

# Public Document Pack



Neuadd y Sir / County Hall, Llandrindod, Powys, LD1 5LG

Os yn galw gofynnwch am - If calling please ask for  
Stephen Boyd

Ffôn / Tel: 01597 826374

Ffôn Symudol / Mobile:

Llythyru Electronig / E-mail: [steve.boyd@powys.gov.uk](mailto:steve.boyd@powys.gov.uk)

## CABINET

Tuesday, 5th March, 2019

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The use of Welsh by participants is welcomed. If you wish to use Welsh please inform us by noon, two working days before the meeting

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### S U P P L E M E N T A R Y P A C K

1.	<b>2019/20 ANNUAL STRATEGIC REVIEW OF VISION 2025: OUR CIP</b>
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Scrutiny comments attached.

(Pages 3 - 4)

2.	<b>BUSINESS RATES HIGH STREET AND RETAIL RELIEF SCHEME 2019-20</b>
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The report has been amended to take account of revised Welsh Government guidance.

(Pages 5 - 22)

3.	<b>CAPITAL PROGRAMME UPDATE FOR THE PERIOD TO 31ST JANUARY 2019</b>
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Paragraph 2.11 of the report has been amended.

(Pages 23 - 30)

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## **Economy, Residents, Communities and Governance Scrutiny Committee**

### **Scrutiny Observations to Cabinet on: 5<sup>th</sup> March, 2019**

The Economy, Residents, Communities and Governance Scrutiny Committee undertook this scrutiny by email and considered the following documents:

- Summary of Findings from the Corporate Improvement Plan (CIP) Annual Review 2018-19
- Proposed changes to Vision 2025 - 2019-20

Scrutiny make the following observations:

Agree with the proposed changes.

Priority paragraph 16 – Economy

Would the appointment of an elected business champion help the cause to promote the Powys Pound?

Priority paragraph 43 – Residents and Communities

Help and advice to local councils to produce an effective village or town plan.

Priority paragraph 44 – Residents and Communities

Incentive to attract young people and talented members of the community to join local council and be effective members and for possible future elections to County Council.

In accordance with Rule 7.27.2 the Cabinet is asked to provide a written response to the scrutiny report, including an action plan where appropriate, as soon as possible or at the latest within 2 months of the date of the Cabinet meeting i.e. by 5<sup>th</sup> May, 2019.

Membership of the Economy, Residents, Communities and Governance Scrutiny Group / Committee on 1<sup>st</sup> March, 2019:

County Councillors: E. Michael Jones, David Evans, Gareth Jones, Phil Pritchard, Jeremy Pugh, Les George, Mark Barnes, Iain McIntosh, Jonathan Wilkinson, David Selby, Kelvyn Curry, James Gibson-Watt, Matthew Dorrance

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## CYNGOR SIR POWYS COUNTY COUNCIL

## CABINET EXECUTIVE

5<sup>th</sup> March 2019

**REPORT AUTHOR:** County Councillor Aled Davies  
Portfolio Holder for Finance

**SUBJECT:** High Street and Retail Rates Relief Scheme in Wales  
2019-20

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**REPORT FOR:** Decision

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### 1. Introduction

- 1.1 The Welsh Government introduced a temporary Business Rates high street relief scheme back in 2017-18 to support rate-payers within the retail sector in Wales. The scheme also operated during 2018-19.
- 1.2 The Welsh Government have announced that a Business Rates high street and retail rates relief scheme will be available for the financial year 2019-20 to support businesses within the retail sector in Wales. Properties that will benefit from this relief will be occupied retail properties such as shops, pubs and restaurants with a rateable value of £50,000 or less on 1 April 2019.
- 1.3 The funding will be provided by way of a Welsh Government Grant, and the sum of up to **£1,080,000** is being made available to the Council to award to Powys ratepayers during the financial year 2019-20. This funding is a significant increase on previous funds (£155,000) due to Welsh Government extending current scheme to ALL retailers and not restricting to those within a high street, coupled with an increase in maximum relief per ratepayer increasing.
- 1.4 The maximum relief available per property in 2019-20 will be **£2,500**, a substantial increase from the maximum relief available in 2018-19 which was £750.

### 2. Proposal for High Street and Retail Rates Relief Scheme 2019-20

- 2.1 The Welsh Government will provide relief of up to £2,500 to eligible retailers occupying premises with a rateable value of up to £50,000 in the financial year 2019-20, subject to State Aid limits. The relief is available from 1 April 2019 to 31 March 2020.
- 2.2 The high street and retail rates relief can be provided in addition to Small Business Rates Relief, Transitional Relief as well as any hardship or discretionary relief awarded by the local authority. The relief will be applied against the net bill after other reliefs have been applied. Where the net bill after all other reliefs is less than £2,500 the relief granted will be equal to net rates bill for 2019-20. Once the relief has been granted a business rates demand will

be issued showing the amount of relief granted and the reduced liability to pay for 2019-20.

2.3 The relief will be calculated on a daily basis. The following formula will be used to determine the amount of relief to be granted to a property:

- Amount of relief to be granted =  $A \times (B / C)$

Where:

**A** is the funding amount of £2,500

**B** is the number of days in the financial year that the property is eligible for the relief; and

**C** is the number of days in the financial year.

2.4 Relief should be granted to businesses as a payment based on occupation between 1 April 2019 and 31 March 2020.

2.5 Empty properties that become occupied after 1 April 2019 will qualify for the relief. If there is a change in occupier part way through the financial year, after relief has already been provided to the property, the new occupier will qualify for the relief on a pro-rata basis based on the remaining days of occupation using the above formula.

2.6 The scheme will be administered by Powys County Council as a 'reimbursing local authority' that uses discretionary relief powers (under section 47 of the Local Government Finance Act 1988). It will be for individual local billing authorities to decide to grant relief under section 47 but the Welsh Government will reimburse local authorities for the relief that is provided (using a grant under s31 of the Local Government Act 2003).

2.7 Unlike previous years, the 2019-20 scheme is not limited to high street premises but will include all properties within Wales meeting the wider retail criteria.

2.8 The high street and retail rates relief scheme qualifying criteria being:

- The rateable value is between £6,001 and £50,000 for the financial year 2019-20
- The property is occupied for retail purposes between 1 April 2019 and 31 March 2020.
- The property is reasonably accessible to visiting members of the public
- The maximum amount of relief is £2,500 within financial year 2019-20
- Any sum of this award and any other funding must be less than the state aid de minimis (currently 200,000 Euros over a three year period)

2.9 The premises must be wholly or mainly being used as a retail shop, pub, restaurant or cafe. This is a test on use rather than occupation. Therefore properties which are occupied but not wholly or mainly used for retail purposes will not qualify for the relief.

2.10 There are certain types of properties that, in compliance with the Welsh Government guidance, the Council will exclude the ratepayer from high street and retail rates relief, these are as follows:

- The property is not occupied for any period between 1 April 2019 and 31 March 2020.
- The property is not reasonably accessible to visiting members of the public (even if there is ancillary use of the property which is retail)
- The property is in receipt of mandatory charitable relief (80%)

In addition, and in compliance with the Welsh Government guidance, the Council will deem that the types of uses below (or those similar in use) are not considered to be high street retail use for the purpose of this relief. Therefore they would not be eligible for the relief. Excluded uses are:

- Financial services (e.g. banks, building societies, cash points / ATMs, bureau de change, payday lenders, betting shops, pawn brokers)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents / financial advisers, tutors)
- Post office sorting office
- Tourism accommodation such as B&Bs, hotel accommodation and caravan parks
- Sports clubs
- Children's play centres
- Day nurseries
- Outdoor activity centres
- Gyms
- Kennels and catteries
- Show homes and marketing suites
- Employment agencies

2.11 The Council will be reimbursed in full by Welsh Government for any relief that is awarded, in other words if correctly applied there will be no direct cost to the Council.

2.12 As the scheme has qualifying criteria and awards are to be granted under discretionary relief powers (contained within section 47 of the Local Government Finance Act 1988) it is proposed that:

- Ratepayers who received high street rates relief in 2018-19 and remain in occupation as at 1<sup>st</sup> April 2019 automatically be granted high street and retail rates relief for financial year 2019-20, at appropriate rate.
- New applications (upon receipt of a valid application form for High Street and retail rates relief 2019-20) the decision to award relief be made by the Portfolio Holder for Finance in consultation with the Head of Financial Services, provided all terms of the scheme are met.

2.13 Guidance notes regarding the scheme are shown in **Appendix 1** to this report.

### **3. One Powys Plan**

3.1 The high street and retail rates relief scheme for 2019-20 proposes no risk to the Council, and supports the Councils aim to regenerate Town Centres by providing financial support through rates reduction to retailers of commercial premises.

### **4. Options Considered/Available**

Two options to deliver the scheme are available as follows:

4.1 Option One – To adopt a high street and retail relief scheme as detailed within section Two, with an automatic award to ratepayers who received the relief in 2018-19, and for the Portfolio holder for Finance in consultation with the Head of Financial Services and (S151 Officer) to make decisions on new applications received which meet all the qualifying criteria of the scheme.

4.2 Option Two – To adopt a high street and retail relief scheme as detailed within section Two with an automatic award to ratepayers who received the relief in 2019-20 and for the Income & Awards Senior Manager to make decisions on new applications received which meet all the qualifying criteria of the scheme.

### **5. Preferred Choice and Reasons**

5.1 **Option One** is the preferred choice as the relief is to be granted under the local authority's discretionary relief powers contained within section 47 of the Local Government Finance Act 1988. This is in-keeping with all other Business Rates discretionary relief decisions taken. Option One will also ensure the Portfolio Holder is involved in the decision making process whilst working within the policy framework with the advice of the statutory S151 Officer.

5.2 By automatically granting this relief to rate-payers that received it during 2018-19, will result in 410 businesses receiving £700,000 thus maximising grant expenditure and minimising the administrative burden on both Powys rate-payers and the Local Authority.

### **6. Sustainability and Environmental Issues/Equalities/Crime and Disorder,/Welsh Language/Other Policies etc**

6.1 There is no impact on Sustainability and Environmental issues/Equalities or Crime.

### **7. Children and Young People's Impact Statement - Safeguarding and Wellbeing**

7.1 There is no impact on children and young people

### **8. Local Member(s)**

8.1 The relief scheme in respect of Business Rates will apply equally across the whole County.

**9. Other Front Line Services**

9.1 Front line services have been made fully aware of the temporary scheme to operate during the financial year 2019-20 and how rate payers may submit an application to be considered for the relief.

**10. Support Services (Legal, Finance, HR, ICT, BPU)**

10.1 Finance commented: The Finance Manager Environment and Resources notes the contents of the report and that the scheme will be funded by Welsh Government grant.

10.2 Legal : “The recommendations can be supported from a legal point of view”

**11. Public Service Board/Partnerships/Stakeholders etc**

11.1 There are no implications for Public Service Board/Partnerships or stakeholders.

**12. Corporate Communications**

12.1 Communication Commented, “This issue is of significant public interest and will be promoted widely through all channels including media release and social media.”

**13. Statutory Officers**

13.1 The Head of Financial Services and Deputy Section 151 officer notes the comments from Finance.

13.2 The Solicitor to the Council (Monitoring Officer ) commented : “ I note the legal comments and have nothing to add to the report.”

**14. Members’ Interests**

14.1 The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest they should declare it at the start of the meeting and complete the relevant notification form.

Recommendation:	Reason for Recommendation:
<p>1. That a Business Rates High Street and retail rates relief scheme 2019-20 be established in accordance with section 2 of this report.</p> <p>2. Ratepayers that received high street rates relief in 2018-19 and remain in occupation as at 1 April 2019 be automatically granted this</p>	<p>To adopt a high street and retail rates relief scheme for financial year 2019-20 that meets the requirements to maximise funding available, to support local businesses seeking rate relief and is compliant with Welsh Government guidance.</p>

<p>relief for financial year 2019-20.</p> <p><b>3. New applications for Business Rates high street and retail rates relief 2019-20 under the scheme referred to above shall be delegated to and determined by the Portfolio holder for Finance in consultation with the Head of Financial Services &amp; Section 151 Officer</b></p>	
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<b>Relevant Policy (ies):</b>			
<b>Within Policy:</b>	<b>Y</b>	<b>Within Budget:</b>	<b>Y</b>

<b>Relevant Local Member(s):</b>	<b>All Members</b>
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<b>Person(s) To Implement Decision:</b>	<b>David Morris Senior Manager Income Awards</b>
<b>Date By When Decision To Be Implemented:</b>	<b>Immediately</b>

<b>Contact Officer Name:</b>	<b>Tel:</b>	<b>Fax:</b>	<b>Email:</b>
A M Griffiths	01874 623309		andrewg@powys.gov.uk

**Background Papers used to prepare Report:**

**Appendix 1**

Non-Domestic Rates High Street and Retail Rate Relief in Wales 2019-20 Guidance Note



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Llywodraeth Cymru  
Welsh Government

## Non-domestic Rates

### High Street and Retail Rates Relief in Wales - 2019-20

#### Guidance

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# Non-domestic Rates – High Street and Retail Rates Relief

## Guidance

### About this guidance

1. This guidance is intended to support local authorities in administering the High Street and Retail Rates Relief scheme (“the relief”) announced by the then Cabinet Secretary for Finance on 10 December 2018. This guidance applies to Wales only.
2. This guidance sets out the criteria which the Welsh Government will use to determine the funding for local authorities for relief provided to high street and retail properties. The guidance does not replace any existing non-domestic rates legislation or any other relief.
3. Enquiries on the scheme should be sent to:  
[localtaxationpolicy@gov.wales](mailto:localtaxationpolicy@gov.wales)
4. The relief is being offered from 1 April 2019 and will be available until 31 March 2020.

### Introduction

5. This relief is aimed at high street businesses and retailers in Wales, for example shops, pubs, restaurants and cafes.
6. The Welsh Government will provide grant funding to the 22 Unitary Authorities to continue the High Street and Retail Rates Relief scheme to eligible ratepayers for 2019-20. The enhanced scheme aims to provide support for eligible retail businesses by offering up to £2,500 discount on the non-domestic rates bill per property, to retailers occupying premises with a rateable value of £50,000 or less in the financial year 2019-20, subject to State Aid limits.
7. This document provides guidance on the operation and delivery of the scheme.

# Section 1

## High Street and Retail Rates Relief

### How will the relief be provided?

8. As this is a temporary measure, we are providing the relief by reimbursing local authorities that use their discretionary relief powers under section 47 of the Local Government Finance Act 1988. It will be for individual local authorities to adopt a scheme and decide in each individual case when to grant relief under section 47. The Welsh Government will then reimburse local authorities for the relief that is provided in line with this guidance via a grant under section 58A of the Government of Wales Act 2006.

### How will the scheme be administered?

9. It will be for local authorities to determine how they wish to administer the scheme to maximise take-up and minimise the administrative burden for ratepayers and for local authority staff. Subject to State Aid considerations set out in paragraphs 29 to 33.
10. Local authorities are responsible for providing ratepayers with clear and accessible information on the details and administration of the scheme. If, for any reason, an authority is unable to provide this relief to eligible ratepayers from 1 April 2019, consideration should be given to notifying eligible ratepayers that they qualify for the relief and that their bills will be recalculated.

### Which properties will benefit from relief?

11. Properties that will benefit from this relief will be occupied high street business and retail properties such as shops, restaurants, cafes and drinking establishments, with a rateable value of £50,000 or less. More detailed eligibility criteria and exceptions to the relief are set out in paragraphs 15 to 19.
12. Relief should be granted to businesses as a payment based on occupation between 1 April 2019 and 31 March 2020. It is recognised that there may be some instances where a local authority is retrospectively notified of a change of occupier. In such cases, if it is clear that the ratepayer was in occupation on or after the 1 April 2019, the local authority may use its discretion in awarding relief.

### Level of support: up to £2,500

13. Eligible ratepayers will be retailers whose property has a rateable value between £6,001 and £50,000 on 1 April 2019. It is expected that retailers with a rateable value of £6,000 and below will receive full Small Business Rate Relief (SBRR), however it is left to the discretion of authorities to determine if there are properties not in receipt of SBRR that should be eligible for this relief.
14. **Unlike previous years, the 2019-20 scheme is not limited to high street premises but will include all properties within Wales meeting the wider retail criteria.**

15. It is intended that, for the purposes of this scheme, retail properties such as, “shops, restaurants, cafes and drinking establishments” will mean the following (subject to the other criteria in this guidance).

**i. Hereditaments that are being used for the sale of goods to visiting members of the public**

- Shops (such as florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off-licences, newsagents, hardware stores, supermarkets, etc)
- Opticians
- Pharmacies
- Post offices
- Furnishing shops or display rooms (such as carpet shops, double glazing, garage doors)
- Car or caravan showrooms
- Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale or hire)

**ii. Hereditaments that are being used for the provision of the following services to visiting members of the public**

- Hair and beauty services
- Shoe repairs or key cutting
- Travel agents
- Ticket offices, eg. for theatre
- Dry cleaners
- Launderettes
- PC, TV or domestic appliance repair
- Funeral directors
- Photo processing
- DVD or video rentals
- Tool hire
- Car hire
- Cinemas
- Estate and letting agents

**iii. Hereditaments that are being used for the sale of food and / or drink to visiting members of the public**

- Restaurants
- Drive-through or drive-in restaurants
- Takeaways
- Sandwich shops
- Cafés

- Coffee shops
- Pubs
- Wine Bars

16. To qualify for the relief a hereditament listed in (i) to (iii) should be wholly or mainly used as a shop, restaurant, café or drinking establishment. This is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

17. The above list is not intended to be exhaustive as it would be impossible to list all the many and varied retail uses that exist. There will also be mixed uses. However, it is intended to be a guide for local authorities as to the types of uses that the Welsh Government considers for this purpose to be high street and retail. Local authorities should determine for themselves whether particular properties not listed are broadly similar in nature to those above and, if so, to consider them eligible for the relief. Conversely, properties that are not broadly similar in nature to those listed above should not be eligible for the relief.

18. As the grant of the relief is discretionary, local authorities may choose not to grant the relief if they consider that appropriate, for example where granting the relief would go against the local authority's wider objectives for the local area.

### **Types of hereditaments that are not considered to be eligible for High Street and Retail Rates Relief**

19. The list below sets out the types of uses that the Welsh Government does not consider to be retail use for the purpose of this relief and would not be deemed eligible for the relief. However, it will be for local authorities to determine if hereditaments are similar in nature to those listed below and if they would not be eligible for relief under the scheme.

#### ***i. Hereditaments that are being used wholly or mainly for the provision of the following services to visiting members of the public***

- Financial services (eg. banks, building societies, cash points, ATMs, bureaux de change, payday lenders, betting shops, pawn brokers)
- Medical services (eg. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (eg. solicitors, accountants, insurance agents, financial advisers, tutors)
- Post office sorting office
- Tourism accommodation, eg. B&Bs, hotel accommodation and caravan parks
- Sports clubs
- Children's play centres
- Day nurseries
- Outdoor activity centres
- Gyms
- Kennels and catteries
- Show homes and marketing suites
- Employment agencies

There are a number of further types of hereditaments which the Welsh Government believes should not be eligible for the High Street Relief Scheme.

**ii. Hereditaments with a rateable value of more than £50,000**

It is recognised there are some retail businesses with rateable value above the £50,000 relief who will not be eligible for this relief. However, local authorities have the option to use their discretionary powers to offer discounts outside this scheme to such businesses if it is in the interests of the local community to do so.

**iii. Hereditaments that are not reasonably accessible to visiting members of the public**

If a hereditament is not reasonably accessible to visiting members of the public, it will be ineligible for relief under the scheme even if there is ancillary use of the hereditament that might be considered to fall within the descriptions in paragraph 15 (i), (ii) or (iii).

**iv. Hereditaments that are not occupied**

Properties that are not occupied on 1 April 2019 should be excluded from this relief. However, under the Empty Property Relief scheme, empty properties will receive a 100% reduction in rates for the first three months (and in certain cases six) of being empty.

**v. Hereditaments that owned, rented or managed by a local authority**

Hereditaments owned, rented or managed by a local authority such as Visitor Centres, Tourist Information shops and council run coffee shops/gift shops attached to historic buildings, are exempt from this scheme.

**vi. Hereditaments that are in receipt of mandatory charitable rates relief**

These properties already receive mandatory charitable relief which gives an 80% reduction in liability and authorities may also choose to provide discretionary charitable relief which can reduce the remaining liability to nil. As such, these properties will not be eligible for High Street Rate Relief.

**How much relief will be available?**

20. The total amount of government funded relief available for each property for 12 months under this scheme is up to £2,500. This relief can be provided in addition to SBRR and Transitional Rate Relief. High Street and Retail Rates Relief should be applied against the net bill after these two reliefs have been applied. Any hardship or discretionary relief awarded by the local authority should be considered by the local authority once all other rates reliefs have been awarded.

21. The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis. The following formula should be used to determine the amount of relief to be granted for a particular hereditament in the financial year:

$$\text{Amount of relief to be granted} = A \times (B / C)$$

Where:

A is the funding amount of £2,500

B is the number of days in the financial year that the hereditament is eligible for relief; and

C is the number of days in the financial year

22. When calculating the relief, if the net liability before High Street and Retail Rates Relief is £2,500 or less, the maximum amount of this relief will be no more than the value of the net rate liability. This should be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.
23. Ratepayers that occupy more than one property will be entitled to High Street and Retail Rates Relief for each of their eligible properties, subject to State Aid de minimis limits.

### **Changes to existing hereditaments, including change in occupier**

24. Empty properties becoming occupied after 1 April 2019 will qualify for this relief.
25. If there is a change in occupier part way through the financial year, after relief has already been provided to the hereditament, the new occupier will qualify for the relief on a pro-rata basis based on the remaining days of occupation using the formula in paragraph 21 of this guidance.

## State Aid

26. State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. High Street and Retail Rates Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulation (1407/2013).
27. The De Minimis Regulation allows an undertaking to receive up to €200,000 of De Minimis aid in a three-year period (consisting of the current financial year and the two previous financial years). Local authorities should familiarise themselves with the terms of this State Aid exemption, in particular the types of undertaking that are excluded from receiving De Minimis aid, the relevant definition of undertaking and the requirement to convert the aid into Euros.
28. To administer De Minimis it is necessary for the local authority to establish that the award of aid will not result in the undertaking having received more than €200,000 of De Minimis aid. Note that the threshold only relates to aid provided under the De Minimis Regulations (aid under other exemptions or outside the scope of State Aid is not relevant to the De Minimis calculation).
29. Section 3 of this guidance contains a sample De Minimis declaration which local authorities may wish to use. Where local authorities have further questions about De Minimis or other aspects of State Aid law, they should seek advice from their legal department in the first instance.
30. Desk instructions covering the administration of De Minimis schemes are available at:

<http://gov.wales/funding/state-aid/de-minimis-aid/?lang=en>

[http://ec.europa.eu/competition/state\\_aid/legislation/de\\_minimis\\_regulation\\_en.pdf](http://ec.europa.eu/competition/state_aid/legislation/de_minimis_regulation_en.pdf)

## Section 2 – State Aid

### Sample paragraphs that could be included in letters to ratepayers about High Street and Retail Rates Relief for 2019-20

The Cabinet Secretary for Finance announced on 10 December 2018 that an additional £23.6 million of funding would be available to extend and expand the existing High Street and Retail Rates Relief scheme for 2019-20.

Relief of up to £2,500 will be provided to eligible occupied retail properties with a rateable value of £50,000 or less in 2019-20. Your current rates bill includes this High Street and Retail Rates Relief.

Awards such as High Street and Retail Rates Relief are required to comply with the EU law on State Aid<sup>1</sup>. In this case, this involves returning the attached declaration to this authority if you have received any other De Minimis State Aid, including any other High Street and Retail Rates Relief you are being granted for premises other than the one to which this bill and letter relates, and confirming that the award of High Street and Retail Rates Relief does not exceed the €200,000 an undertaking<sup>2</sup> can receive under the De Minimis Regulations EC 1407/2013.

Please complete the declaration and return it to the address above. In terms of declaring previous De Minimis aid, we are only interested in public support which is De Minimis aid (State Aid received under other exemptions or public support which is not State Aid does not need to be declared).

If you have not received any other De Minimis State Aid, including any other High Street and Retail Relief you are being granted for premises other than the one to which this bill and letter relates, you do not need to complete or return the declaration.

If you wish to refuse to receive the High Street and Retail Rates Relief granted in relation to the premises to which this bill and letter relates, please complete the attached form and return it to the address above. You do not need to complete the declaration. This may be particularly relevant to those premises that are part of a large retail chain, where the cumulative total of High Street and Retail Rates Relief received could exceed €200,000.

Under the European Commission rules, you must retain this letter for three years from the date on this letter and produce it on any request by the UK public authorities or the European Commission. (You may need to keep this letter longer than three years for other purposes). Furthermore, information on this aid must be supplied to any other public authority or agency asking for information on 'De Minimis' aid for the next three years.

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1 Further information on State Aid law can be found at <https://www.gov.uk/state-aid>

2 An undertaking is an entity which is engaged in economic activity. This means that it puts goods or services on a given market. The important thing is what the entity does, not its status. Thus a charity or not for profit company can be undertakings if they are involved in economic activities. A single undertaking will normally encompass the business group rather than a single company within a group. Article 2.2 of the de minimis Regulations (Commission Regulation EC/ 1407/2013) defines the meaning of 'single undertaking'.

**‘De Minimis’ declaration**

Dear [ ]

NON-DOMESTIC RATES ACCOUNT NUMBER: \_\_\_\_\_

The value of the non-domestic rates High Street and Retail Rates Relief to be provided to [name of undertaking] by [name of local authority] is £ [ ] (Euros [ ]).

This award shall comply with the EU law on State Aid on the basis that, including this award, [name of undertaking] shall not receive more than €200,000 in total of De Minimis aid within the current financial year or the previous two financial years). The De Minimis Regulations 1407/2013(as published in the Official Journal of the European Union L352 24.12.2013) can be found at:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF>.

Amount of De Minimis aid	Date of aid	Organisation providing aid	Nature of aid
€	1 April 2019 – 31 March 2020	Local authorities (for the High Street and Retail Rates Relief total, you do not need to specify the names of individual authorities)	High Street and Retail Rates Relief

I confirm that:

- 1) I am authorised to sign on behalf of \_\_\_\_\_ [name of undertaking]; and
- 2) \_\_\_\_\_ [name of undertaking] shall not exceed its De Minimis threshold by accepting this High Street and Retail Rates Relief.

SIGNATURE:

NAME:

POSITION:

BUSINESS:

ADDRESS:

DATE:

**Refusal of High Street and Retail Rates Relief form**

Name and address of premises	Non-domestic rates account number	Amount of High Street and Retail Rates Relief

I confirm that I wish to refuse High Street and Retail Rates Relief in relation to the above premises.

I confirm that I am authorised to sign on behalf of \_\_\_\_\_ [name of undertaking].

SIGNATURE:

NAME:

POSITION:

BUSINESS:

ADDRESS:

DATE:

**CYNGOR SIR POWYS COUNTY COUNCIL.  
CABINET EXECUTIVE**

**Date 2019**

**REPORT AUTHOR: County Councillor Aled Davies  
Portfolio Holder for Finance**

**SUBJECT: Capital Programme Update for the period to 31<sup>st</sup> January  
2019**

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**REPORT FOR: Decision**

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**1. Summary**

- 1.1 The Capital Governance Framework identifies multiple points within a project's life cycle where decisions have to be made to progress. These decisions vary from approval of options for further analysis, to final investment decisions and change control.
- 1.2 This monthly Capital report on the status of all projects within the Capital strategy, is an integral part of the Governance Framework for Capital development works. It ensures that stakeholders are engaged in evaluation and decision-making and encourages a disciplined governance that includes approval gateways at which prudence, affordability and sustainability of projects are reviewed.
- 1.3 The Revised working budget for the 2018/19 Capital Programme, after accounting for approved virements, is £92.131m (The Original budget was £87.703m). The increase in budget is largely due to virements from previous year's programme that have lapsed into 2018/19.
- 1.4 The actual spend to the end of January is £50.553m and a further £28.652m has been committed. This leaves £12.926m or 14.0% of the budget uncommitted at the end of January. Of this £8.918m is in Highways, Transport and Recycling.
- 1.5 Table 1 below summarises the position for each portfolio and service.

**Table 1 Capital Table as at 31<sup>st</sup> January 2019**

Service	Original Budget	Virements Approved	Virements Required by Cabinet	Virements Required by Council	Revised Working Budget 2018/19 as at 31st January 2019 (after virements approved & required)	Actuals & Commitments	Remaining Budget	
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	%
<b>People</b>								
Adult Services & Commissioning	819	502	-360	0	961	264	697	72.5%
Childrens Services	0	141	0	0	141	78	63	44.7%
Housing	1,825	1,016	0	0	2,841	1,983	858	30.2%
<b>Schools and Inclusion Workforce, OD and Comms</b>	39,367	6,112	-1,097	-10,661	33,721	35,330	-1,609	-4.8%
<b>Resources</b>								
Business Services	0	298	-193	0	105	131	-26	-24.8%
Information Services	1,610	947	-1,144	0	1,413	986	427	30.2%
Legal Services	0	19	0	0	19	0	19	100.0%
Financial Services	578	-509	0	0	69	0	69	100.0%
Corporate Activities	0	0	0	0	0	0	0	
<b>Place</b>								
Highways, Transport & Recycling	16,380	10,418	0	-3,023	23,775	15,586	8,189	34.4%
Leisure & Recreation	3,357	5,964	0	0	9,321	5,898	3,423	36.7%
Regeneration	1,125	-459	0	0	666	237	429	64.4%
Property, Planning And Public Protection	2,503	3,216	-130	-2,886	2,703	1,682	1,021	37.8%
<b>Total Capital</b>	<b>67,564</b>	<b>27,665</b>	<b>-2,924</b>	<b>-16,570</b>	<b>75,735</b>	<b>62,175</b>	<b>13,560</b>	<b>17.9%</b>
Housing Revenue Account	20,139	6,518	-3,210	-7,051	16,396	17,030	-634	-3.9%
<b>TOTAL</b>	<b>87,703</b>	<b>34,183</b>	<b>-6,134</b>	<b>-23,621</b>	<b>92,131</b>	<b>79,205</b>	<b>12,926</b>	<b>14.0%</b>

1.6 The funding of the capital programme is shown in Table 2 below. It has been revised from the original budget of £87.703m to £92.131m as at 31<sup>st</sup> January 2019 to reflect virements and re-profiling of the capital programme. This matches the projected expenditure to ensure a balanced budget.

**1.7 Table 2 Funding of the Capital Budget as at 31<sup>st</sup> January 2019**

Revised Working Budget 2018/19 as at 31st January 2019 (after virements approved and required)						
Capital	-12,394	-20,675	-34,322	-5,667	-2,677	<b>-75,735</b>
HRA	0	-6,985	-3,792	-5,085	-534	<b>-16,396</b>
<b>Total</b>	<b>-12,394</b>	<b>-27,660</b>	<b>-38,114</b>	<b>-10,752</b>	<b>-3,211</b>	<b>-92,131</b>

## 2. **Proposal**

- 2.1 It is recommended that Cabinet note the contents of this report and recommend all virements over £500k to the Council for approval and approve all of the other virements listed below:
- 2.2 **Business Services: Cashless System** The project to provide a Cashless System for school dinners has been implemented. It is recommended that the budget of £192,799 is returned to the corporate unallocated budget to be used for other overspends in 2018/19.
- 2.3 **ICT: Finance System** The project to upgrade E-Financials and associated systems is now anticipated to cost £106,235 more than the original budget. This virement recommends funding this project from the Corporate Unallocated budget mentioned in 2.2 above.
- 2.4 **Property, Planning And Public Protection: Presteigne Cemetery Extension** A capital allocation was granted for the purchase of additional land at Presteigne and develop a cemetery extension. The full capital allocation was £170k. The land was purchased for £47,045.84 in January 2018. In order to satisfy planning conditions, details of the site infrastructure had to be submitted by Hereford Planning Authority. The plans were approved in November.
- In October, Powys County Council (PCC) was informed by Presteigne and Norton Town Council that the owner of land to the north of the cemetery would be willing to sell the land to facilitate the development of the cemetery extension. Prior to this PCC intended to access the extension area via the existing entrance. The access is poor and meant that a road would have to be created around existing memorials. Additionally, the original proposal would not afford additional parking.
- If PCC were to purchase the land, then this would provide improved access to the cemetery and provide car parking facilities. The original business case for the project was amended to reflect the opportunity to purchase additional land and was approved by the Acting Head of Property, Planning and Public Protection and Commercial Services. A Portfolio Holder is currently being prepared to approve the purchase of the additional land.
- In light of these developments, the project will now be delivered in 19/20. This virement recommends that £163,830 is rolled forward to 19/20.
- 2.5 **Property, Planning And Public Protection: Office Accommodation Review** It is recommended to roll forward capital funding of £130K at County Hall in respect of delivering the continued refurbishment of the building. Due to the constraints of the building, works to individual office areas has to be phased. The next phase of works at County Hall will take place from April 2019 and will finalise the upper floor refurbishment of the building. The improvement works will remedy significant health and safety concerns and additionally will improve energy efficiency and reduce the annual revenue spend by approximately £20k.

- 2.6 **Property, Planning And Public Protection: Ladywell House** It is recommended to roll forward £2.2225m to 2019/20. The Project Board has accepted a revised project completion of August 2019. This is a result of design delays and the need to fit windows in spring / summer. We therefore need to roll money forward to cover the works.
- 2.7 **Property, Planning And Public Protection: Business Units at Abermule Business Park** It is recommended to roll forward £663K in 2019/20. The project programme has been revised to accommodate a longer lead time for detailed design, ground works and construction. We therefore need to roll money forward to cover the works.
- 2.8 **Schools: Crickhowell High School Extension** The work to provide an extension at Crickhowell High School has been delayed because of planning issues. It is recommended to roll forward £692k to 19/20.
- 2.9 **Schools: Major Improvements** The Major Improvement Programme includes a project to provide a 3G pitch with a £300k budget funded from a unsecured contribution. It is recommended that this project is removed from the programme until the contribution has been received. In addition design work is progressing on the early years works at Ysgol Llanbrymair with a view to undertake the works during the school summer holidays. It is therefore recommended to roll forward £105k to 2019/20.
- 2.9 **Housing Revenue Account: Welsh Quality Housing Standard (WHQS)** The WHQS budget for 18/19 was revised to £16.958m. It is now recommended that the budget for the following projects are revised as per Table 3. The revised budget is £11.908m.

**Table 3 HRA Virements**

Job Name	Current Budget £'000	Proposed Virement £'000	Revised Budget £'000
Estate Works North - 11	£1,390	£-1,200	£190
Estate Works South - 14	£1,390	£-1,130	£260
To be recommended to Council	£2,780	£-2,330	£450
Rewiring North - 5	£278	£-230	£48
Roofing North - 9	£1,500	£-200	£1,300
Roofing South - 12	£1,450	£-650	£800
Wallwork North - 10	£250	£-250	£0
Wallwork South - 13	£590	£-290	£300
Gwaelod - Y - Bryn	£246	£-240	£6
2018 Energy Efficiency (Insulation)	£250	£-110	£140
To be recommended to Cabinet	£4,564	£-1,970	£2,594

## 2.10 Housing Revenue Account: Other HRA Works

The budget for other HRA works is currently £8.372m. It is now recommended that the budget for the following projects are revised as per Table 4. The revised budget will be £3.161m.

**Table 4 Other HRA Work Virements**

Project Name	Current Budget £'000	Proposed Virement £'000	Revised Budget £'000
Level Access Bungalows North	£1,549	-£800	£749
Level Access Bungalows South	£1,315	-£1,310	£5
Community Alarms/Spaces	£1,861	-£1,861	£0
To be recommended to Council	£4,726	-£3,971	£755
2018 Communal Areas	£250	-£240	£10
2018 Fire Safety Works	£250	-£250	£0
2018 Damp/Water Ingress Works	£500	-£450	£50
2018 Radon Works	£100	-£100	£0
2018 Photo-Voltaic (Solar Panels)	£200	-£200	£0
To be recommended to Cabinet	£1,300	-£1,240	£60

- 2.11 **Highways, Transport and Recycling – Recycling Bulking Facility, North Powys** It is recommended that an additional £300k is to be rolled forward due to further delays in the programme. The initial virement of £2,723,482.23 was approved at full council on 21<sup>st</sup> February with an amendment regarding the proposed site. This brings the total budget roll forward to £3,023,482.23.

## 3 Grants Received

- 3.1 **£2.606m General Capital Grant** Welsh Government have awarded the authority additional General Capital Grant. This has been used to replace £2.606m Prudential Borrowing in 2018/19.

## 4 Project Update

- 4.1 **21<sup>st</sup> Century Schools:** Work on the Band A phase of the 21<sup>st</sup> Century Schools programme is progressing well. The only exception is the Welshpool catchment area schools. The decision by Cadw to list the Ysgol Maesydre has had a huge impact, on both the Budget and the timelines of the project. Consequently, the Welsh Medium School has been deferred to Band B of the programme.

- 4.2 **Housing:** A review of the HRA budgets has been undertaken in January and the revised budget now reflect the anticipated outturn figures. The HRA outturn is now expected to be £16.3m. The service has an actual spend of £11.23m with commitments of £5.7m.
- 4.3 **Highways, Transport and Recycling (HTR):** have a working budget of £23.8m. Total spend at the end of January, including commitment is £15.586m, representing 65.6% of budget. Finance are monitoring the project performance with project officers to ensure that work is progressed in line with expectation.
- 5 **Capital Receipts**
- 5.1 The current capital receipt end of year forecast, excluding the HRA right to buy, for 2018/19 is £1.822m for Property and £3.535m for County Farms, of which £252k has been agreed subject to contract and should be received before year end. Three sales of £729k has been completed as at 31<sup>st</sup> January 2019, Land and Property sales £175k; Smallholding/Farm Sales £554k.
- 5.2 The suspension of the Right to Buy for the HRA for Powys came into effect on the 18<sup>th</sup> November 2017. The disposals this year relate to properties where the tenant had applied before the suspension. Five sales have been completed as at 31<sup>st</sup> January 2019 amounting to £539k.
6. **Options Considered / Available**
- 6.1 N/A
- 7 **Preferred Choice and Reasons**
- 7.1 N/A
- 8 **Impact Assessment**
- 8.1 Is an impact assessment required?                      Yes/No
- 9 **Corporate Improvement Plan**
- 9.1 To achieve the Corporate Improvement Plan (CIP) objectives the Council undertakes forward planning with its medium term financial strategy (MTFS) - this sets out the financial requirements to deliver the short and longer term council vision. These capital and revenue monitoring reports, are used to ensure the funding identified to deliver the council priorities is spent appropriately and remains within a cash limited budget.
- 10 **Local Member(s)**
- 10.1 This report relates to all service areas across the whole County.
- 11 **Other Front Line Services**
- 11.1 This report relates to all service areas across the whole County

## 12 **Communications**

12.1 Have Communications seen a copy of this report? Yes/No

Have they made a comment? If Yes insert here.

## 13 **Support Services (Legal, Finance, Corporate Property, HR, ICT, Business Services)**

13.1 This report has no specific impact on support services other than reporting on those service areas with capital programmes. Financial Services work closely with all service areas in monitoring financial performance on capital programmes against budgets.

### 13.2 **Finance**

This monthly Capital report on the status of all projects within the Capital strategy is an integral part of the Governance Framework for Capital development works.

The virements proposed in section 2 of this report, are to align the actual works expected to be done in the current financial year to the funding required to finance such Capital works. This is a prudent approach to ensure that the Council only makes available what is required to finance the Capital expenditure. There are no exceptional financial implications to be reported at this time.

## 13 Scrutiny

Has this report been scrutinised? Yes / No?

## 14 **Data Protection**

N/A

## 15 **Statutory Officers**

The Head of Financial Services & Deputy Section 151 Officer notes the contents in the report.

The Deputy Monitoring Officer notes the content of the report and makes no specific comment upon the same.

## 16. **Members' Interests**

The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest, they should declare it at the start of the meeting and complete the relevant notification form.

## 17. **Future Status of the Report**

Members are invited to consider the future status of this report and whether it can be made available to the press and public either immediately following the meeting or at some specified point in the future.

<b>Recommendation:</b>		<b>Reason for Recommendation:</b>	
a. The contents of this report are noted by Cabinet. b. That Cabinet approves the virement proposed in section 2 of this report.		To outline the capital budget position as at 31 <sup>st</sup> January 2019.  To ensure appropriate virements, are carried out to align budgets with spending plans.	
Relevant Policy (ies):			
<b>Within Policy:</b>	<b>Y / N</b>	<b>Within Budget:</b>	<b>Y / N</b>
Contact Officer: Jane Thomas Tel: 01597-826290 Email: <a href="mailto:jane.thomas@powyscc.gov.uk">jane.thomas@powyscc.gov.uk</a>			

<b>Relevant Local Member(s):</b>	
<b>Person(s) To Implement Decision:</b>	
<b>Date By When Decision To Be Implemented:</b>	
<b>Is a review of the impact of the decision required?</b>	<b>Y / N</b>
<b>If yes, date of review</b>	
<b>Person responsible for the review</b>	
<b>Date review to be presented to Portfolio Holder/ Cabinet for information or further action</b>	

**Background Papers used to prepare Report:**

CABINET REPORT TEMPLATE VERSION 6