

SUPPORT FOR BUSINESS GROWTH IN THE VALE

1. Purpose

- 1.1. The Cabinet considered a report on how extra support could be provided for Business Growth in the Vale at its meeting on 6th May 2014. Cabinet approved the report and referred it to Economy Scrutiny Committee to seek input on the development of the initiative.
- 1.2. The Scrutiny Committee is asked to consider the proposals and provide feedback to the Cabinet member on the depth and breadth of the proposals in order that these can be reflected in the final initiative.

2. Recommendation

- 2.1. The Scrutiny Committee is requested to consider the proposals put forward by Cabinet and make comments to them to be considered when formulating the final initiative.

3. Executive Summary

- 3.1. The Budget approval agreed by Council in February 2014 included an amount of £166,000 allocated for the support of business within the Vale. The detail of how this could be best used was the subject of a report to Cabinet on 6th May 2014.
- 3.2. Cabinet were keen that Economy Scrutiny Committee should be given the opportunity to input into this process given their remit and the interest previously shown in exploring these issues.
- 3.3. The report explores in detail the Business Rates system and how it could potentially be used to encourage new business growth. The report also sets out proposals for how the sum provided within the budget could be used in support of business rate discounts and other initiatives.
- 3.4. The report considered by Cabinet is attached as Appendix 1.
- 3.5. The Scrutiny Committee is requested to give particular consideration to the following aspects where extra input in terms of definition would be particularly useful in shaping the initiative.

Defining town centre boundaries

- 3.6. **Aylesbury** – the only town centre boundary defined in any plan is the one set out in the Aylesbury Town Centre Plan – transforming Aylesbury as a destination of choice and a centre for entertainment and the arts – April 2014. This plan sets out the Vision and strategic aims for the town centre and is intended to help guide future development of the town centre. It includes a series of action plans based on nine

key areas of the town and a plan for actions which apply across the town. A copy of the plan boundary is attached as Appendix 2.

- 3.7. **Winslow** - Winslow Town Council has recently published its neighbourhood action plan and has defined what it regards as the town centre – Appendix 3. Subject to consultation with Winslow Town Council, this could be used to define the boundary.
- 3.8. **Buckingham** - A draft of the Buckingham Neighbourhood Plan was published for consultation in January 2014 and is still being progressed. Buckingham Town Council could be asked for their view on what boundary might be appropriate to use.

What criteria should be used for agreeing a discount?

- 3.9. The report to cabinet suggests two possible criteria around rateable value and length of vacancy:

- A rateable value of more than £12,000.

Premises with a rateable value of less than this, already qualify for some level of small business rate relief. They may also qualify for the new £1,000 Government relief which premises with a rateable value of up to £50,000 can apply for.

The cabinet report does not suggest what the maximum rateable value should be for an AVDC discount scheme but Scrutiny is requested to consider whether one should apply and if so at what level.

- Have been vacant for less than two years (or excluded from the national reoccupation discount)

Premises vacant for over two years will qualify for the new Government Re-occupation relief grant. However, any temporary use of the property within the previous two years effectively disallows a tenant from receiving the benefit. Thus many properties which are perceived to have been empty for more than two years may be disallowed from the national scheme on grounds that it has had a “pop-up” use in the previous 2 years. It is proposed that these properties will be eligible under the Council's scheme.

- 3.10. To put these two criteria in context, at the time of writing this report, the number of properties which had a rateable value of between £12,000 and £50,000 and had been vacant for less than two years was very small:

- Aylesbury = 2
- Buckingham = 2
- Winslow = 0

- 3.11. If you increased the rateable value to £100,000, the number would increase by two in Aylesbury. Some further figures including changing the vacancy rate criteria will be available at the meeting.

- 3.12. In addition to criteria relating to rateable value and length of vacancy, the Committee may also want to include some criteria relating to desirability (giving scope for localisation to each town) and sustainability.
- 3.13. The Aylesbury Town Centre sets out a Vision very clearly and this could be used to help assess applications. By doing this, applications would not be limited to retail but would also be available to food and beverage outlets, and other businesses which broaden the range and depth of the town's offer.
- 3.14. For Winslow and Buckingham, the Town Councils could be consulted on any local criteria they would like to be applied.
- 3.15. In terms of sustainability, as with all council grant schemes, it's suggested that a simple but relevant application form is developed so that there can be some assessment of the sustainability of the business proposition and the council can have some re-assurance that the grant will have an impact.

Should the £50k be allocated across the towns?

- 3.16. There are a number of options which could be considered:
- No, it should be on a first come first served basis
 - Proportionate to the total number of businesses in the defined area of each town centre
 - Proportionate to the total number of premises that would qualify in the defined area of each town centre
 - Variations on the above or a new option
- 3.17. Options i and ii have the advantage of providing a reasonable degree of fairness for the whole year whilst option iii) would be a figure based on a fixed point in time i.e. when the scheme is first launched. Whilst, town centres are beginning to recover from the recession, some sectors which operate in towns are still finding it difficult so it's difficult to predict how many more premises might become vacant in the course of the next 12 months.

Should there be a maximum discount?

- 3.18. The maximum rateable value which could qualify has not been defined. Based on a £50,000 and £100,000 maximum as examples, the number of premises which would qualify is very low. This scenario provides scope to give fairly significant grants to attract a few applications. If the number of premises increases, members may feel it better to give smaller grants to more applicants. For either of these options, giving a fixed % of the total business rate may be a consistent and fair way to agree how much grant should be awarded.
- 3.19. Within the criteria and parameters agreed for the scheme it is envisaged that the award process should be delegated to the Head of Communications and Marketing in consultation with the Cabinet Member for Civic Amenities.

- 3.20. Should the scheme permit, it is further envisaged that any individual award in excess of £15,000 would need the separate agreement of the Leader of the Council.

Marketing and promoting the scheme

- 3.21. Once agreed, the scheme will need to be proactively promoted. There are many ways in which this can be effectively done e.g. councils' websites, social media, Federation of Small Business, lettings agents, Bucks Business First, the Aylesbury Innovation Centre , the Aylesbury Town Centre Partnership, the Winslow Chamber of Trade and the Destination Buckingham Group. It should be possible to use all these channels at minimum cost.

Support for New Business Development

- 3.22. The scheme, as it relates to encouraging new business development, is less complex and the broad outline is set out within the Cabinet paper. Scrutiny is requested to consider the content of this and make comments as appropriate.
- 3.23. In the same way that the town centre scheme is underpinned by the town centre plan this business growth scheme is supported by the Economic Development Strategy and awards under this scheme should be consistent with it.
- 3.24. Scrutiny may also wish to consider the role of the other major precepting authorities who could be involved or impacted by the initiative.
- 3.25. The Scrutiny Committee is requested to consider the detail of the proposals and make comments to the Cabinet Member for Economy on its further development so that they can be incorporated into the final initiative to be presented to Cabinet.

4. Resources Implications

- 4.1. These are set out within the Cabinet report.

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