

## **Performance/Administration Cabinet Committee**

**Thursday, 8 September 2016**

**7.30 pm**

### **Present:**

Cllr Leslie Hills (Chair)  
Cllr Julia Burgoyne (Vice-Chair)

Councillors:        Brian Francis  
                          David Hurley  
                          John Knight  
                          Bronwen McGarrity  
                          Peter Scollard  
                          Narinder Singh Thandi

Stuart Bobby	Director (Corporate Services)
Mike Bytheway	Service Manager Revenues & Benefits
Ben Turner	Corporate Performance Manager
Glen Pritchard	Assistant Manager Local Taxation
Chris Wakeford	Committee Services Officer (Scrutiny)

### **28. Minutes**

The minutes of the meeting held on 17 March 2016 were signed by the Chair.

### **29. Declarations of interest**

No declarations of interest were made.

### **30. An update on the Business Rates Agenda**

The Service Manager Revenues & Benefits and Assistant Manager Local Taxation provided Members of the Committee with an update on future changes to Business Rates.

The Service Manager Revenues & Benefits explained that the council is currently engaged in three Government consultations:

- Changes to discounts and exemptions
- 100% Business Rates Retention
- Reforming the business rates appeals process

In October 2015, the Government announced that, by the end of the Parliament, local government will keep 100% of the income raised through business rates, and they will be expected to take on new responsibilities to be funded from this additional income as central government grants are phased out.

Under the current scheme, Local authorities will be compensated in full for their loss of income as a result of changes to discounts and exemptions. This compensation will be paid in the same way as it has been previously, by section 31 grant, and calculated on the basis of the returns that councils make under the rates retention scheme.

From 2017-18, Small Business Rate Relief will permanently double from 50% to 100%. The £6,000 and £12,000 thresholds will increase to £12,000 and £15,000 respectively. Therefore, those with rateable values below £12,000 that meet the eligibility criteria will receive 100% relief and those with rateable values between £12,000 and £15,000 will receive tapered relief.

The threshold for the standard business rates multiplier will also increase from £18,000 (£25,500 in London) to a rateable value of £51,000. Both the doubling and the extension of SBRR will be compensated by grants from central government.

The Government will introduce a £1,500 discount for office space occupied by local newspapers, up to a maximum of one discount per local newspaper title and per hereditament, and up to state aid limits, for 2 years from 1 April 2017.

The Government will legislate to enable local authorities to use their existing discretionary relief powers to support publicly owned public toilets from 1 April 2018.

From April 2020, bills will be indexed to the main measure of inflation, currently CPI.

The Government will aim to deliver more frequent revaluations - at least every 3 years - and will publish a discussion paper on delivering this shortly.

The Government will work with local authorities across England to standardise business rate bills and ensure ratepayers have the option to receive and pay bills electronically by April 2017. By 2022, local authority business rate systems will be linked to HMRC digital tax accounts. GBC has already addressed this area.

#### 100% Business Rates Retention:

Key changes will include:

- Ensuring the system is designed to encourage and reward councils that promote and support economic growth in their areas
- Ensuring a system of redistribution of funding that recognises the needs and demands of different councils, including in cases where there are combined authorities and mayoral areas
- Measures to manage risk within the system, including the improved management of appeals
- Ability to reduce the business rates tax rate (the multiplier) and the ability for Combined Authority Mayors to levy a supplement on business rates bills to fund new infrastructure projects, provided they have the support of the business community through the Local Enterprise Partnership

A list of potential responsibilities that could be transferred to councils has been published to be funded from additional retained business rates. No matter which new services councils agree to, consultation responses have so far been very clear that the amount of extra business rates income kept by councils must meet their cost, both now and in the future.

Government also needs to allow councils to use some of the extra business rates income to meet existing funding gaps. GBC do not believe demand led services that can increase very quickly, e.g. Attendance Allowance and or where there is a statutory obligation to provide the service, e.g. Disabled Facilities Grants as part of the Improved Better Care Fund are candidates for devolution.

There will need to be some system of redistribution between local authorities to balance revenue with relative needs. Under the 50% scheme, a system of top-ups and tariffs is used to redistribute funding from those local authorities that collect more in business rates than their identified need to those who do not collect enough for their needs. The top-ups and tariffs that each local authority could expect to see will be calculated before the new system is introduced, based on the Fair Funding Review and an assessment of their expected business rates income. Top-ups and tariffs will be fixed for the period between resets.

In October 2015, the Department for Communities and Local Government consulted on proposals for a new approach to business rates appeals. The reforms would see the introduction of a three stage approach: check, challenge, appeal.

The aim of the system overall is to provide a streamlined and efficient system in which the key issues are identified by the ratepayer early, and are resolved as quickly as possible as the case proceeds.

Following questions from Members, the Officers present highlighted the following:

- The changes to Business Rates will benefit businesses across the board but especially small businesses.
- Under the 2020 scheme the Council will be no worse off than it is under the current scheme.
- The Council does not envisage shop rents going up.

The Committee thanked the officers and noted the update on future changes to Business Rates.

### **31. Corporate Performance Update – Quarter One 2016-17**

The Corporate Performance Manager presented Members of the Performance and Administration Committee with an update against the Performance Management Framework, as set out within the council's Corporate Plan 2015-19, for Quarter One 2016-17 (April to June 2016).

The Corporate Change Manager explained that new targets have been established for 2016-17 that, using data from 2015-16, are better profiled and will enable more accurate analysis and scrutiny.

The Director (Corporate Services) highlighted the following:

- The new Council website will go live (soft launch) on 12 September 2016, the Digital Team will then see if there are any issues before the 'hard launch'.

- The Internal Audit and Fraud shared service has generated a saving of £66,000, the target was £58,000. This has therefore been delivered with increased budget savings and the performance has been maintained, if not improved.

The Committee commended and noted the new performance management framework system and the content of Appendix Two to the report.

### **Close of meeting**

The meeting ended at 8.12 pm