

Report of the Head of Governance and Scrutiny Support

Report to Scrutiny Board (Strategy and Resources)

Date: 29 November 2017

Subject: Business Rates – Scrutiny Inquiry Update

Are specific electoral wards affected? If relevant, name(s) of ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Purpose

1. The purpose of this report is to provide an update on the Boards inquiry into business rates.

Background

2. At the beginning of the municipal year, the Scrutiny Board identified 'Business Rates' as a specific inquiry topic.
3. At its meeting in September 2017, the Scrutiny Board considered a range of information associated with it inquiry around business rates, the associated risks to the Council and mitigating actions. At that meeting the Board identified the need for a range of follow-up / additional information, which has already been provided to members of the Board.
4. Information received to date was summarised and presented to the Scrutiny Board at its meeting in November 2017.
5. As part of the inquiry, members of the Scrutiny Board to attended and observed a Valuation Tribunal Hearing on 12 December 2017.

Main Issues

Valuation Office Agency

6. At its meeting on 21 December 2017, the Scrutiny Board agreed to meet with representatives of the Valuation Office Agency (VOA), in order to better understand the

role of the VOA and consider any associated matters relevant to the collection of Business Rates. This meeting is due to take place on 22 January 2018.

7. In preparation for this meeting, details of the DCLG document on 'Check, Challenge Appeal' is appended to this report. The document provides a range of information, including the background to the reforms and the draft regulations.

100% Business Rates Retention Pilot

8. Recently it emerged that in September 2017, Government invited applications from local authorities to pilot 100% Business Rates Retention in 2018/19. As set out in the report to Executive Board in December 2017, this represents an expansion of the existing 100% pilot programme and is intended to help Government and the local government sector to explore options for the design of future increased business rate retention.
9. At the Executive Board in December 2017, it was also reported that the Leeds City Region Business Rates Pool had submitted an application to pilot 100% retention; with any additional growth being retained regionally if the Pool's application succeeded. Additional growth was estimated to be in excess of £30m.
10. In late December 2017, it was confirmed the application to pilot 100% retention had been successful. The terms and implications of the pilot arrangements are likely to be of interest to the Scrutiny Board as part of its inquiry.

Recommendations

11. Scrutiny Board (Strategy and Resources) is asked to note the information presented and identify any specific scrutiny actions or activity.

Background documents¹

12. None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.