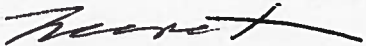




Haringey Council

Report for:	Cabinet Member for Resources and Culture	Item Number:	
Title:	Approval for application of local discount Business Rate Relief		
Report Authorised by:	Tracie Evans, Chief Operating Officer 		
Lead Officer:	Peter O'Brien, Area Regeneration Manager, Tottenham Hale & South Tottenham		
Ward(s) affected: Tottenham Hale	Report for Key/Non Key Decisions: Non Key		

1. Describe the issue under consideration
 - 1.1. The area outside Tottenham Hale station has recently been upgraded as part of the £40m bus station and gyratory project. A new station is due to go on site later this year, followed by a mixed use 'over-station' development in 2017/18. This development will form an edge to Station Square.
 - 1.2. LB Haringey and Transport for London have worked together to explore options to animate Station Square before that development comes forward in about three years time. The identified project will see five or six 'pop-up' retail units put in place on Station Square on the location of the future over-station development.
 - 1.3. Transport for London are undertaking this project as part of the partnership that is taking forward the regeneration of Tottenham. They are not intending to make a profit on this intervention and the push has been to make it break even. Transport for London have indicated that the scheme does not currently stack up financially and that business rates are a significant factor in this.
 - 1.4. They have asked for the Council to consider applying its discretionary local discount in waving business rates for this project in support of the regeneration of Tottenham.



- 1.5. This report seeks that authority.
 - 1.6. The council is currently reviewing its approach to discretionary business rates relief and will shortly be launching a formal consultation exercise. It is expected that the new policy will be in place from 01 April 2016.
 - 1.7. This decision is not considered to set a precedent in advance of a policy being agreed. Should any further applications to the Council to consider applying a discretionary local discount be received prior to a policy being agreed, these will be considered in a consistent manner.
2. Cabinet Member introduction
 - 2.1. This project represents an exciting opportunity to inject some life into the heart of Tottenham Hale for the benefit of local residents, commuters and visitors alike. It represents an imaginative way of animating the space in advance of wider construction works. It is an opportunity to develop a new market for retail at the heart of Tottenham Hale and there is potential for a positive impact on business rates in the medium term.
 - 2.2. Given the regeneration benefits, combined with the temporary nature of the business rate relief, I am happy for local discount to be applied in this instance.
3. Recommendations
 - 3.1. It is recommended that Local Discount Business Rate Relief is granted to Transport for London for a temporary period until 31st March 2016 for the purpose of the Tottenham Hale Station Square Pop-Up Project.
 - 3.2. Following the expiry of the temporary period of relief, the council will review the project in line with its new business rates relief policy and a decision on whether to extend the relief will be applied in line with that policy.
4. Alternative options considered
 - 4.1. Two options were considered:
 - Option 1: LBH grants business rate and the meanwhile project happens
 - Option 2: LBH refuses to grant business relief and the meanwhile project does not proceed (Transport for London have indicated that the project will not proceed on that basis)
 - 4.2. In both of these scenarios, the business rate relief collected is £0. Option 1 has therefore been selected as the preferred option, on the grounds that is in the community interest, supports the regeneration of Tottenham and that it supports



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local economic activity and in particular smaller businesses. Added to that, the net financial impact to the Council is neutral.

5. Background information

The context

- 5.1. Tottenham Hale has been identified as a major focal point for investment and growth in the borough. This is being realised through the designation as one of the first Housing Zones and through a number of Council strategies and policies, including the District Centre Framework and the Tottenham Area Action Plan.
- 5.2. Together these plans will see a new urban centre with a mix of jobs (4,000) and homes (5,000) coming forward over the period of the Plan.
- 5.3. Conscious of the long-term nature of these plans, the Borough has been working with partners to take forward a series of 'meanwhile' improvements that will make the area a more attractive location to live, work and invest while the wider area is being redeveloped.

The project

- 5.4. The area outside Tottenham Hale station has recently been upgraded as part of the bus station and gyratory project. A new station is due to go on site later this year, and the masterplan allows for an 'over-station' development, which will contain a mix of residential and retail uses. This development will form an edge to the Station Square.
- 5.5. LB Haringey and Transport for London have worked together to explore options to animate Station Square before that development comes forward in about three years time.
- 5.6. The identified project will see five or six 'pop-up' retail units put in place on Station Square on the location of the future over-station development. Transport for London has agreed to promote this project, utilising a third party to curate and populate the space. This third party will work with local and creative small companies and start-ups to help create activity and a positive environment in and around Station Square.
- 5.7. The current experience at Tottenham Hale station is poor and will remain sub-optimal throughout the forthcoming development period. This project has the strong support of the Regeneration function of the council in order to promote Tottenham Hale as an area of change and provide local people with creative options for entertainment and shopping through an innovative pop up facility during the redevelopment period.
- 5.8. Images and a plan of the proposed intervention are set out in the appendix.

The issue



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- 5.9. Transport for London is undertaking this project as part of the partnership that is taking forward the regeneration of Tottenham. They are not intending to make a profit on this intervention and the push has been to make it break even. Transport for London have indicated that the scheme does not currently stack up financially and that business rates are a significant factor in this.
- 5.10. They have asked for the Council to consider applying its discretionary local discount in waving business rates for this project in support of the regeneration of Tottenham.

Key points

- While this project is being done to activate Tottenham Hale and to support businesses, Transport for London as the leaseholder would be liable for business rates and hence small business rate relief would not apply.
- The estimated business rates for the site are approximately £30,000 per annum. This breaks down at a small retails having to pay an additional £100 on top of rent of £250 per week. This is felt to place the units at level where the businesses would struggle to break even, thus negating a key purpose of the intervention.
- Transport for London and the Borough are both keen to support small business and to facilitate community and charitable use.
- Transport for London are only looking to break even and to cover the costs in bringing the project forward.
- The combined aspiration of partners is to activate the space and to provide business opportunities for small and local enterprises, as well as community and charity uses, as part of the curated approach to the space. In the case of the latter, Transport for London would have no means of passing on the business rates and Transport for London would be required to absorb the cost.

6. Comments of the Section 151 Officer and financial implications

- 6.1. The potential business rates that could be received from this project is £30,000 per annum. Of this the Council would retain 30% of the amount, so could have received a maximum income of £9,000. Thus this is the notional cost to the Council of this approval. However, to put this into perspective the total business rates income is around £64,000,000 per annum with a Council share of £19,000,000 per annum.
- 6.2. However as noted within the report this project would be unlikely to progress without business rate relief being granted and hence in all probability there will be no loss of income if the business rate relief is granted.

7. Comments of the AD Governance and legal implications

- 7.1. Section 47 of the Local Government Finance Act 1988 gives the Council the power to give a discretionary discount on business rates to any property or business of the Council's choosing. The relief can be given to any building type or



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size and any location or function, in support of a regeneration policy and so on. The Council currently has no policy in place to cover this particular type of arrangement, and current policies are being reviewed in light of legislative and economic changes. In the meantime an individual member decision is required in order to agree to this proposal. In making that decision the member should consider whether it is reasonable in all the circumstances to agree to the recommendation, have regard to the need to act in the interests of the borough and its residents, and to ensure effectiveness, economy and efficiency in relation to Council resources.

8. Equalities and Community Cohesion Comments

8.1. The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:

- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- advance equality of opportunity between people who share those protected characteristics and people who do not;
- foster good relations between people who share those characteristics and people who do not.

8.2. It is welcomed that Transport for London and the Council are both keen to support local enterprises and to facilitate community use of the space.

9. Head of Procurement Comments

9.1. The contents of this report are noted.

10. Policy Implication

10.1. An amendment introduced by the Localism Act 2011, significantly expanded local authorities discretionary powers to award business rates relief when "it would be reasonable to do so, having regards to the interests of persons liable to pay council tax." This forms part of a wider national agenda to make the business rates system more responsive to economic conditions and supportive of growth, most noticeably illustrated by the introduction of the business rates retention system to incentivise local authorities to adopt policy which stimulates a medium-term growth of business rates revenue.

10.2. The Council's existing policy on the use of discretionary business rates relief dates back to 1990 and was formed under the old legal framework. It exclusively targets voluntary and community sector organisations, based on simple criteria over the type of VCO occupying the rateable premise.



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10.3. The Council is currently reviewing its discretionary business rates relief policy within the new legal and financial framework to see how it could better support Corporate policy objectives; social, economic and securing the sustainable growth of revenue. Options for a new business rates relief policy is expected to be considered by Cabinet at the end of the year. Whilst the urgency of the Tottenham Hale scenario above requires a decision on this particular award of relief now, support for economic regeneration objectives will be factored into the Council's wider review of its discretionary business rates relief policy.

11. Reasons for Decision

11.1. To support the regeneration of Tottenham Hale.

12. Use of Appendices

Appendix 1: Images of Station Square Pop-Up project

13. Local Government (Access to Information) Act 1985
N/A

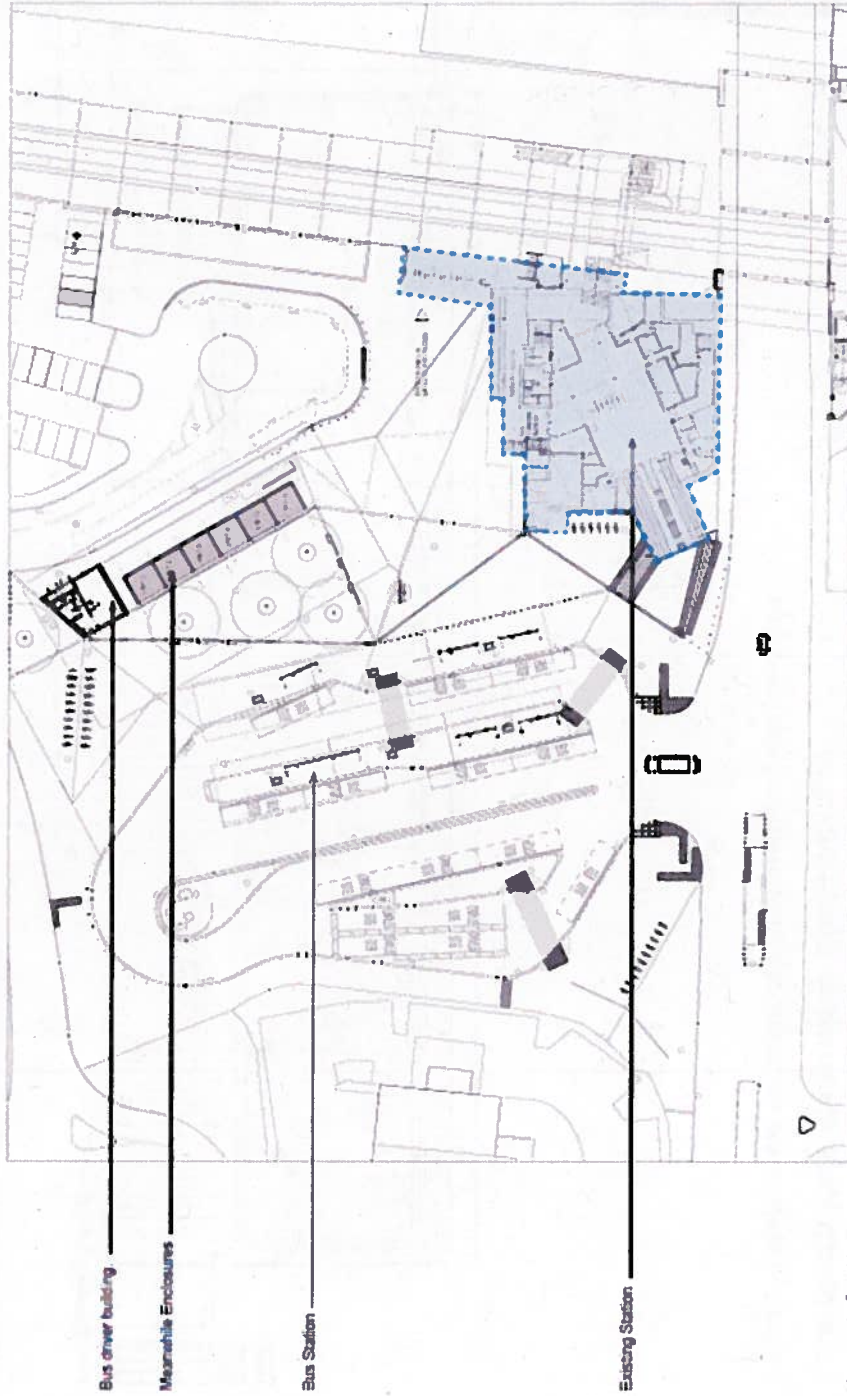


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Appendix: Plan and images of the proposed Tottenham Hale Station Square Pop-Up Project

Tottenham Hale Meanwhile Enclosures.

Site plan meanwhile enclosures - existing station.



Landolt + Brown

Tottenham Hale Meanwhile Enclosures - March 2015 - page 8

