

TONBRIDGE & MALLING BOROUGH COUNCIL
ECONOMIC REGENERATION ADVISORY BOARD

02 September 2020

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 AND POOL

This report gives an update on the Business Rates Retention Pilot and Business Rates Pool funding and puts forward possible priorities for funding in light of the impact of Covid-19.

1.1 Background

1.1.1 Funding through the Business Rates Retention Pilot and the Business Rates Pool are key resources through which the Borough Council can implement measures that support our local economy. Over the past 18 months or so, progress has been made in delivering some initiatives. However, the impact of Covid-19 is such that work now needs to be undertaken to review and reconsider the sort of initiatives that should be funded through these funds.

1.2 Business Rates Retention Pilot

1.2.1 In November 2018, the Economic Regeneration Advisory Board endorsed a number of initiatives to be delivered through the Business Rates Retention Pilot. Progress to date has been as follows:

- Shopfront Improvement Grant Scheme (£100,000 allocated) – through the Town and District Scheme and the Local Centres Scheme, 29 businesses have been allocated funding to carry out improvement works. The total value of these 29 grant offers to date is just under £80,000, and to date about half of that grant funding has been given out to completed projects.
- Tonbridge Town Centre Initiatives (£25,000 allocated) – to date £4,000 has been spent on pop-up shops and Xmas lights at Quarry Hill Parade.
- Malling Centres Promotion (£15,000 allocated) – working with East Malling Trust (who have contributed £2,000), NIAB EMR and Explore Kent, improvements to interpretation along the PROW through the East Malling site will be undertaken during 2021. It is likely only £10,000 will be required.

- 1.2.2 However, progress on two initiatives that were endorsed by advisory board – the use of the audit wing at the Gibson Building for small businesses, and the establishment of a co-working/flexible office space fund – have not progressed at this stage. Despite initial interest, the audit wing has seemingly proved unattractive to co-working operators due to the lack of 24/7 access, and a co-working/flexible office space scheme (which was scheduled for 2021/22) was in the initial stages of being pulled together just before the Covid-19 crisis happened.
- 1.2.3 At the time of allocating funding to these initiatives, the actual amount of funding available through the Business Rates Retention Pilot was not set in stone. However, with a number of projects now progressing, the business rates retention pilot fund balance as at 01 April 2020 was circa £523,000.
- 1.2.4 In response to the increased pot of funding, the following initiatives were being drawn up for consideration before lockdown began:
- Vehicle Charging Points – to align with aspirations in the draft Climate Change Strategy
 - Natural Flood Management – has been highlighted to KCC and the Environment Agency that we potentially have some funding set aside for any NFM in the borough that supports land based industries.
 - Business IT initiatives – to align with the aspirations of the Digital Strategy.
- 1.2.5 However, it is pretty clear given the impact of the Covid-19 pandemic that the priorities and focus of the Business Rates Retention Pilot fund need to be re-assessed in order to ensure we respond effectively to the requirements of the local economy as it is now. As such, it seems a fitting time to review the priorities for this funding and agree them with the County Council as we are required to do so.

1.3 Business Rates Pool

- 1.3.1 In addition to the Business Rates Retention Pilot funding, progress has been made on initiatives agreed with Kent County Council through the Business Rates Pool at the end of 2019. The total funding for this equates to £150,000 and has been broken down as follows:
- Recruitment of a Graduate EDO (£70,000) – James Read started during week commencing 16 March 2020 on an initial 12 month contract, with the potential to extend for a further year.
 - Highways Transport Schemes (£70,000) – funding has been earmarked to contribute towards the revenue cost of working up schemes in the borough that support the Local Plan/other strategic priorities. Discussions are ongoing with Kent Highways.
 - Tonbridge Gateway Pods (£10,000) – conversations between the Gateway Manager and Kent County Council are progressing.

1.3.2 Given that progress has already made on these allocations, it is not proposed that these are changed as part of a review. However, there is additional funding within the Business Rates Pool – approximately £194,000, which remains uncommitted and needs to be allocated through this review process.

1.4 Business Rates Retention Pilot and Pool – Proposed Next Steps

1.4.1 The need to reconsider the allocation of funding in light of the covid-19, has already happened to a small degree, with Kent County Council agreeing to the use of the Business Rates Retention Pilot to help support our local economy through the response phase of the covid-19 crisis. This has resulted in just over £40,000 being allocated as follows:

- £33,000 towards business grants as a top-up of the Small Business Discretionary Grant Scheme (which could increase subject to appeals)
- £8,000 contribution towards the Covid-19 Business Helpline

1.4.2 Pulling together spend to date, along with committed expenditure, the balance available to fund one or more of the initiatives detailed in Appendix 1 (or indeed other priorities) from the Pilot is approximately **£366,000** (i.e. £523,000 minus £157,000):

BRRP Projects	Spent as of 01 April 2020	Committed/Spent since 01 April 2020
Shopfront Improvements Schemes	£40,000	£60,000
Town Centre Initiatives	£4,000	£21,000
Malling Centres Promotion	£0	£15,000
Covid-19 Initiatives	£0	£41,000
Natural Flood Management	£0	£20,000
TOTAL	£44,000	£157,000

4.3 This figure of £366,000 from the Pilot, plus the £194,000 from the Pool, means that there is a total pot of **£560,000** for initiatives that support growth (and that are supported by Kent County Council).

4.4 Under Appendix 1, an attempt has been made to consider some of those initiatives that had been previously put forward as priorities under the Pilot scheme but had not yet been progressed, along with other potential initiatives that appear at present likely to be priorities in the years to come. Given the impact of the Covid-19 pandemic, emphasis on **strengthening the resilience of the local economy** (through skills development and a work-ready workforce), tackling the increasingly

pressing issues regarding **the future of our town centres** and **embracing the economic and environmental opportunities arising from the green agenda** are the focus of the list in Appendix 1, and would seemingly be strong candidates for funding. However, it is proposed that further work is undertaken on these and a report is brought back to the advisory board in November 2020 for endorsement.

1.4 Legal Implications

1.4.1 There are no legal implications arising from this report.

1.5 Financial and Value for Money Considerations

1.5.1 Any initiatives that are ultimately agreed through this process would be funded through the Business Rates Retention Pilot and Business Rates Pool.

1.6 Risk Assessment

1.6.1 Not applicable

1.7 Equality Impact Assessment

1.7.1 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.

1.8 Recommendations

1.8.1 That the report **BE NOTED**

1.8.2 That the table set out in Appendix 1 **BE APPROVED** as an initial starting point for consideration of ideas to support the local economy, with a view to coming back to the next board meeting in November 2020 for endorsement before ultimately sharing with Kent County Council for agreement once finalised.

The Cabinet Member for Economic Regeneration and the Chief Executive confirm that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

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