

**TONBRIDGE & MALLING BOROUGH COUNCIL**  
**ECONOMIC REGENERATION ADVISORY BOARD**

**04 June 2018**

**Report of the Chief Executive**

**Part 1- Public**

**Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken by the Cabinet Member)**

**1 BUSINESS RATES RETENTION PILOT – HOUSING AND COMMERCIAL GROWTH FUND**

**To set out the background to the Business Rates Retention Pilot and to suggest possible initiatives to be funded via the housing and commercial growth fund element.**

**1.1 Background**

1.1.1 Following a report to the Cabinet in October 2017 on the proposed Business Rates Retention pilot for Kent and Medway, and as reported as part of the budget report in February, a successful bid was made and the pilot is now being taken forward. There are two main components of the Kent and Medway pilot:

(a) A Financial Stability Fund made up by 70% of the of business rates growth across the County with direct funding being paid to Kent's Local Authorities;

(b) A Housing and Commercial Growth Fund made up by 30% of business rates growth to help achieve the following four priorities:

- unlock local housing development
- unlock local commercial development
- promote investment and trade
- speeding up the planning process.

1.1.2 This report focuses only on the Housing and Commercial Growth Fund given the links applying to local economic regeneration initiatives.

**1.2 Housing and Commercial Growth Fund**

1.2.1 The model adopted for the above fund is to focus activity on three clusters in the County: West Kent (the areas of Tonbridge and Malling, Sevenoaks and Tunbridge Wells), North Kent (including Maidstone) and East Kent. Kent County

Council will be part of each cluster group. Maidstone Borough Council, as the lead authority for the pilot, will administer the growth fund.

- 1.2.2 Funding is to be distributed across the cluster groups based on current business rate baselines and each cluster group will be able to determine how that funding can best be invested locally. Final allocations will not yet be known although the following estimates were included in the original bid document:

West Kent - £1,055,000

North Kent - £3,291,000

East Kent - £3,054,000

For West Kent, this potential level of funding would equate to approximately £350K per district area.

- 1.2.3 Initial meetings have been held at Officer level across the West Kent Cluster group (including KCC) to discuss possible themes for the above fund. The following criteria have been suggested:

Strategic Fit – spend must relate to one of the priorities set out above at 1.1.1(b);

Value for Money – must attract match funding and deliver growth e.g. in jobs and commercial floor space;

Delivery and Risk – projects ready to start in 18/19 and deliver proven outputs.

- 1.2.4 Based on recent discussions within the West Kent Cluster, two initial themes for the fund have been identified.

- 1.2.5 As Members will be aware, there is a need across West Kent to boost the provision of business premises, particularly those suitable for smaller businesses looking to expand. Recent changes to planning policy, which has allowed commercial premises to change to residential use without the need for planning permission, has begun to exacerbate this lack of suitable business accommodation available locally.

- 1.2.6 In addition, it was thought there was a need to invest to improve retail centres across the West Kent area. Whilst most retail premises are well maintained, a number, especially in some smaller centres and those on the periphery of a larger centre, could benefit from improvements to their shop fronts. A grant scheme to improve and enhance shop fronts was therefore suggested as a possible means to encourage such enhancement. Further work on this option will be progressed via the West Kent cluster group.

- 1.2.7 As further priorities might emerge as the current initiative progresses, it would be prudent to maintain some flexibility with regard to the available funding.

### **1.3 Legal Implications**

1.3.1 Maidstone Borough Council is the lead authority for the pilot as set out in the Memorandum of Understanding between all parties.

### **1.4 Financial and Value for Money Considerations**

1.4.1 The figures included above for the Housing and Commercial Growth Fund are estimates. The value is dependent on final income received by all Kent authorities during 2018/19 (after allowing for appeals etc).

### **1.5 Risk Assessment**

1.5.1 As indicated above, figures quoted are estimates only and final figures will not be known until year end.

### **1.6 Equality Impact Assessment**

1.6.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

### **1.7 Recommendations**

1.7.1 That the initial priorities as set out at 1.2.5 and 1.2.6 of this report **BE ENDORSED** and that further discussions within the West Kent Cluster Group **BE UNDERTAKEN**.

The Chief Executive confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and policy Framework.

Background papers:

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Nil

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