretionary relief cannot be claimed in addition to Central Governments Reoccupation relief;



## Discretionary Business Rates Discount Policy

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- The relief will be calculated after the award of any Small Business Rate Relief if applicable;
- Any award will be for the maximum of eighteen months;
- The relief is for retail premises only and any award is a discretionary decision made by the council to which there is no right of appeal;
- The council will define the boundary of any business development district taking into account the vacancy factor of commercial premises;
- No award will be made in respect of Financial Services including payday lenders, betting shops and pawn brokers or any other use that the council would deem inappropriate or would conflict with the councils wider objectives for the local area;
- The maximum award is 50% of the residual rates payable after the award of any Small Business Rate Relief if applicable;
- There is a £50,000 Rateable Value Cap.

### Managing the Process

15. To ensure transparency and fairness any consideration to award a business rate discount must have a clear and measurable link to the three ambitions set out above. In addition the business must provide a clear business case setting out the benefits to the council and its tax payers of providing any such discount.
16. All applications must use the standard application form with additional supporting information attached. Submissions can be made in both a paper and electronic format.
17. The business case considered must contain the full financial impact on the council along with measurable medium and longer term benefits.
18. Where the council chooses to consider requests for discounts it will do so through its current budget process. The process will occur only once each year and has specific

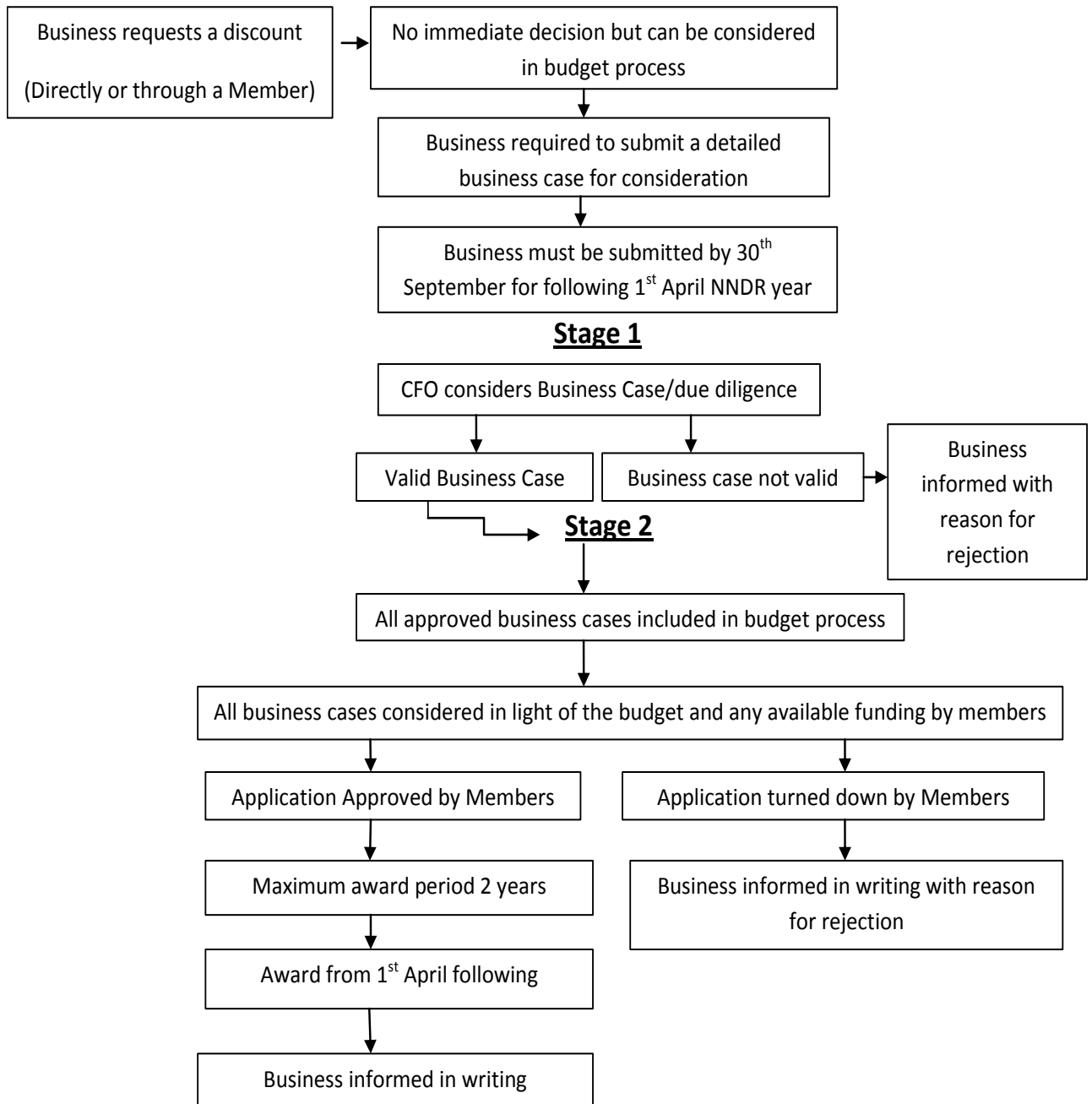


**Discretionary Business Rates Discount Policy**

timelines and cut off points to ensure clarity for the applying business as well as officers and Members.

Table 1 below sets out the process:

**Table 1**



### Discretionary Business Rates Discount Policy

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19. Applications at Stage 1 as set out above (Table 1) must be signed off by the Chief Financial Officer (CFO) for all business cases including due diligence with regards to the applying organisations financial accounts. This will ensure that only business cases that are assessed as being financially sound move to Stage 2. Stage 2 is the democratic decision to approve or reject a discount based upon the presented business case and any available funding. This will require as a minimum Cabinet approval. No discount can move to stage two without the approval of the CFO. There is no right of appeal to either the stage 1 or 2 decision applicants can however make new applications in the following year.
20. There may be exceptional circumstances where it is in the interest of the council to consider an application outside of the standard process and timeline set out at Table 1. Where this arises it will still require the Section 151 officer to sign off the business case and in addition agree that the required funding is available. The final decision will still require Cabinet approval at the first available session.

### PRINCIPLES

21. The basic principles underpinning this policy are as follows: -
  - I. The council wishes to operate in a fair and transparent way ensuring its powers are used sensibly and coherently to benefit the community as a whole;
  - II. The council wants to use, where appropriate, its powers to help stimulate and develop the local economy to the benefit of its residents and service users ;
  - III. The council wants to deliver its services through a sound and well maintained corporate governance framework that provides clarity and certainty to both Officers and Members

**Discretionary Business Rates Discount Policy**

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- IV. The council wants to help develop a consistent approach to business rate discounts across the Leeds City Region

**EVALUATION AND REVIEW**

22. This policy will be reviewed annually to ensure its continued relevance and to assess its performance against the four ambitions.

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