

EXECUTIVE

DATE: 20th APRIL 2009

SUBJECT: REFERENCE FROM CENTRAL AREA COMMITTEE -
PETITION ON THE EFFECTS ON LOCAL BUSINESS
OF THE ROADWORKS ON DUNSTABLE ROAD

REPORT BY: CHIEF EXECUTIVE (HEAD OF LOCAL DEMOCRACY)

CONTACT OFFICER: MICK ROBINSON 01582 546064

IMPLICATIONS:

LEGAL	✓	STAFFING
EQUALITIES	✓	COMMUNITY SAFETY
FINANCIAL	✓	RISKS

OTHER

CONSULTATIONS:

COUNCILLORS CONSULTED	SCRUTINY COMMITTEE CONSULTED
-----------------------	---------------------------------

STAKEHOLDERS CONSULTED	OTHER
------------------------	-------

WARDS AFFECTED: BISCOT AND DALLOW

**LEAD EXECUTIVE MEMBER(S): COUNCILLORS DAVIS, SIMMONS AND
WORLDING**

RECOMMENDATION(S)

1. Executive is recommended to consider granting a rebate in the business rates paid by shopkeepers in Dunstable Road who are affected by the current remedial roadworks in Bury Park.

REPORT

2. At its meeting on 31st March 2009, the Central Luton Area Committee received a petition from Mr Ghulam Rasul of Raja and Rani Fashions, Dunstable Road, Luton. The subject of the petition was the current remedial

roadworks in the Bury Park shopping area and the effect they were having on local businesses. The petition contained 103 signatures.

3. The Traffic Engineering Manager advised the Area Committee that roadworks had started on 23rd February 2009 and, provided that there were no delays because of adverse weather, would finish on 9th April 2009.
4. The Area Committee heard from local shopkeepers about the effect that the roadworks were having on businesses.
5. The Area Committee resolved to note the petition and also to ask the Executive to consider granting a rebate in the National Non-Domestic Rates (commonly known as the 'business rates') of paid by shopkeepers affected by the current roadworks.
6. Some Members of the Committee expressed concerns over the precedent that would be set by granting such a rebate.

LEGAL AND FINANCIAL IMPLICATIONS

7. The National Non-Domestic Rates system is a central one. The Council does not control it. The Secretary of State determines what shall be charged and the council is merely the collection agent (Local Government Finance Act 1988).
8. The only reliefs that the Council is enabled to consider are as set out in the Act. They relate to 'charitable and related relief' – which does not apply here – and hardship relief.
9. Authorities have the power to reduce an amount payable where it can be demonstrated that the ratepayer would sustain hardship if the authority did not do so, and the authority can show that it has had regard to the interests of council taxpayers (section 49). If hardship relief is used, it needs to be used consistently.
10. The legislation requires that 'each case is determined on its merit'; therefore each affected business would need to make an individual application for the relief and the Council would need to review each one giving regard to many factors, not just whether road works were having a temporary impact on the business. Throughout the country, relief on the grounds of hardship is very rarely given and, in most cases where it is granted, it is in respect of rates on unoccupied properties, not on businesses that are continuing to trade.
12. Granting of any relief has to be applied consistently for all ratepayers and granting it for the circumstances outlined here could see a significant number of applications from around the borough. Also, as the Council has to fund 25% of any relief granted, it could have a significant unbudgeted financial impact that would need to be met ultimately by the council tax payer

13. The above implications have been agreed by the Head of Legal Services, Head of Corporate Finance and the Interim Head of Revenues on 1st April 2009.

EQUALITIES IMPLICATIONS

14. There are no equalities implications in this proposal and this has been agreed by the Head of Equalities on 1st April 2009.

OPTIONS

15. Executive can:
- Ask for an assessment to be made as to whether any or all of the ratepayers concerned could qualify for hardship relief, noting that this could have a significant, unbudgeted financial impact, which would first have to be assessed, and for which the recession reserve would have to be used or
 - Decide to take no action.

BACKGROUND PAPERS

Committee Report Ref: AC(C)/03/09/10.4
Minute No: AC(C)/16/09