



Place Overview
Committee

14 September 2017

10.00 am

Item

3

Public

**MINUTES OF THE PLACE OVERVIEW COMMITTEE MEETING HELD ON 14
SEPTEMBER 2017
10.00 AM - 12.08 PM**

Responsible Officer: Julie Fildes
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Present

Councillor Gwilym Butler (Chairman)
Councillors Dean Carroll, Julian Dean, Rob Gittins, Paul Milner, Dan Morris, William Parr
and Harry Taylor

1 Election of Chairman

RESOLVED: That Councillor Gwilym Butler be elected as Chairman for the ensuing municipal year.

2 Apologies for Absence

Apologies for absence were received from Councillors Simon Harris and Paul Wynn.
Councillor Dean Carroll attended as substitute for Councillor Harris.

3 Appointment of Vice-Chairman

RESOLVED: That Councillor Simon Harris be appointed Vice-Chairman for the ensuing municipal year.

4 Declarations of Interest

Councillor Butler declared an interest in relation to Agenda item 9, as he owned tenanted properties which were subject to the payment of business rates. He had no involvement with the businesses which occupied the premises and as such did not consider that he had a pecuniary interest in the item, although would leave the room if it became necessary. Members noted that this interest was entered into the Register of Interests.

5 Minutes of the Final Meeting of the Enterprise and Growth Scrutiny Committee

The minutes of the meeting held on 13th July 2017 were agreed as a correct record subject to Councillor Paul Milner being shown as in attendance.

6 Public Question Time

There were no questions from members of the public.

7 Member Questions

There were no questions from members of Council.

8 North West Relief Road

The Strategic Transport and Contracts Manager introduced Gary Dymond, a representative from WSP and consultant working on the project, distributed maps and gave a presentation to Members on the proposed Shrewsbury North West Relief Road [copy attached to signed minutes].

The Strategic Transport and Contracts Manager explained that this project had a long history and had been embedded in local plans since the 1990s, although previous attempts to deliver the highway had failed to reach fruition. The current proposal was a refreshed bid and scheme. He continued that public consultation would be undertaken to ensure that support from the public and business sector for the scheme still existed.

Members noted the number of benefits of diverting the traffic away from the centre of Shrewsbury, these included economic and health benefits. In answer to a Member's question, The Strategic Transport and Contracts Manager explained that no direct association of the road with potential increased development had been made but it was anticipated that this would be a consequence of the new road. It was also expected that the diversion of traffic away from the town centre would lead to it being a more attractive location for businesses and lead to an improved town centre for visitors.

Members discussed environmental issues and Mr Dymond explained that mitigation schemes were relatively well developed, with the next stage being to identify which schemes would be carried forward and be included in the business case. In answer to a Member's query Gary Dymond confirmed that a cycle path had been included in the road design.

Mr Dymond confirmed that traffic surveys had been conducted in Shrewsbury and that the data was being evaluated. He continued that a traffic model for Shrewsbury was being developed which included latent demand. In reply to a Member's comment, Mr Dymond agreed that historically such models had a tendency to overestimate benefits but the new model used the latest technology, which gave more accurate results.

Members considered the rights of ways and public access to green space shown on the maps distributed at the start of the meeting. It was noted that the public green spaces were important for public health but the existing areas suffered from over access, which caused environmental problems. Members noted the lack of public footpaths and public access to green space north of the town. Members discussed the possible development of a new country park as mitigation for the environmental impact of the road, although as all the land was in private ownership this would be dependent on the outcome of negotiations with landowners. Members observed that

there was no public access to the river and making this area more accessible could lead to the establishment of new businesses. The Shropshire Outdoors Partnership Manager explained that the land was presently being used for grazing and pheasant shooting and development of it would require external funding to be secured which might require a dedicated Development Officer.

Members noted the key deadlines with the proposal being considered by Cabinet in November or December and the Business Case being submitted to the Secretary of State in late December. If this application was successful, the Government would release further funds to develop the proposal. It was anticipated that if successful the scheme would be completed by 2021 although there was still much work to be undertaken.

RESOLVED:

that the report be noted and verbal observations made by the Chairman to Cabinet when the report was considered.

9 Business Rates

The Revenues and Benefits Service Manager gave a presentation on the Business Rate System [copy attached to the signed minutes]. Members noted that the majority of businesses within the Shropshire Council area fell below the threshold for the payment of business rates. The County had in excess of 12,000 businesses on its rating list with a total rateable value in excess of £230m but three quarters of these were classed as small and were exempt from payment, and although the Council received no finance from them it still had to administer them with the associated costs. Only 141 businesses were categorised as large with a rateable value of over £200k. These were mainly large factories, warehouses, supermarkets and stores. These made up of 1.1% of the tax base but provided 28.6% of the gross rateable value.

The Revenues and Benefits Service Manager continued that the Local Authority had no control over the rateable values as they were set by the Valuation Office, an Executive Agency of HMRC. The multiplier was also set by Central Government and adjusted yearly for inflation. The Rateable Values were based on property rental values with revaluation undertaken every five years. He explained that the purpose of National Revaluations was not to generate greater income but to redistribute the taxation burden more fairly. Prosperous areas had higher property rental values which impacted on the business rates levied. Members noted that there were two multipliers, the standard multiplier and the small business rate multiplier. This would give the starting point for the rates bill but there were a number of reliefs available both statutory and discretionary.

In response to a Members question, the Revenues and Benefits Service Manager explained that the small business rate relief available was based on the rateable value of the business plus specific thresholds for second properties. The maximum RV for a second property is £2,899 and the aggregate of second properties must not exceed £19,999. He gave the example of a business operating out of one location with a RV of less than £12,000 which exempted it from the payment of business rates. If the proprietors opened a second shop, which also had a RV of £12,000 both locations would be subject to Business rates even though both premises were

individually under the threshold as the company's RV had been increased to above the exemption threshold.

Members discussed the issue of Business Rate Relief following the recent revaluation of business rates and some businesses facing substantial increases in the rates payable on their premises. Members commented on the misinformation in the media about transitional relief.

The Head of Finance, Governance and Assurance confirmed that central Government had not yet passed the necessary legislation that would lead to local authorities retaining 100% of business rates received, although a number of local authorities were involved in pilot schemes. These were being extended to rural areas but the protection offered in the early schemes, where if income received was less than would have been received if the authority was not part of the scheme, was being removed which made inclusion more risky.

Members noted that the Council had a Discretionary Fund approved by Cabinet but to access funds businesses had to complete an application form which had been sent out with rate demands. Only 50-60% of eligible businesses had applied for relief.

Members discussed the issues that retailers had competing against on-line retailers who did not have to pay the same business rates and the unfair competition of charity shops who were not subject to business rates. Members suggested that communication should be improved with businesses to make them aware of how the business rates they paid were used and this would lead to a sustainable meaningful relationship.

The Director of Place and Enterprise confirmed that the Council had no control over the levying of business rates, only the discretionary relief that could be offered and how this could be used to stimulate growth in the County.

Simon McVikker, representing the Shropshire Business Board, added that the local Chamber of Commerce would be happy to assist with improving communication between the local authority and businesses.

RESOLVED:

- i. That Officers would work with Shropshire Business Board on a Business Rates model that helped attract new businesses, as well as ensure growth of existing businesses in the county.
- ii. That the Report be noted.

10 Brexit Task and Finish Group

Members noted the proposed Brexit Task and Finish Group Terms of Reference. The Scrutiny Officer explained that it was anticipated that the Government would publish a White Paper on Brexit in January 2018. It was anticipated that the work undertaken by the Task and Finish Group would enable the Council to contribute to the Government consultation in a meaningful way. Members observed that it would be useful to know how the European Union currently contributes to the economy in Shropshire and the impact Brexit was likely to have on agriculture, AONB, businesses and tourism in the county.

The Scrutiny Officer advised Members that the task and finish group required a clear focus and should report to Cabinet in a timely manner to enable contribution to an informed Council response to the Government White Paper.

RESOLVED:
that the Brexit Task and Finish Group be established.

Signed (Chairman)

Date: