

 the low tax borough	London Borough of Hammersmith & Fulham CABINET 28 APRIL 2014
THE BUSINESS RATES SCRUTINY TASK GROUP FINAL REPORT	
Report of the Leader	
Open Report	
Classification: For Decision Key Decision: No	
Wards Affected: All	
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1. EXECUTIVE SUMMARY

- 1.1. At its meeting on 8 April 2014, the Overview & Scrutiny Board considered and approved the Final Report of the Business Rates Scrutiny Task Group. The Task Group made eleven recommendations to the Council, six to Government and two to the Valuation Office Agency. This report recommends that Cabinet note the Task Group's findings and agree to provide an Executive Response to the recommendations made to the Council.

2. RECOMMENDATIONS

- 2.1. That Cabinet:
- i) Note the Final Report of the Business Rates Scrutiny Task Group;
 - ii) Note that eleven recommendations have been made to the Council, six to Government and two to the Valuation Office Agency;
 - iii) Note that officers have sent the report and recommendations to the Department for Communities and Local Government, the Communities

and Local Government Parliamentary Select Committee and the Valuation Office Agency for consideration; and

- iv) Agree to provide an Executive Response to the recommendations made to the Council at its meeting in June 2014

3. REASONS FOR DECISION

- 3.1. The Council's Constitution outlines the power of Overview and Scrutiny Committees to make recommendations to the Cabinet, the Council or to external partner agencies. Reports from scrutiny are usually responded to within eight weeks of them being submitted.

4. INTRODUCTION AND BACKGROUND

- 4.1. The Business Rates Scrutiny Task Group was commissioned by the Overview & Scrutiny Board on 15 July 2013 to explore the impacts of reforms to the business rates system that took effect in April that year. The reforms were intended to give local authorities a direct financial incentive to help promote local economic development, so the Task Group also investigated how the Council could help foster healthy and successful high streets in Hammersmith & Fulham. With a large number of outstanding appeals in the borough, the performance of the Valuation Office Agency was also included in the Task Group's remit.
- 4.2. The members of the Task Group were:
- Cllr Robert Iggulden
 - Cllr Lucy Ivimy (Chair)
 - Cllr Max Schmid
- 4.3. The Task Group interviewed a range of witnesses, including Council officers, a town centre development consultant, the Valuation Office Agency, the Department of Communities & Local Government and the Hammersmith London Business Improvement District. A wide range of documentary evidence was also reviewed, including the Government-commissioned *Portas Review*, the *Grimsey Review* (a response to Portas), a study conducted by the Royal Borough of Kensington & Chelsea in 2007 and publications such as the British Retail Consortium's *Business Rates: The Case for Reform*.
- 4.4. The Task Group's Final Report is attached as **Appendix A**.

5. PROPOSAL AND ISSUES

- 5.1. The Task Group made eighteen recommendations: eleven to the Council, six to the Government and two to the Valuation Office Agency. Following approval by the Overview & Scrutiny Board on 8th April 2014, the Final Report was sent to the DCLG and Valuation Office for a response to the recommendations, and to the CLG Select Committee for its consideration.

Cabinet is therefore asked to agree to provide an Executive Response to the eleven recommendations made to the Council at its meeting in June 2014.

5.2. The eleven recommendations to the Council are as follows:

- i) Council officers should meet with the VOA and Westfield as soon as possible to discuss the ways in which the three partners can work together to share information to ensure the valuations of the new retail units in the Westfield extension are as accurate as possible
- ii) The Council should ensure that it shares with the VOA the rent schedules for all properties where it is the landlord
- iii) The Council should make it clearer to businesses what it is and has been spending business rate income on and seek suggestions for further activity from businesses
- iv) The Council should prioritise the support provided by the Economic Development, Learning and Skills Department to local businesses, particularly small retailers
- v) The Council should adopt a policy of vinyl-wrapping shops that have been vacant for an extended period where the owner cannot be identified, without asking for consent from the owner, and undertake this in accordance with planning legislation
- vi) The Council should designate an Empty Shops Officer to coordinate the efforts to fill vacant shops
- vii) The Council should undertake an exercise to prioritise the borough's 29 shopping areas to ensure resources are utilised as effectively as possible
- viii) The Council should adopt a curatorial approach to Bloemfontein Road to attract a suitable mix of tenants to the shopping parade that serve local demand on the White City Estate and other nearby residential areas
- ix) The Council should adopt a policy that recognises the value of restaurants and the leisure offer in Hammersmith and encourage increased provision, and assess evening safety in the town centres
- x) The Council should recognise the harmful effect of too many betting shops on the borough's high streets and look at the use of an Article 4 direction to remove permitted development rights and develop planning policy to restrict the concentration of betting and payday loan shops
- xi) The Council should consider adopting planning policy that allows retail to residential conversions in the borough's shopping centres only by contracting the areas designated as protected retail frontages from the edges inwards, thus protecting the continuity of high streets and shopping parades. The amount of shrinkage permitted should be determined by the importance of the location to the local economy and should therefore vary by street and parade

6. OPTIONS AND ANALYSIS OF OPTIONS

- 6.1. Cabinet can choose to either endorse the recommendations made by scrutiny, reject them or amend them. If Cabinet decides to reject the recommendations then an explanation of why the findings of the Task Group were rejected might be requested by the Overview & Scrutiny Board.

LOCAL GOVERNMENT ACT 2000 **LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	None		

LIST OF APPENDICES:

Appendix A – The Business Rates Scrutiny Task Group Final Report