

# Economic Development Committee



Date of meeting 21 September 2021

<b>Title</b>	<i>Business Rates Retention Fund</i>
<b>Purpose of the report</b>	Update in relation to the Business Retention Fund
<b>Report Author</b>	<i>Keith McGroary</i>
<b>Ward(s) Affected</b>	All Wards
<b>Exempt</b>	No
<b>Exemption Reason</b>	<i>N/A</i>
<b>Corporate Priority</b>	Economic Development
<b>Recommendations</b>	<b>Committee is asked to:</b> <i>Note the report</i>
<b>Reason for Recommendation</b>	<i>Not applicable</i>

## 1. Key issues

- 1.1 In 2017 Spelthorne entered an agreement with Government and all Surrey Boroughs that would allow all those Boroughs and Districts to retain business rates that exceeded a baseline value on condition that it was ring-fenced to support economic development activities. Surrey County Council was allowed to use their share to support social services. The scheme was designed to encourage more local authorities to support their local businesses. However, there was a danger that if the business rates collection fell below the baseline, that councils would be required to make up the difference or a percentage of the loss in revenue to government.
- 1.2 As a result of this scheme, Spelthorne council was able to retain just over £1m worth of business rates receipts which was then made available for economic development activities. A number of schemes were considered but did not materialise, whilst others were able to take giant leaps forward.
  - £150k of this fund was allocated to set up the Borough's Business Incubator which is now in place.
  - £60k was made available to finance research by Royal Holloway University in support of the Oyster Card for Spelthorne initiative.
  - The recruitment of a Town Centre Manager for Shepperton, Sunbury and Ashford.
  - Match-funding of a grant from EM3 Local Enterprise Partnership to purchase new cycle racks, a digital screen 5m x 3m in the Elmsleigh Centre,

- The purchase of new electronic signage (£150k) to direct people to car parks in Staines-upon-Thames and to help purchase additional electric vehicle charging points in the Borough.
- 1.3 At the start of this financial year there was £721,730 available within the BRRF budget. From the £150k allocated to the incubator over 5 years £57k has been spent to date.
- 2. Options analysis and proposal**
- 2.1 Having this fund available to allow projects to proceed without needing to draw on the council's annual budget gives the borough a significant advantage to progress and develop the competitiveness of the offer we can make to businesses who are based here and attract others to the Borough.
- 2.2 There is not an option to do nothing otherwise the fund would not be spent; the way the fund has been used to date is by being selective in what we do, using it as a means to access additional funding i.e. match-funding EM3 LEP and to be able to respond quickly if and when required to emerging needs, which will help put Spelthorne's economy in a strong position.
- 3. Financial implications**
- 3.1 The funding will last until it is spent as the BRRF will carry-over every financial year so there is no urgency to spend the fund.
- 4. Other considerations**
- 4.1 None.
- 5. Equality and Diversity**
- 5.1 N/A
- 6. Sustainability/Climate Change Implications**
- 6.1 There is an opportunity to identify ways in which some of this funding could help encourage local businesses to become more environmentally friendly, as well as facilitate support for businesses to explore potential opportunities of new business within the growing green economy.
- 7. Timetable for implementation**
- 7.1 The BRRF has been operational several years already.

**Background papers: There are none.**

**Appendices: There are none**