



15<sup>th</sup> May, 2018.

**Re: Small Business Vacant Premises Incentive Scheme**

Dear Elected Member,

Attached please find a report on the Small Business Vacant Premises Incentive Scheme. This report outlines the scheme history and its progress to date.

Following a recent review, it is proposed to raise the threshold for eligibility of the scheme to cover premises where the annual rates bills is up to €5,000. Currently the threshold stands at €2,000. The attached report gives an overview of the proposed change to the Scheme.

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**Martin Prendiville,**  
**Head of Finance**



# Small Business Vacant Premises Incentive Scheme

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## *Background:*

The Small Business Vacant Premises Incentive Scheme was introduced by Kilkenny County Council in late 2015 in light of challenges facing businesses, stemming from the recessionary period and the difficulties for new businesses in gaining a foothold. Approved by SPC1 and adopted by the full Council in November 2015, the scheme aims to encourage the use of vacant commercial premises thereby contributing to the economic development, regeneration and recovery in towns and villages across the county. The scheme incentivises both new and aspiring business owners/lease holders to occupy previously vacant commercial property by lowering entry costs through a grant related to the level of rates payable on the property.

## *Scheme Details:*

The scheme operates as a payment of a grant awarded by the council directly to the qualifying applicants and is paid on a reducing basis (75%, 50% & 25%) for the first three years of the start-up or expansion, starting twelve months after the business begins trading in the premises.

The scheme applies to premises that have been vacant for a minimum of six months and where the rates bill is €2000 or less.

In addition, the applicant business must not have traded in a similar business within a three km radius prior to opening, must not cause displacement to existing local businesses and must not be one of a list of excluded business categories.

## *Scheme to date:*

By May 2017 only a total of six inquiries resulting in five applications were received. Following the first evaluation meeting one applicant was deemed eligible and was approved. A review of the format of the scheme was undertaken at that point recommending the need for a) Greater Promotion of the Scheme. b) Pre-application meetings to take place with a council officer to establish eligibility prior to issuing of application forms.

An intensive PR campaign was undertaken to promote the scheme: This included advertising through:

- Kilkenny County Council Website & Social Media, Community quarterly e-newsletter and LEO E-zine
- Kilkenny People newspaper – quarterly advertisement
- Community Grants Information Meetings held across the county by the Community Department Kilkenny County Council

In addition, the following have been made aware of the scheme and asked to advertise it through their sources

- Council Staff including LEO, Rates Department, Planners and Area Office.
- Estate/ letting agents/auctioneers across the city and county
- Public Participation Network
- County Kilkenny LEADER Partnership

Through a greater awareness of the scheme it was hoped that this would result in an increase in the uptake of the scheme.

Since summer 2017 there has been an increase in interest on the scheme with a total of 19 inquires to the Economic Development Office. This has led to two successful applications. There are a number more applications expected over the coming months.

Of the queries received approximately one quarter are regarding premises (a mix of both rural and urban) where the annual rates bill is in excess of €2000 and under €5000. Currently these are ineligible under the scheme threshold levels.

*Recommendation & Sanction Requested:*

Given the low uptake of the scheme to date it is proposed to raise the threshold for eligibility of the scheme to €5000.

	<b>Rates eligible</b>	<b>Grant category</b>	<b>Maximum Grant award to Business</b>
End of Year 1	Up to €5,000	75%	€3,750
End of Year 2	Up to €5,000	50%	€2,500
End of Year 3	Up to €5,000	25%	€1,250
<b>Total</b>			<b>€7,500</b>

In addition the Terms and Conditions of the scheme will be amended to include the following:

*'Where a premises is not listed for rates at the time of occupation and commencement of trade, the qualifying applicant will become eligible for payment on a pro-rata basis during the first three years, once rates valuation takes place'.*

Approval is sought for this proposal.