

<b>Subject:</b>	NNDR Policy- inward investment and business expansion	<b>Status:</b>	For Publication
<b>Report to:</b>	Full Council	<b>Date:</b>	21 <sup>st</sup> March 2018
<b>Report of:</b>	Economic Development Manager	<b>Portfolio Holder:</b>	Regeneration, Leisure and Tourism
<b>Key Decision:</b>	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
<b>Equality Impact Assessment:</b>	Required:	No	Attached: No
<b>Biodiversity Impact Assessment</b>	Required:	No	Attached: No
<b>Contact Officer:</b>	Guy Darragh	<b>Telephone:</b>	01706 252568
<b>Email:</b>	guydarragh@rossendalebc.gov.uk		

1.	<b>RECOMMENDATION(S)</b>
1.1	That Council notes and approves the proposed NNDR relief policy and process.
1.2	Council delegates authority for NNDR relief application decisions to the panel within the parameters outlined in this report.
1.3	That a list of successful NNDR relief applicants be listed in future Economic Development Directorate update reports for Members information.
1.4	Members to allow minor alterations to this policy to be made by the Economic Development Manager in consultation with the Portfolio Holder.

## 2. PURPOSE OF REPORT

- 2.1 To seek Members approval for an inward investment and business expansion NNDR relief policy.

## 3. CORPORATE PRIORITIES

- 3.1 The matters discussed in this report impact directly on the following corporate priorities:
- **A connected and successful Rossendale that welcomes sustainable growth:** our priority is to ensure that we are well connected to our residents, key partners and stakeholders. We want to make the most of every pound we spend and we are always looking for new and innovative ways to make the resources we do have, work harder for us.
  - **A proud, healthy and vibrant Rossendale:** our priority is to ensure that we are creating and maintaining a healthy and vibrant place for people to live and visit.

## 4. RISK ASSESSMENT IMPLICATIONS

- 4.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:
- The Council actively wants to support inward investment and business expansion that will generate new NNDR and jobs. This will raise living standards and opportunities. Without this policy there is a risk that footloose businesses will be attracted to other proactive Council areas that may have a package of incentives such as grants, NNDR relief and Enterprise Zones. This policy ensures that Rossendale has an active mechanism to attract new businesses.
  - The policy will mainly cover additional buildings and new sites that do not currently pay NNDR as such cost implications to the existing NNDR income are limited. The net effect in

the medium and long term will be a growth in NNDR revenue for Rossendale Council as the encouraged investment will lead to new NNDR paying properties.

- Semi derelict sites will generally be paying low NNDR if in poor condition as a result of a VOA assessment. If the property is improved then the assessment is likely to also increase. Left in a poor state of repair the site is unlikely to attract suitable businesses and encompassing employment opportunities. This policy reduces the risk of these sites remains in a poor state.
- If a successful applicant were to cease trading or leave the site then this would constitute a breach of the term of the policy. Any subsequent new occupant or vacant property would by default return to paying the standard NNDR rate.

## 5. BACKGROUND AND OPTIONS

### 5.1 What is NNDR

National Non Domestic Rates (NNDR) is a tax on non-domestic property that is collected by local Councils. The allocation of the revenue generated in Rossendale is split as follows: 50% goes to DCLG, 9% LCC, 1% Fire Service, 40% to Rossendale Council of which a further DCLG tariff is charged. NNDR is calculated based upon a valuation office assessment (VOA) of rateable value (RV), combined with a multiplier set nationally, currently 47.9p (or 46.6p for small property).

### 5.2 Current Government NNDR relief policies

There are various entitlements to relief available which can be set against the standard rates payable:

#### Small business multiplier

Where the RV is less than £51,000, NNDR is charged at the small multiplier 46.6p in the pound, as opposed to 47.9p for those higher than £51,000.

#### Small business rate relief

100% relief is granted where the RV is less than £12,000, with tapered relief down to £15,000. I.e. a £13,500 RV would get 50% relief. This relief is granted where the ratepayer occupies one premises only; however if additional occupied properties have a rateable value of less than £2,900, and the total rateable value of all the property does not exceed £19,999, then SBRR can still be granted.

Companies can set up separate legal entities so as to effectively maintain sole trader status. Councils are obliged to award SBRR without application and the company is expected to advise if it should not qualify.

#### Transitional relief

Phases in large increases or decreases after revaluation.

### Charitable relief

For charities or premises where activity is wholly or mainly charitable, 80% mandatory relief is awarded.

### Hardship relief

Short term relief which must be granted in the interest of tax payers. May be used to keep a business afloat through a period of short term difficulty in the wider interest, such as a major employer or the only shop in a rural community.

### Rural rate relief

For the only food shop/pub in rural areas.

### Discretionary relief

Can award to anybody, there is no current policy on general relief to support businesses at the moment.

Discretionary relief is also awarded as top-up to charities over and above the 80% mandatory award, or potentially to community groups that do not qualify as charitable.

### Short term government fixed schemes that fall under discretionary rules

The government has, in recent years', funded various schemes under which it defines criteria for awards, but rather than introduce legislation it suggests that local authorities grant the relief under its discretionary powers. Current schemes are:

£1,000 flat rate relief for pubs

Extra transitional awards for businesses whose rates have gone up taking them out of SBRR and so the standard transitional scheme does not fully limit the increase

A limited fund for those whose rates have gone up by more than 12.5% and have an RV of less than £225,000

### Small empty property

Property with RV lower than £2,600 is exempt from empty rates.

### Empty Property

First 3 months exempt or first 6 months for industrial property.

### Listed and prohibited

Properties that are listed and certain public sector buildings are automatically exempt.

## Profile of existing Rossendale NNDR relief

Table to show NNDR relief breakdown across 2,703 Rossendale NNDR properties

Policy	Number of properties
Mandatory Charitable/Sports	99
Rural	1
Empty	323
Discretionary Charitable/Sports	65
Discretionary Small Business Support	6
Discretionary Pubs	25
Discretionary Increases	27
Small Business Rate Relief	1,384

NB Some properties are eligible for more than one type of relief.

### 5.3 Rational for Business Expansion and Inward Investment

The Council has the following strategic aims:

- Attract quality inward investment businesses into the borough
- Encourage the expansion of existing businesses
- Support the development of new employment sites
- Promote job creation
- Encourage occupation of derelict buildings
- Grow the NNDR business base in the borough to raise future income levels

### 5.4 Proposed process and criteria

It is proposed to create a business expansion and inward investment local discount scheme. In Rossendale this would consist of the following:

- Application made to the Economic Development Team with the percentage awarded following the criteria outlined. This will be at the sole interpretation of the selection panel.
- A maximum of 100% relief in year 1, 60% year in 2 and 30% in year 3
- 50% of the relief will be allocated for qualifying businesses locating or expanding. A further 50% relief can be allocated at a ratio of 5% for each new job created that is paid the living wage or above up to a total maximum of 100% of one year's NNDR. The percentage approved will then be fixed. It will be allocated pro rata for year 2 at 60% of the original award amount, year 3 at 30% of the original award amount; subject to the applicant remaining in the premises and achieving the stipulated job targets
- Applicants must not qualify for any other UK government relief schemes i.e. must be in the non-exempt category
- Eligible businesses are:
  - Businesses expanding the building footprint of the current site
  - Businesses locating onto a new employment site

- Locating or expanding in a building that currently zero rated and as a result of refurbishment will become VOA rated. These are mainly derelict buildings
- Semi- derelict buildings that have been unused for business purposes for at least 1 year. The panel must deem them to be in a poor condition that will be significantly enhanced as a result of the proposed investment
- Criteria
  - Must be within Rossendale Council area
  - Must apply and be granted approval before committing to the expansion/ relocation, no retrospective claims will be considered
  - Must be an small medium enterprise that complies with state aid limits
  - Must be in receipt of the freehold or a long lease greater than 3 years
  - Must agree to be an Invest in Rossendale champion for at least a year taking part in media and publicity releases
  - Must not be unethical businesses at the sole discretion of the panel; such as those involved with pay day loans, gambling, sex industry and performing animals
- Decision Process
  - An expanding or inward investment business will be unable to wait for Council Committee cycles to make a decision and a faster process will be necessary
  - It is proposed that applications received are brought to a monthly panel meeting that consists of Portfolio Holders for regeneration, leisure and tourism; Resources and Customer Services as well as officer representatives from Economic Development and Service Assurance. Authorisation to establish this group and delegate authority for the NNDR relief is requested in this report

This criteria will ensure that the relief is targeted at strategic businesses that have potential to meet the stated objectives of the Council and raising future income levels.

**COMMENTS FROM STATUTORY OFFICERS:  
SECTION 151 OFFICER**

- 6.1 Financial matters are noted within the report.
- 6.2 The policy will introduce a further tool and incentive to grow the business rates base within Rossendale and will, amongst other things, eventually increase the business rates income retained by the Council.

**7. MONITORING OFFICER**

- 7.1 The Localism Act 2011 allows billing authorities to grant discretionary rate relief in any circumstances provided if it is in the interest of local council tax payers to do so. Each case must be considered on its own merits.

**8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT**

- 8.1 An initial equality impact assessment has been completed and has identified no detrimental impact in any of the protected characteristics.

**9. CONCLUSION**

- 9.1 The NNDR relief policy will target expanding and inward investment businesses. It will encourage growth with the associated benefits of raised living standards and job opportunities. The increased property investment will in the medium term increase NNDR

returns in the Rossendale area.

Background Papers	
Document	Place of Inspection
NNDR Relief policy EIA	Included

## FULL EQUALITY IMPACT ASSESSMENT

<b>Name of Policy, Decision, Strategy, Service or Function, Other: (please indicate)</b>	NNDR Relief Policy	
<b>Lead Officer Name(s) &amp; Job Title(s) :</b>	Guy Darragh, Economic Development Manager	
<b>Department/Service Area:</b>	Economic Development	
<b>Telephone &amp; E-mail Contact:</b>	01706252568 <a href="mailto:guydarragh@rossendalebc.gov.uk">guydarragh@rossendalebc.gov.uk</a>	
<b>Date Assessment:</b>	<b>Commenced:</b> 06/02/18	<b>Completed:</b> 07/03/18

We carry out Equality Impact Assessments (EIA) to analyse the effects of our decisions, policies or practices. The EIA should be undertaken/started at the beginning of the policy development process – before any decisions are made.

### 1. OVERVIEW

<b>The main aims/objectives of this policy<sup>1</sup> are:</b>
To encourage the development of business expansion, derelict buildings and inward investment within the borough. This will promote investment, jobs and opportunities to local residents.

(Refer to "[EIA Guidance](#)" for details)

Is the policy or decision under review (please tick)

New/proposed

Modified/adapted

Existing

<b>The main intended people or groups that will be most affected by this policy are:</b>
The direct beneficiaries will be the business community that is seeking to expand or relocate within the borough. However, the investment will create new job opportunities which will benefit unemployed residents as well as increasing employment opportunities for the existing labour force.

<sup>1</sup> Policy refers to any policy, strategy, project, procedure, function, decision or delivery of service.

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(Refer to "**EIA Guidance**" for details)

## 2. FINDINGS / EVIDENCE

<b>FINDINGS/EVIDENCE: The following information/data has been considered in developing this policy/decision (including any consultation or engagement):</b>	
<b>Information/data obtained and/or Consultation/engagement carried out (please state who with)</b>	<b>What does this tell us? / What does it say?</b>
Discussions with Portfolio Holder for Regeneration, Leisure and Tourism.	That the portfolio holder is supportive of the aims of this policy and discussions have taken place with the wider cabinet.
Briefing note and discussion at Senior Management Team	That SMT is supportive of this policy and its objectives.
Project group – finance and service assurance	The details and implications for Rossendale Council have been explored. It has been judged that this policy will increase NNDR revenue to the Council over the medium term. The administration of this policy will be managed by Economic Development in liaison with service assurance.

*Add more/delete rows as required - See **EIA Guidance***

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### 3. EQUALITY IMPACT

Using the table below please indicate whether the policy/strategy/decision has a positive, negative or no impact from an equalities perspective on any of the protected equality groups listed below. **Please also give consideration to wider equality of opportunity and community cohesion impacts within and between the groups identified.** See EIA Guidance

Equality		Positive Impact (It could benefit)	Negative Impact (It could disadvantage)	Reason and any mitigating actions already in place (to reduce any adverse /negative impacts or reasons why it will be of positive benefit or contribution)	No Impact
Age	Older people	<input checked="" type="checkbox"/>	<input type="checkbox"/>	This project will increase the number of jobs in the borough offering opportunities for all.	
	Younger people and children	<input checked="" type="checkbox"/>	<input type="checkbox"/>	This project will increase the number of jobs in the borough offering opportunities to parents that may have children, raising household income levels	
Disability	Physical/learning/mental health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	This project will increase the number of jobs in the borough offering opportunities some of which may be suitable for people with disabilities.	
Gender Reassignment	Transsexual people	<input checked="" type="checkbox"/>	<input type="checkbox"/>	This project will increase the number of jobs in the borough offering opportunities for all.	
Pregnancy and Maternity		<input checked="" type="checkbox"/>	<input type="checkbox"/>	This project will increase the number of jobs in the borough offering opportunities for all.	
Race (Ethnicity or Nationality)	Asian or Asian British people	<input checked="" type="checkbox"/>	<input type="checkbox"/>	This project will increase the number of jobs in the borough offering opportunities for all.	
	Black or black British people	<input checked="" type="checkbox"/>	<input type="checkbox"/>	This project will increase the number of jobs in the borough offering opportunities for all.	
	Irish people	<input checked="" type="checkbox"/>	<input type="checkbox"/>	This project will increase the number of jobs in the borough offering opportunities for all.	
	White British	<input checked="" type="checkbox"/>	<input type="checkbox"/>	This project will increase the number of jobs in the borough offering opportunities for all.	

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Equality		Positive Impact (It could benefit)	Negative Impact (It could disadvantage)	Reason and any mitigating actions already in place (to reduce any adverse /negative impacts <u>or</u> reasons why it will be of positive benefit or contribution)	No Impact
	Chinese people	<input checked="" type="checkbox"/>	<input type="checkbox"/>	This project will increase the number of jobs in the borough offering opportunities for all.	
	Gypsies & Travellers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	This project will increase the number of jobs in the borough offering opportunities for all.	
	Other minority communities not listed above (please state)	<input type="checkbox"/>	<input type="checkbox"/>		na
<b>Belief or Religion</b>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	This project will increase the number of jobs in the borough offering opportunities for all.	
<b>Sex</b>	Women	<input checked="" type="checkbox"/>	<input type="checkbox"/>	This project will increase the number of jobs in the borough offering opportunities for all.	
	Men	<input checked="" type="checkbox"/>	<input type="checkbox"/>	This project will increase the number of jobs in the borough offering opportunities for all.	
<b>Sexual Orientation</b>	gay men, gay women / lesbians, and bisexual people	<input checked="" type="checkbox"/>	<input type="checkbox"/>	This project will increase the number of jobs in the borough offering opportunities for all.	
<b>Marriage and Civil Partnership (employment only)</b>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	This project will increase the number of jobs in the borough offering opportunities for all.	
<b>Contribution to equality of opportunity</b>		X	<input type="checkbox"/>	New jobs will be advertised in line with UK equality laws. We have specifically written into the conditions of the policy that qualifying businesses must pay the living wage for the new job to be considered as part of the relief.	<input type="checkbox"/>
<b>Contribution to fostering good relations between different groups (people getting on well together – valuing one another, respect and understanding)</b>		X	<input type="checkbox"/>	This project will increase the number of jobs in the borough offering opportunities for all.	<input type="checkbox"/>
<b>Human Rights</b> <a href="http://intranet/site/scripts/documents_info.php?categoryID=86&amp;documentID=251">http://intranet/site/scripts/documents_info.php?categoryID=86&amp;documentID=251</a>		<input type="checkbox"/>	<input type="checkbox"/>	There will be no positive or negative impact on human rights	X

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#### 4. OUTCOME OF EIA – COURSE OF ACTION TO BE TAKEN

What course of action does this EIA suggest you take? More than one of the following may apply	Please indicate
<b>Outcome 1: No major change required.</b> The EIA has not identified any potential for discrimination or adverse impact and all opportunities to promote equality have been taken.	X
<b>Outcome 2: Adjust the policy</b> to remove barriers identified by the EIA or better promote equality. Are you satisfied that the proposed adjustments will remove the barriers identified? If there is a negative impact identified, you must consider (and evidence/record) what mitigating actions you have or will put in place to reduce the negative impact where/if possible, and to enhance the positive impact. This might include any partnership discussions/working that needs to be undertaken. Complete EIA Action Plan as appropriate.	<input type="checkbox"/>
<b>Outcome 3: Continue the policy despite potential for negative impact</b> or missed opportunities to promote equality identified. You will need to ensure that the EIA clearly sets out the justifications for continuing with it. You should consider whether there are sufficient plans to reduce the negative impact and/or plans to monitor the actual impact. This might include any partnership discussions/working that needs to be undertaken. Complete EIA Action Plan as appropriate.	<input type="checkbox"/>
<b>Outcome 4: Stop and rethink</b> the policy when the EIA shows actual or potential unlawful discrimination or significant negative impact that can not be justified or mitigated against. <u>You must speak to the People and Policy Team immediately.</u>	<input type="checkbox"/>

**If a negative impact as been identified and there are no sufficient mitigating actions in place or planned. Please see the guidance and you must speak to/ see advice from your Head of Service or the People and Policy Team**

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## 5 . EIA ACTION PLAN & REVIEW

**Based on the impact assessment, findings/evidence and outcomes identified above, please complete the Action Plan below – these should be actions arising as a result of undertaking the EIA.**

The Action Plan should address (not exhaustively):-

- Any gaps in findings/evidence research including any consultation or engagement regarding the policy and its actual/potential affects.
- How you will address any gaps.
- What practical changes/action will help reduce any negative impacts that you have identified.
- What practical changes/action will help enhance any positive contributions to equality.

**Further Actions Required:** Yes  No

### EIA Action Plan

Issue	Action required	Lead officer	Timescale

Please add more rows if required.

***Actions arising from the Impact assessment should form part of the business planning process for service areas.***

### Monitoring & Reviewing the Effect of the Policy

Please state how you will monitor the impact and effect of this policy and where this will be reported:

N/A

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**INTERNAL ONLY**

**MANAGEMENT ACTION REQUIRED (to be completed by the relevant Head of Service following Management Team / Programme Board review)**

- Outcome of EIA agreed/approved by Management Team / Programme Board :  
Yes  No
- Referred back to Assessor/Author for amendment : (date)
- Published/made publicly available on: (date)

Signed:..... (Head of Service / Director) Date:

Date of Review<sup>2</sup>:

**[To be completed by the lead officer]**

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<sup>2</sup> This date will be set on an annual basis as default for review unless otherwise specified by you.

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