
SCRUTINY BOARD (STRATEGY AND RESOURCES)

Meeting to be held in Civic Hall, Leeds, LS1 1UR on
Thursday, 18th January, 2018 at 10.30 am

(A pre-meeting will take place for ALL Members of the Board at 10.00 a.m.)

MEMBERSHIP

Councillors

- S Bentley - Weetwood;
- A Garthwaite - Headingley;
- P Grahame (Chair) - Cross Gates and Whinmoor;
- P Harrand - Alwoodley;
- J McKenna - Armley;
- D Nagle - Rothwell;
- A Smart - Armley;
- A Sobel - Moortown;
- E Tunnicliffe - Roundhay;
- T Wilford - Farnley and Wortley;
- R Wood - Calverley and Farsley;

Please note: Certain or all items on this agenda may be recorded

Principal Scrutiny Adviser:
Steven Courtney
Tel: 24 74707

Produced on Recycled Paper

A G E N D A

| Item No | Ward/Equal Opportunities | Item Not Open | | Page No |
|---------|--------------------------|---------------|---|---------|
| 1 | | | <p>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</p> <p>To consider any appeals in accordance with Procedure Rule 25* of the Access to Information Procedure Rules (in the event of an Appeal the press and public will be excluded).</p> <p>(* In accordance with Procedure Rule 25, notice of an appeal must be received in writing by the Head of Governance Services at least 24 hours before the meeting).</p> | |
| 2 | | | <p>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</p> <p>1 To highlight reports or appendices which officers have identified as containing exempt information, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.</p> <p>2 To consider whether or not to accept the officers recommendation in respect of the above information.</p> <p>3 If so, to formally pass the following resolution:-</p> <p>RESOLVED – That the press and public be excluded from the meeting during consideration of the following parts of the agenda designated as containing exempt information on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information, as follows:</p> <p>No exempt items have been identified.</p> | |

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| 3 | | | <p>LATE ITEMS</p> <p>To identify items which have been admitted to the agenda by the Chair for consideration.</p> <p>(The special circumstances shall be specified in the minutes.)</p> | |
| 4 | | | <p>DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS</p> <p>To disclose or draw attention to any disclosable pecuniary interests for the purposes of Section 31 of the Localism Act 2011 and paragraphs 13-16 of the Members' Code of Conduct.</p> | |
| 5 | | | <p>APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES</p> <p>To receive any apologies for absence and notification of substitutes.</p> | |
| 6 | | | <p>MINUTES - 21 DECEMBER 2017</p> <p>To confirm as a correct record, the minutes of the meeting held on 21 December 2017. (To follow).</p> | |
| 7 | | | <p>EMPLOYEE HEALTH AND WELLBEING: SICKNESS ABSENCE AND POSITIVE INTERVENTION</p> <p>To consider a report from the Director of Housing and Resources providing an overview of the Council's Employee Wellbeing Strategy and setting out a range of information relating to sickness absence.</p> | 1 - 10 |
| 8 | | | <p>BUSINESS RATES - SCRUTINY INQUIRY UPDATE</p> <p>To consider a report from the Head of Governance and Scrutiny Support providing an update and additional information relating to the Scrutiny Board's inquiry into Business Rates.</p> | 11 - 42 |

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| 9 | | | <p>WORK SCHEDULE</p> <p>To consider the Scrutiny Board’s work schedule for the remainder of the 2017/18 municipal year.</p> | 43 - 48 |
| 10 | | | <p>DATE AND TIME OF NEXT MEETING</p> <p>Thursday, 22 February 2018 at 10:30am (pre-meeting for all Scrutiny Board members at 10:00am).</p> <p>THIRD PARTY RECORDING</p> <p>Recording of this meeting is allowed to enable those not present to see or hear the proceedings either as they take place (or later) and to enable the reporting of those proceedings. A copy of the recording protocol is available from the contacts on the front of this agenda.</p> <p>Use of Recordings by Third Parties – code of practice</p> <ul style="list-style-type: none"> a) Any published recording should be accompanied by a statement of when and where the recording was made, the context of the discussion that took place, and a clear identification of the main speakers and their role or title. b) Those making recordings must not edit the recording in a way that could lead to misinterpretation or misrepresentation of the proceedings or comments made by attendees. In particular there should be no internal editing of published extracts; recordings may start at any point and end at any point but the material between those points must be complete. | |

Report author: **Chris Ingham**

Tel: 07891 275274

Report of the Director of Resources & Housing

Report to the Scrutiny Board (Strategy & Resources)

Date: 18th January 2018

Subject: Employee Health and Wellbeing: Sickness Absence and Positive Intervention

| | | |
|--|---|--|
| Are specific electoral Wards affected? If relevant, name(s) of Ward(s): n/a | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Are there implications for equality and diversity and cohesion and integration? | <input checked="" type="checkbox"/> Yes | <input 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 |

Summary of Main Issues

Reducing sickness absence is important for any organisation. There is the obvious burden on financial resources and productivity, the impact on engagement and the duty to manage health and safety and provide good employment practices. It is even more important to a local authority who also have a wider duty to help improve public health and reduce worklessness.

To tackle this issue, four things need to be considered:

- i. The data e.g. sickness absence statistics, Engagement Survey, Staff Network Surveys, Health and Safety and Occupational Health information.
- ii. The employment framework to allow for attendance management.
- iii. A strategy and interventions to improve employee health and wellbeing.
- iv. Sustainable improvement through wider engagement and cultural change.

1. Purpose of this Report

- 1.1 This report aims to provide Scrutiny and Resources Board with information relating to sickness absence and includes: trends; context; main causes and the services most affected.
- 1.2 It will also provide an overview of the Employee Wellbeing Strategy and the interventions, both existing and planned, to support employees and bring about sustainable improvement.

2. Background Information

- 2.1 An estimated 137.3 million working days were lost due to sickness or injury in the UK in 2016. Since 2003, however, there has been a general decline in the number of days lost, particularly during the economic downturn.
- 2.2 The ONS report (2017) indicated a number of factors that influence a higher rate of sickness absence:
 - **Demographics and Geography** – female and older workers have higher rates of absence and Yorkshire and Humber has the joint second largest absence rates in England;
 - **Health Conditions** – smokers and those with long-term health conditions have higher absence rates;
 - **Type of Employment** – a higher absence rate is found amongst those working: in the public sector, in larger organisations, part-time hours, in front-line services; and those working in care and leisure.
- 2.3 All of these factors are, of course, relevant to the public sector workforce – especially Leeds City Council which still delivers most of its services in-house. They can also help to explain the oft-cited differences between the higher rates of absence in the public sector and lower rates in private organisations. This was also confirmed in a survey by the Health and Safety Executive in 2010 which standardised sickness absence rates by age, gender and size of organisation. It revealed that differences between private and public sector absence rates were very modest, with public sector employees taking an average of 0.3 days a year more than their private sector counterparts.

3. Main Issues

- 3.1 Sickness Absence Trend in Leeds City Council
 - 3.1.1 Figure 1 below illustrates the overall downward trend of sickness absence since 2009, although there has recently been a slight upward trend again since a 10 year low in 2016.

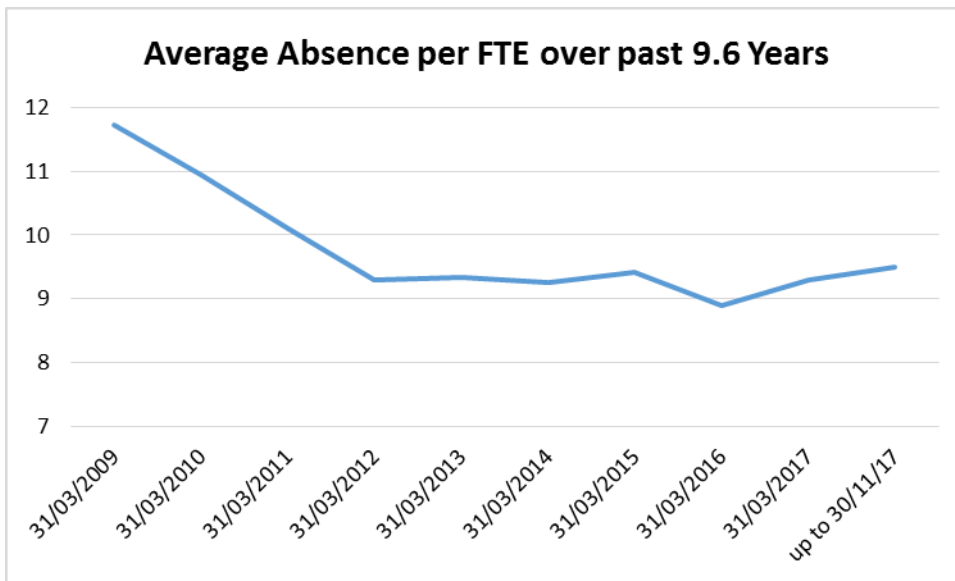


Fig 1

3.1.2 Figure 2 below illustrates the breakdown of sickness absence per directorate.

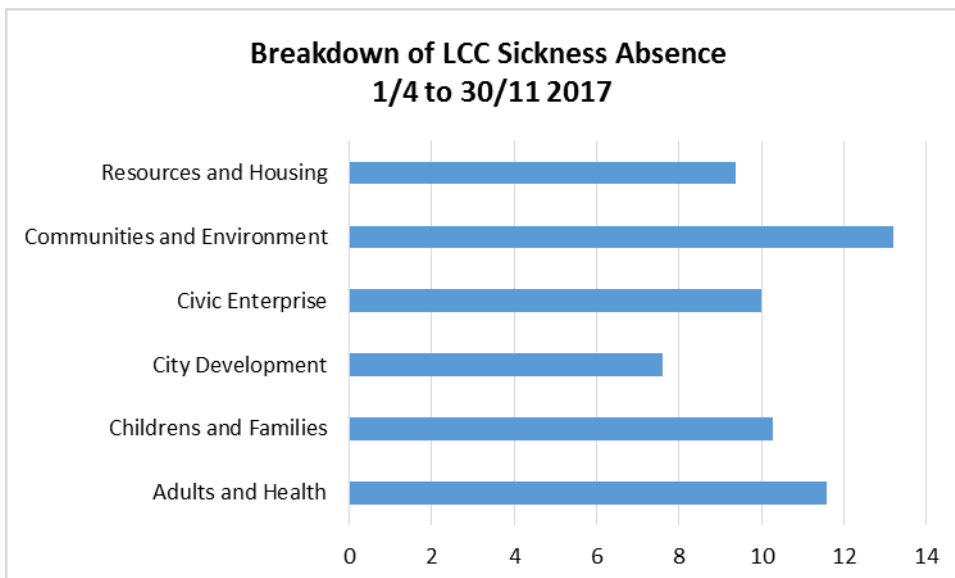


Fig 2

3.1.3 As each Directorate is made up of a variety of different services, it is perhaps more useful to consider those individual service areas with the highest levels of sickness absence, which can be seen in Figure 3 below. In line with the research discussed in Section 2, this information is not unexpected with these services being a combination of front-line, manual, caring roles and roles exposed to workplace hazards e.g. manual handling and violence and aggression.

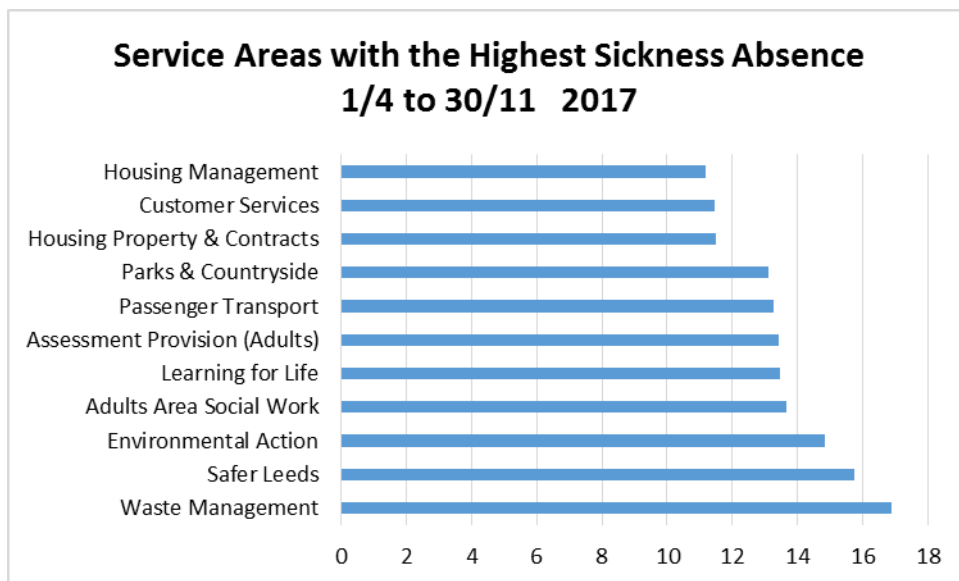


Fig 3

3.1.4 Long-term sickness (absence over 4 weeks) accounts for more than twice the number of overall days lost as short-term absence. Over the past year the number of employees on long term sick each month has remained largely static at approximately 400 employees.

3.1.5 Figure 4 below illustrates the main causes of sickness absence as a percentage of overall absence.

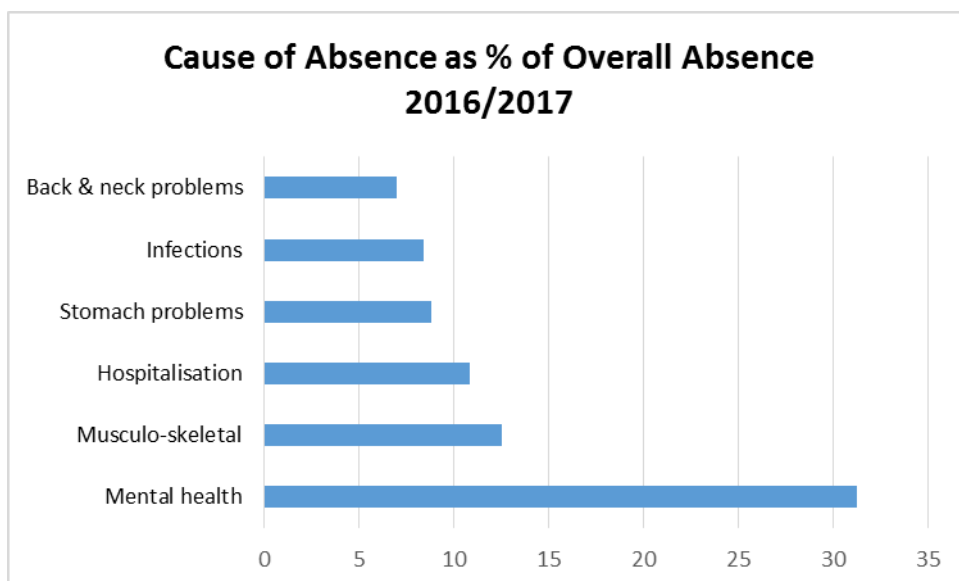


Fig 4

3.1.6 The highest cause of absence is mental health, which is made up of various categories including stress, anxiety, and depression. Stress is the largest recorded category under mental health at approximately 45%. As a percentage of overall absence, mental health is most significant in Children’s and Families (43%) and Adults and Health (34%). Again this is in-line with the national picture where social work is cited as ‘involving competing demands, uncertainty and complexity on a daily basis – all of which can increase pressure on people working in this field.’

- 3.1.7 The second highest cause are musculo-skeletal disorders, which is even more significant when you add the related 'back and neck problems' category.
- 3.1.8 In 2016/17 152 employees were referred to stage 3 hearings under the Managing/ Improving Attendance policy, this is 20% increase on the 2015/16 figure of 119 employees.
- 3.1.9 Leeds City Council, like most other local authorities, has had to reduce its workforce over the past few years, as the organisation continues to face significant financial challenges. Trade Union colleagues voiced a concern about the impact of a reducing workforce on those who remain and therefore sickness absence. FTE numbers in frontline services have, however, been largely maintained whilst the number of employees in support services have reduced. Support services traditionally have less sickness absence than frontline services, due to the factors already discussed.
- 3.2 Employee Health and Wellbeing Interventions
- 3.2.1 Workplace health involves promoting and influencing the health and wellbeing of staff and includes managing sickness absence and 'presenteeism' (a person physically at work, but unproductive). It also includes action to address health and safety risks. The latest LGA Survey (2017) cites research that demonstrates a return on investment of between £2 and £10, for every £1 spent on Employee Wellbeing Programmes.
- 3.2.2 **Managing Attendance:** there has been a lot of work over recent years to improve employment policies, guidance and training to provide a robust framework within which to manage attendance. This has included:
- a) A new **Improving Attendance Policy and Procedure** was introduced in October 2016 and was supported by HR delivering a half day improving attendance briefing and a half day mock attendance meeting. The challenge for 2017/18 is to find a way to deliver "just in time" training for managers so they feel as confident as they do when they leave the training room in the real life situation 3 months later.
 - b) **Mediation:** In Autumn 2016 a further 12 internal mediators (18 in total) were appointed and trained. They have successfully completed 35 mediations. Mediation has been shown to help resolve issues between staff members which could have resulted in a period of sickness absence (N.B. 'relationships' and 'support' are two of the stressors identified by the HSE).
 - c) There is an on-going review of **Special Leave** provisions, which will provide further clarity and help for carers.
 - d) **Attendance Casework:** good quality, timely and effective casework is essential to enhancing employee and service performance. A range of employment policies (disciplinary, performance, attendance, grievance and probationary) have all now been reviewed and revised to make them more streamlined and easy to use. All 'health and safety' policies are also being reviewed. The casework and attendance HR team's move to 'shared services' will provides the opportunity to join up with the BSC Attendance Monitoring Team. This will bring efficiencies that can re-direct resources to preventative work.
- 3.2.3 **Employee Wellbeing:** an Employee Wellbeing Strategy was launched in 2016 which has 4 key priorities – mental wellbeing, physical health, healthy lifestyles and improving the culture of wellbeing. This, coupled with the 8 key health and safety priorities agreed by CLT and Executive Board, aims to achieve a number of things:

- To address the main causes of sickness absence and help reduce presenteeism;
- To promote health and wellbeing among our workforce and contribute to our outward facing public health responsibilities through the workplace setting;
- To keep people well and in work, to contribute to our responsibilities to address worklessness in the city;
- To be an exemplar of good employment practice and an employer of choice for people with certain protected characteristics e.g. disability.

3.2.4 Examples of Specific Interventions

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| a) | Mindful Employer – LCC signed the Charter for Employers who are Positive about Mental Health in 2011, which has led to specific improvements in the support provided for managers and staff. |
| b) | Staff Networks – HR works closely with staff networks, particularly the Disabled Staff Network in relation to attendance issues. HR also founded the Healthy Minds Group, which is extremely active on mental health issues and is now led by a senior manager outside of HR. |
| c) | Training – over 500 managers have been trained on mental health and stress through courses delivered by HR. A practical awareness session was also organised by Healthy Minds and HR for managers in the services most affected by mental health absence. |
| d) | Employee Assistance Programme – this is currently delivered by HELP and in 2016/17 they took 1190 calls from LCC employees and, from these, 593 referrals for counselling were made. 49% of contacts described their issues as related to home, 21% related to work and 30 % to a combination of both. During 2016/17 employees were able to self-refer for face-to-face counselling. This has been widely welcomed and increased the uptake, especially for those employees who may not have felt confident to discuss their issues with a manager. |
| e) | Fast-track Physiotherapy – LCC works with Yorkshire Physiotherapy to provide fast access to physiotherapy treatment. This helps to keep people at work or reduce the length of potential sickness absence. These specialists have also provided advice to services to address health and safety hazards through improved ergonomics. |
| f) | Changing the Workplace – thousands of LCC staff have either been through or are about to go through ‘new ways of working’, often moving to new workplaces. This has the potential to affect an individual’s physical or mental health. The programme has now shifted emphasis to place people at the heart of it and delivering a joined up approach to health, safety, wellbeing and inclusion. |

| | |
|----|---|
| g) | <p>Occupational Health – the council continues to employ Occupational Health Practitioners who help managers to identify the impact of work on an employee’s health or the impact their health has on their work. This is invaluable in ensuring the individual receives the correct support. They also undertake health surveillance for employees working in certain hazardous roles.</p> |
| h) | <p>Health and Safety – this can impact on sickness absence directly through poor practices leading to chronic or acute health conditions or injuries, or indirectly as feeling safe at work impacts on how valued and engaged someone is. The Council’s Health and Safety Policy is signed by both the Chief Executive and Leader of the Council, demonstrating the commitment of CLT and Executive Board.</p> |
| i) | <p>Schools – it is recognised that schools can sometimes be a challenging environment in which to work. Much support is provided e.g. assisting staff in managing pupils with challenging behaviour and a wellbeing programme for Heads and their Deputies.</p> |
| j) | <p>Healthy Lifestyles – work is on-going with Public Health to promote campaigns such as ‘get active’ and ‘One You’. We have also embarked on a ‘Blood Pressure Project’ within the council where there is scope and funding to test 7,600 staff.</p> |
| k) | <p>Men’s Health – it is proven that men do not talk about health concerns, especially mental health, and also visit their GP less frequently than women. This is especially true amongst manual workers. Over the past few years there has been a specific programme targeting men out on site at various times of the day – to give them information and practical advice. This has been well received and thousands of men have been seen.</p> |
| l) | <p>Promotion – we have a network of over 100 Wellbeing Champions embedded in services who promote messages about health and wellbeing.</p> |
| m) | <p>Cancer in the Workplace – a package for managers and staff has recently been launched to support people with cancer at work.</p> |
| n) | <p>Flu Immunisation – it is recognised that some of our employees are exposed to certain infections like flu because of the nature of their work e.g. carers. LCC offers a free flu vaccination for these employees.</p> |

4. Future Developments and next steps

4.1 It is recognised that sustained improvement in health, wellbeing and attendance will only be achieved through wider engagement and culture change. Some of the plans to help influence this during 2017 – 2019 include:

| Planned Actions for 2017 - 2019 |
|---|
| 1. Acting on areas from the recent Engagement Survey which may impact on health, wellbeing and attendance. |
| 2. Working with Trade Union colleagues as part of a joint Wellbeing Group to look at strategies to reduce stress related absence. |
| 3. Developing and implementing a 'Supporting Staff at Work Policy' which will require managers to hold a structured 'wellbeing conversation' with their members of staff at least twice as year linked to appraisals. The policy will provide a host of guidance and advice on both mental and physical health. |
| 4. Improving awareness of managers and staff through a blended learning offer to cover all aspects of supporting staff at work and also in relation to the Social Model of Disability. |
| 5. Continuing to trial the 'Wellbeing Conversation' pro-forma as part of changing the Workplace moves. |
| 6. Procuring a new Employee Assistance Programme to meet current needs and exploring a different approach to increase awareness. |
| 7. Building on the new Employee Benefits Package launched in December and explore opportunities for using this to engage with all staff about health and wellbeing. |
| 8. Implementing a new policy for addressing violence, aggression and abuse faced by some LCC employees and procure a corporate approach to improving the protection of lone workers. |
| 9. Working with the Disabled Staff Network to implement the proposed approach to 'Improving the Experience of Disabled Staff in LCC'. A draft action plan will be discussed and shaped with the Network in January 2018. |
| 10. Considering the findings and recommendations of Leeds University who conducted research into how to improve employee resilience. |

5. Consultation and Engagement

- 5.1 No work around this agenda, especially the desired culture change, can be successful without meaningful consultation and partnership working with a variety of stakeholders, within and external to LCC. Within LCC key stakeholders will be Trade Unions, service managers, Public Health, Elected Members and CLT.

6. Equality and Diversity / Cohesion and Integration

- 6.1 The link between sickness absence/ill health and certain protected characteristics has been discussed earlier in this report e.g. gender, age and disability. Any interventions and strategies will be designed to address specific needs and to try and ensure that there is no adverse impact on specific groups.

7. Council Policies and City Priorities

- 7.1 Most employment policies could have a direct or indirect impact on health, wellbeing and attendance and this report has illustrated those policies that have and are about to be revised/developed.
- 7.2 LCC is a major employer in the city and has an externally facing role in improving public health and wellbeing and addressing worklessness etc and using the council as a workplace setting for intervention is sensible. This is notwithstanding LCC's imperative to be an exemplar employer and the best city council.

8. Resources and Value for Money

- 8.1 Earlier in the report the return on investment of expenditure on health and wellbeing was highlighted. Sickness absence and presenteeism also costs a significant amount of money and loss of productivity.

9. Legal Implications, Access to Information and Call In

- 9.1 In managing attendance there is a legal duty to comply with employment law. Also relevant here is compliance with the Equality Act and Health and Safety legislation.
- 9.2 All employment information relating to sickness absence is managed in accordance with Data Protection legislation.
- 9.3 Nothing in the report would be subject to call-in.

10. Risk Management

- 10.1 Improving attendance and employee health and wellbeing is one of the key council risks. This is due to the costs of sickness absence, the impact of presenteeism, reputation and potential for legal challenge. This report is intended to explain how these risks are managed both now and in the future. Health and Safety is also on the Corporate Risk Register and as it's a standing risk an annual assurance report is usually prepared on it.

11. Conclusions

- 11.1 There is a national context of falling sickness absence over, at least, the past decade.
- 11.2 Despite a slight increase in LCC over the past couple of years, the overall trend over the decade has been downwards – but this needs to be watched carefully.
- 11.3 There are common factors that influence a high level of sickness absence in organisations and these are all present in most local authorities, especially LCC e.g. size, age, geography, demographics, type of work.
- 11.4 Mental health is the main cause of sickness absence in the council.
- 11.5 There is a well-established approach to both managing attendance and improving employee health and wellbeing in LCC and this is constantly evolving to meet current demands.
- 11.6 The key to sustained improvement is through wider engagement and cultural change and plans for 2017 – 2019 have been outlined in the report.

12. Recommendations

- 12.1 It is recommended that the Strategy and Resources Scrutiny Board note this report as an overview of sickness absence and employee wellbeing.
- 12.2 Comments regarding the content of this report are welcomed.
- 12.3 Strategy and Resources Scrutiny Board should also note that a Health and Safety Report will also be submitted in due course.



Report author: Steven Courtney

Tel: 0113 3788666

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.



Department for
Communities and
Local Government

Check, challenge, appeal

Reforming business rates appeals - consultation on
statutory implementation



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Consultation procedure

Scope of the consultation

| | |
|------------------------------------|---|
| Topic of this consultation: | This technical consultation document seeks your views on the draft regulations to support the business rates appeals reforms clauses in the Enterprise Act. |
| Geographical scope: | These draft regulations apply to England only. |
| Impact Assessment: | These regulations are not within the scope of the Reducing Regulation Committee and so do not need an Impact Assessment for this purpose. |

Basic information

| | |
|------------------------|---|
| To: | The consultation is aimed at businesses, local authorities and other interested parties. |
| Duration: | 8 weeks. This consultation began on 16 August 2016 and responses must be received by 5pm 11 October 2016. |
| Enquiries: | For enquiries, please e-mail: ndr@communities.gsi.gov.uk This consultation paper is available on the Department for Communities and Local Government website at www.gov.uk/dclg |
| How to respond: | To respond to this consultation, please e-mail: ndr@communities.gsi.gov.uk . When responding, please ensure you have the words "Business Rates Appeals Reforms" in the email subject line. Alternatively you can write to: Danielle Angelopoulou Department for Communities and Local Government 2 nd floor, SE Quarter Fry Building 2 Marsham Street LONDON SW1P 4DF When responding, please state whether you are responding as an individual or representing the views of an organisation or a local authority. If responding on behalf of an organisation, please give a summary of the people and organisations it represents and, where relevant, who else you have consulted in reaching your conclusions. |

Background

| | |
|-------------------------------|--|
| Getting to this stage: | The Government published in October 2015 the " Check, challenge, appeal: Reforming business rates appeals " consultation document. This paper sought views on proposals for a new three-stage approach to business rates appeals. Enabling primary legislation has been brought forward via the Enterprise Act and we have now proceeded to draw up draft Regulations and consult on them. |
|-------------------------------|--|

Confidentiality and data protection

Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000, the Data Protection Act 1998 and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential, please be aware that, under the Freedom of Information Act 2000, there is a statutory code of practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, in itself, be regarded as binding on the department.

DCLG will process your personal data in accordance with the Data Protection Act 1998 and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties. Individual responses will not be acknowledged unless specifically requested.

Help with queries

Questions about the policy issues raised in the document can be sent to the address given in the “Basic Information” section above.

A copy of the consultation criteria from the Code of Practice on Consultation is at <http://www.cabinetoffice.gov.uk/resource-library/consultation-principles-guidance>. Are you satisfied that this consultation has followed these criteria? If not or you have any other observations about how we can improve the process please email: consultationcoordinator@communities.gsi.gov.uk

or write to:

DCLG Consultation Co-ordinator
Fry Building
2 Marsham Street
London SW1P 4DF

Introduction

1. The Government is committed to delivering an improved business rates appeals system. There is widespread agreement that the current system is broken and in need of reform. By the end of March 2016 the VOA had succeeded in clearing nearly 666,000 appeals on the 2010 rating list. Whilst further progress will be made as VOA resources are transferred from Revaluation 2017 to resolving appeals, too many appeals remain held up for too long, creating costs and uncertainty for businesses and for local authorities. Longer term performance is dependent on successful implementation of the reforms outlined in this paper.
2. The Government consulted in October 2015 on proposals for a new three-stage approach to business rates appeals: Check, Challenge, Appeal. The reforms aim to provide a system which is easier to navigate, particularly for small businesses or unrepresented ratepayers, with the emphasis on early engagement by the parties to reach a swift resolution of cases. Under the reformed system, businesses will be more confident that their valuations are correct and that they are paying the right amount of business rates and any refunds due will be paid more quickly.
3. The consultation closed on 4 January 2016 and the summary of responses and the Government policy statement in response to this consultation were published on 6 July 2016 at www.gov.uk/government/consultations/reforming-business-rates-appeals-check-challenge-appeal.
4. The Local Government Finance Act 1988 contains regulation making powers that are used to establish the existing business rates appeals system. These powers have been extended through provisions in the Enterprise Act 2016. The secondary legislation that deals with the existing appeals process is the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009 (SI 2009/2268) and The Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations (SI 2009/2269).
5. The next step is to make amendments to the existing regulations to reflect the agreed policy and to finalise a number of outstanding policy issues. This consultation document deals with these matters. Subject to Parliamentary approval, the reformed system will come into force from 1 April 2017, to coincide with the national revaluation of rateable values. The amended regulations will apply only in relation to a rating list compiled on or after 1 April 2017.
6. Business rates are a devolved matter and these proposals apply to England only.

The reformed system

Underpinning policy principles and draft Regulations

7. The reforms announced by the Government introduce a three-stage system: Check, Challenge, Appeal. This is designed to manage the flow of cases through the system, in a structured and transparent way, which will allow ratepayers to make an informed decision about how to proceed.
8. This is given practical effect by means of:
 - a Check stage, in which facts concerning the property are agreed between the Valuation Office Agency (VOA) and the ratepayer. This is intended to be both swift and to lead to an agreed position for the great majority of cases. Ratepayers will be able to repeat the Check stage as often as they wish
 - a Challenge stage, during which the great majority of cases are resolved between the VOA and the ratepayer
 - an Appeal stage which focuses on issues which remain outstanding and which are material, on the basis of arguments and evidence which have already been established
 - a package of incentives and requirements to encourage early statement of facts and issues to establish accurately the key points of dispute from the outset, so that the VOA (and ultimately the Valuation Tribunal for England (VTE)) can deliver the best possible service for businesses and deploy their resources efficiently. These include requirements on the parties to share evidence and arguments early in the process; fees for the Appeal stage; restrictions on evidence that can be presented at appeal; and penalties for knowingly, recklessly or carelessly providing false information
 - time limits at each stage, to keep cases moving forward, with 'trigger points' at Check and Challenge stages, so the ratepayer can feel confident that they can progress the case even if no decision is made by the VOA.
9. We have prepared draft amending regulations which embody these points. Drafts are attached at Annex A and further detail is set out below.

10. In the draft Non-Domestic Rating (Alteration of Lists and Appeals) (Amendment) Regulations:

- Regulation 6 amends provisions about who may make a Challenge (termed a 'proposal' in the Regulations) to alter a rating list
- Regulation 7 sets out details of the pre-proposal steps (the Check stage) which must be completed before a proposal may be made. It provides for ratepayers to initiate the Check stage and for the VOA to provide a package of information, specific to the property, which the ratepayer should then check
- Regulation 8 amends the requirements for making a proposal
- Regulation 9 removes the existing invalidity procedure for proposals and replaces it with the steps to be taken when the requirements for a proposal are not met (an 'incomplete proposal')
- Regulation 10 amends the procedure to be followed after a proposal has been made
- Regulation 11 provides for a new penalty for knowingly, recklessly or carelessly providing false information to the VOA
- Regulations 12 and 13 amend the provisions about the determination of proposals
- Regulation 14 amends the provisions for a decision by the VOA on a case and provides for appeal to the VTE and appeal fees
- Regulation 18 amends the provisions regarding notices where the ratepayer has appointed an agent

11. In the set of draft Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) (Amendment) Regulations:

- Regulation 6 limits certain appeal management powers to reflect the new provisions on evidence and matters which are not to be taken into account in settling appeals
- Regulations 8 and 9 insert provisions to provide for evidence and submissions in appeals

- Regulations 10 and 11 insert provisions in relation to witnesses, production of documents and matters which the VTE must not take into account in determining appeals
- Regulation 12 makes amendments to reflect that under the new appeals system appeals are made by a proposer to the VTE rather than referred by the VOA
- Regulation 13 amends the notices of appeal provision to account for the new penalty
- Regulation 15 amends regulation 37 to provide that a statement of the VTE's reasons must accompany their decision notice
- Regulation 16 updates cross references and makes provision to deal with the new penalty.

12. The great majority of ratepayers will experience the reformed system through the VOA's new digital platform and associated guidance. This will provide for a clear and straightforward process, through a secure online account. No detailed knowledge of the Regulations will be needed to access the system, including for small businesses and unrepresented ratepayers. This approach forms part of the VOA's wider transformation programme to modernise services.

13.Q1. Do you agree that the draft Regulations put in practice the agreed policy intention as set out in the Government policy statement?

Further elements of the reform package

14. In the earlier consultation the detailed implementation of some elements of the reform package remained open and we return to these below.

Fees

15. Fees charged for making an appeal is a new feature of the reformed system. The aim is to increase the incentives for early and full engagement and help reduce the large number of speculative appeals which clog up the system for everyone else. There will be no charges at Check or Challenge stage, where it is our expectation that the majority of cases will be resolved. Fees will only be charged at Appeals stage and where an appeal is successful the ratepayer will be refunded in full. Successful appeals are considered to be the ones for which, the VTE makes an order for the VOA to alter the rating list following the determination of the appeal. In cases where the VOA has failed to issue a decision at the Challenge stage, no fee will be payable.

16. Where the ratepayer, VOA and VTE all agree that a case can be determined without a hearing, a discounted fee will apply. The full fee will remain payable on making an appeal, and the appropriate amount will be returned to the ratepayer where the case is determined without a hearing. This policy on discounted fees does not affect the provision for refund of fees in full for successful appeals as set out in paragraph 15 above. The draft Regulations at Annex A reflect this approach.

17. The proposed fee structure is as follows:

| | Fee payable on making an appeal | Discounted appeal fee |
|------------------|---------------------------------|-----------------------|
| Small businesses | £150 | £100 |
| Other businesses | £300 | £200 |

18. Q2. We would welcome your views on the approach to implementing fees for the appeal stage.

Penalties

19. In line with other tax regimes, penalties for the submission of false information are an important element of the reforms and will support the submission of accurate information. Ratepayers may be liable for a financial penalty either at

Check or Challenge stage for providing false information knowingly, recklessly or carelessly.

20. The penalty will be £500. Small businesses will be subject to a lower level of £200. The penalty will be payable to the VOA and the ratepayer will have the right to appeal to the VTE against the imposition and amount of the penalty. In cases where an appeal against the penalty is lodged, the VOA must wait for the VTE's decision on the penalty appeal before they are able to determine the Challenge. There will be clear guidance for VOA officials in applying penalties. The draft Regulations at Annex A set out this approach to penalties.

21. Q3. We would welcome your views on the approach to implementing penalties for false information.

Small businesses and other small organisations

22. Small businesses will benefit from a tailored package that meets their needs. They will benefit from a fast track through the system, as well as guidance to enable them to navigate the system without the aid of professional representation. There will be lower fees for appeals and lower penalties for the provision of false information.

23. We need a practical definition of 'small business' which allows those concerned and the VOA and VTE to establish who should benefit from this package. There is a choice as to whether this definition should attach to the size of the property for which they pay business rates or to the business itself. We propose to take forward the latter approach, basing the definition on that for 'micro business' in the Small Business, Enterprise and Employment Act 2015: namely those with a headcount of staff of less than 10 and a turnover or balance sheet total of less than £2 million. The definition termed "smaller proposer" will include ratepayers who are not businesses. Subject to consultation, this approach will be reflected in the amended Regulations.

24. Q4. We would welcome your views on the approach to implementing the package for small businesses and small organisations.

Material changes in circumstances

25. Material changes in circumstances (MCCs) are physical changes to an area or property or to the way a property is used during the period of the rating list which may have an impact on the rateable value of a property. These changes may be temporary.

26. There are two main considerations in dealing with MCCs in the most efficient way:

- to establish the “material day” for the MCC, that is, the day on which certain considerations are taken into account for valuation purposes when thinking about making an alteration to a rating list and
- to allow sufficient time for evidence of the impact of the MCC to be established.

27. This suggests the following approach to MCCs:

- the ratepayer should submit a Check as soon as possible after the MCC event. This will set the ‘Material Date’ for any change
- the ratepayer will then have up to 16 months to submit a Challenge, based on evidence accumulated during this period. The Check process, as described above, will run in parallel.

28. Subject to consultation, this approach will be reflected in the amended Regulations.

29. Q5. We would welcome your views on the approach to dealing with Material Changes in Circumstances.

Determining appeals

30. Business rates bills are based on the VOA’s assessment of the rateable value of properties. When the VOA assesses a property for business rates, the VOA is required by law to arrive at a rateable value. Rateable value is the amount the property would reasonably be expected to let for on the open market at a set date. For the current rating list the valuation date is 1 April 2008 and for the revaluation, which comes into effect on 1 April 2017, the valuation date is 1 April 2015. The majority of properties for rating purposes are valued using the rentals approach which generally involves the VOA analysing rental evidence for similar properties to arrive at a unit rate for the property being valued. As a result, assessing rateable values is inevitably a matter of professional judgement. The Government has been considering how best to ensure that decisions of the VTE recognise this and that their resources are focused on cases where there is a real issue at stake. In turn this should help appellants form a view as to the likely success of appeals.

31. The Government therefore proposes that the VTE, in considering an appeal, should order a change in the rateable value only where their view is that the

valuation is outside the bounds of reasonable professional judgement. In cases where the VTE consider the extant valuation is within the bounds of reasonable professional judgement, no change will be made to the valuation. The draft Regulations at Annex A set out this amended approach to determining appeals against valuations.

32. Q6. We would welcome your views on the amended approach to determining appeals against valuations.

Role of local authorities

33. The reform package is designed to modernise the approach to resolving business rates appeals. Check, Challenge, Appeal is primarily focussed on the efficient transaction of business between the ratepayer and the VOA and VTE. Local authorities have a role in the existing appeals system. Under the current system local authorities are able, in certain circumstances, to initiate an appeal through the existing proposal process, even if they are not the owner or occupier of the property, and can register an interest in an on-going appeal. They will retain the opportunity to use the reformed system for property they own or occupy.

34. More generally, local authorities need as much certainty, as early as possible, in assessing their income from business rates, including the likely impact of appeals, in order to plan their finances and deliver important public services. In discussion, local authorities have identified a need for improved information on the status and progress of cases and an opportunity to influence the outcome of cases where they have information to bring to bear and there may be large amounts of money at stake. They have also said they are keen to see a more responsive service from VOA and greater access to information on appeal resolution.

35. Government proposes to modernise the role of local authorities in the appeals process by:

- using the new statutory gateway in the Enterprise Act 2016 which allows the disclosure of HMRC (VOA) information to local authorities in certain circumstances
- providing for billing authorities to be sent the outcome of Checks where they result in a change to the valuation, to support them in assessing the impact on business rates receipts
- providing a statutory right for billing authorities to receive information on Challenges which they wish to see, to support them in assessing the likely impact on business rates receipts

- providing a statutory right for billing authorities to provide information to the VOA on Challenges, in relation to classes of cases they have specified in their notice to the VOA, in order to support the VOA in resolving cases
- providing a statutory right for billing authorities to be sent the outcome of Challenges in relation to classes of cases they have specified in their notice to the VOA, in order to support them in assessing the likely impact on business rates receipts
- providing greater access to information on appeals lodged with and determined by the VTE, to assist them in more timely and accurate financial forecasting

The VOA is also engaged in a wider transformation programme to modernise and improve services and reduce costs over time.

36. The draft Regulations at Annex A set out elements of this approach to the local authority role and we would expect bilateral discussions between the Local Government Association and the VOA on the framework within which VOA provides information to local authorities.

37. Q7. We would welcome your views on the role of local authorities in the reformed system.

38. The Government will consider how best to handle appeals which arise towards the end of the life of the rating list, and may not take a final view until it has more information on early implementation of the reformed system.

Next steps

39. Following consideration of responses to this consultation, the Government intends, towards the end of 2016, to lay before Parliament regulations implementing the agreed approach. Subject to Parliamentary approval, the reformed system will come into force from 1 April 2017, to coincide with the national revaluation of rateable values. The VOA and the Valuation Tribunal Service (VTS), which provides support to the VTE, will continue their work with partners on practical implementation. The amended Regulations will apply only in relation to a rating list compiled on or after 1 April 2017.

STATUTORY INSTRUMENTS

2016 No.

RATING AND VALUATION, ENGLAND

**The Non-Domestic Rating (Alteration of Lists and Appeals)
(England) (Amendment) Regulations 2016**

| | | |
|-------------------------------|---------|-----|
| <i>Made</i> | - - - - | *** |
| <i>Laid before Parliament</i> | | *** |
| <i>Coming into force</i> | - - | *** |

The Secretary of State, in exercise of the powers conferred by sections 55(2) to (6) and (7A) and 143(1) and (2) of the Local Government Finance Act 1988(a), makes the following Regulations.

Citation and commencement

1.—(1) These Regulations may be cited as the Non-Domestic Rating (Alteration of Lists and Appeals) (England) (Amendment) Regulations 2016.

(2) These Regulations come into force on [XX XXX] 2016.

Application

2. The amendments made by these Regulations apply only in relation to a non-domestic rating list compiled on or after 1st April 2017.

Interpretation

3. In these Regulations, “2009 Regulations” means the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009(b).

Amendment of regulation 2

4. Regulation 2 (interpretation: general) of the 2009 Regulations is amended as follows—

(a) in paragraph (1) at the appropriate place insert—

““Schedule 9 penalty” means a penalty imposed under paragraph 5A of Schedule 9 to the Act”;

(b) in paragraph (1), in the definition of “appeal”—

(i) for sub-paragraph (a) substitute—

(a) 1988 c. 41. Relevant amendments were made to section 55 by section 139 of, and Schedule 5 to, the Local Government and Housing Act 1989 (c. 42); sections 104, 117 and 118 of, and Schedules 10 and 13 to, the Local Government Finance Act 1992 (c. 14); sections 220 and 241 of, and Schedules 16 and 18 to, the Local Government and Public Involvement in Health Act 2007; section 32 of the Enterprise Act 2016 (c. 12). Relevant amendments were made to section 143 by section 32 of the Enterprise Act 2016 (c. 12).

(b) S.I. 2009/2268. Relevant amendments were made to the 2009 Regulations by S.I. 2011/434 and S.I. 2015/424.

- “(a) regulation 9C or 13A;”;
- (ii) in sub-paragraph (c) before “penalty” insert “Schedule 9”;
- (c) in paragraph (3)(a) for “regulation 8 or an appeal against imposition of a penalty” substitute “regulation 9C or an appeal against imposition of a Schedule 9 penalty”;
- (d) in paragraph (3)(b) for “regulation 13” substitute “regulation 13A”.

Amendment of regulation 3

5. In regulation 3 (interpretation of Part 2) of the 2009 Regulations—

- (a) before “In this Part” insert “(1)”;
- (b) in paragraph (1), at the appropriate places insert—
 - ““check” means a check under regulation 4A of information relating to a hereditament;
 - “grounds of the proposal”, means a ground or grounds set out in regulation 4 on which a proposal is made;
 - “inaccurate”, in relation to rateable value, means outside the bounds of reasonable professional judgement;
 - “smaller proposer” means a person mentioned in regulation 4(2)(a) or (c) who [...];”;
 - [DN: see paragraphs 22 and 23 of the consultation document]
- (c) in paragraph (1), in the definition of “list” for “1st April 2005” substitute “1st April 2017”;
- (d) in paragraph 9(1), in the definition of “the Procedure Regulations” at the end insert “as amended by the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) (Amendment) Regulations 2016”; and
- (e) after paragraph (1) insert—
 - “(2) For the purpose of this Part, a proposal is “determined” if—
 - (a) it is withdrawn under regulation 11;
 - (b) it is treated as withdrawn under regulation 12; or
 - (c) a decision is given under regulation 10 or 13 in relation to the proposal.”.

Amendment of regulation 4

6. Regulation 4 (circumstances in which proposals may be made) of the 2009 Regulations is amended as follows—

- (a) omit paragraph (2)(b);
- (b) in paragraph (3)(c) for “in question” substitute “was made as a result of a proposal relating to that hereditament or”.

Insertion of regulation 4A

7. After regulation 4 (circumstances in which proposals may be made) of the 2009 Regulations insert—

“Check before proposal

4A.—(1) A person mentioned in regulation 4(2)(a) or (c) may not make a proposal in relation to a hereditament unless the person has requested from the VO information about the hereditament (“a request”).

(2) After receiving a request, the VO must, if it considers it reasonable to do so, provide the person with information that reasonably relates to any of the grounds set out in regulation 4.

(3) The person must review the information provided and confirm in writing to the VO which information is accurate and which is inaccurate.

(4) The VO must serve a written acknowledgement of receipt of the confirmation on the person.

(5) The acknowledgement must include—

- (a) the date the VO received the confirmation; and
- (b) the date of the acknowledgement.

(6) If the person confirms any information is inaccurate, the VO must—

- (a) review the accuracy of the information; and
- (b) alter the list to correct any inaccuracy.

(7) A check is completed when the steps in paragraphs (1) to (6) have been taken.

(8) As soon as reasonably practicable after completing a check the VO must serve a notification in writing on the person that a check has been completed.

(9) The notification must include the following—

- (a) the name of the person;
- (b) the date the VO received the request;
- (c) the address of the hereditament;
- (d) the date the check was completed;
- (e) details of any alteration made under paragraph (6)(b);
- (f) if, as a result of a check, the VO has changed the facts on which the rateable value is based, details of those changes;
- (g) a statement of the person's right to make a proposal.

(10) A check is taken to be completed if the VO has not sent a notification within 12 months after the date the confirmation under paragraph (3) is received.

(11) The VO and the person may agree in writing to extend the time limit in paragraph (10).”.

Amendment of regulation 6

8.—(1) Regulation 6 (proposals: general) of the 2009 Regulations is amended as follows.

(2) For paragraphs (1) to (3) substitute—

“(1) A proposal in relation to a hereditament must be made within the period of 4 months beginning with the date on which the check in relation to that hereditament is completed.

(2) A proposal may be made—

- (a) online, using the electronic portal provided by the Valuation Office Agency (“the VOA”) for that purpose (which is substantially in the form provided by the VOA on 1st April 2017); or
- (b) in such other manner as may be agreed with the VO.

(3) A proposal must include—

- (a) the name, address and contact details of the proposer;
- (b) a statement setting out—
 - (i) the grounds of the proposal including particulars of the grounds of the proposal;
 - (ii) evidence to support the grounds of the proposal; and
 - (iii) how the evidence supports the grounds of the proposal;
- (c) details of the proposed alteration of the list; and

(d) the date from which the proposer asserts the proposed alteration should have effect.”.

(3) After paragraph (5) insert—

“(6) For a proposal made on the ground set out in regulation 4(1)(e) the proposer must provide the following additional information—

- (a) the date of the decision relating to the other hereditament;
- (b) the name of the tribunal or court which made the decision;
- (c) information to identify the other hereditament;
- (d) the reasons the proposer believes that the decision is relevant to the rateable value or other information shown in the list for the hereditament; and
- (e) the reasons the proposer believes that, by reason of the decision, the rateable value or other information shown in the list for the hereditament is inaccurate.

(7) If a proposal is made on one or more of the grounds set out in regulation 4(1)(a) to (g) and (i) to (l) and the hereditament is occupied under a lease, easement or licence to occupy, the proposer must provide the following additional information—

- (a) where the proposer is the occupier, the amount payable each year by the proposer, as at the date the proposal is made, in respect of the lease, easement or licence to occupy, the date at which that amount first became payable and details of any rent-free periods; or
- (b) where the proposer is not the occupier, the amount payable each year to the proposer, as at the date the proposal is made, in respect of the lease, easement or licence to occupy, the date at which that amount first became payable and details of any rent-free periods.

(8) The date a proposal is made is the date on which it is served on the VO.”.

Substitution of regulation 8

9. For regulation 8 (disputes as to validity of proposals) of the 2009 Regulations substitute—

“Incomplete proposals

8.—(1) The VO must refuse a proposal which does not meet the requirements of regulation 6(3), (6) and (7).

(2) If the VO refuses a proposal, it must serve on the proposer a notice of refusal specifying—

- (a) the information which is missing; and
- (b) the date the notice is served.

(3) If a proposal is refused, the proposer may make a further proposal under regulation 6 within the period of 4 months beginning with the date on which the check was completed.

(4) In calculating the 4 month period, any days after the proposal was made and before the notice of refusal was served do not count.

(5) Paragraph (4) does not apply where a second or subsequent notice of refusal is served in relation to the further proposal.”.

Substitution of regulation 9

10.—(1) For regulation 9 (procedure after making of proposals) of the 2009 Regulations substitute—

“Procedure after a proposal is made

9.—(1) Within the period of six weeks beginning with the date a proposal is received, the VO must serve a copy of it on each of the following—

- (a) any ratepayer in relation to any hereditament to which the proposal relates unless that person is the proposer;
- (b) the relevant authority, where that authority has served notice on the VO that it wishes to receive a copy of a class or classes of proposal, and the proposal falls within that class.

(2) Each copy of a proposal served on a ratepayer must be accompanied by a statement of the effect of regulations 10 to 13.

(3) On receipt of a proposal, the VO must if it considers it reasonable to do so provide the proposer with any information the VO holds in response to the particulars of grounds set out in the proposal.

(4) Before the proposal is determined, the proposer in response to the information provided under paragraph (3) may provide the VO with further evidence to support the grounds of the proposal.

(5) Before the VO determines a proposal, if the VO comes into the possession of any further information that responds to the particulars of grounds set out in the proposal—

- (a) the VO must provide the proposer with that information; and
- (b) the proposer may provide the VO with further evidence in response to that information.

(6) Before a proposal is determined, the proposer may provide the VO with further evidence relating to the grounds of the proposal if that evidence was not known to the proposer and could not reasonably have been known to the proposer before the proposal was made.

(7) The proposer and the VO may agree in writing that the proposer may provide further evidence in circumstances not mentioned in paragraphs (4) to (6).

(8) Any evidence provided by the proposer under this regulation forms part of the proposal.

(9) If the relevant authority has served a notice under paragraph (1)(b) and the proposal falls within the class or classes specified in that notice, the relevant authority may provide the VO and the proposer with evidence relating to the proposal.”.

Insertion of regulations 9A to 9D

11. After regulation 9 of the 2009 Regulations insert—

“Imposition of a penalty under this Part

9A.—(1) This regulation applies in relation to a person mentioned in regulation 4(2)(a) or (c).

(2) The VO may impose a financial penalty on a person if—

- (a) the person provides the VO with information in connection with the proposal which is false in a material particular; and
- (b) the person does so knowingly, recklessly or carelessly.

(3) The penalty payable under this regulation is—

- (a) for a smaller proposer, £200; and
- (b) for any other person, £500.

(4) If the VO imposes a penalty under this Part, the VO must serve a notice on the person specifying—

- (a) the penalty imposed;
 - (b) the date the notice is served;
 - (c) the date the check was completed;
 - (d) if a proposal has been made, the date it was made;
 - (e) the information found to be false; and
 - (f) the person's right to appeal the imposition of the penalty.
- (5) The VO may remit in full a penalty imposed under this Part.
- (6) In this regulation, information in connection with the proposal includes a confirmation under regulation 4A(3).

Payment of a penalty under this Part

- 9B.**—(1) Any penalties paid to the VO under this Part must be paid into the Consolidated Fund.
- (2) The VO may recover any outstanding penalty under this Part as a civil debt due to the VO.
- (3) A claim to recover a penalty under this Part may not be made—
- (a) until the end of the period for making an appeal under regulation 9C(2); or
 - (b) if an appeal is made under regulation 9C, until the appeal is decided.

Appeal against a penalty under this Part

- 9C.**—(1) This regulation applies if a person has been served a notice under regulation 9A(4).
- (2) A person who wishes to appeal against the imposition of the penalty must serve a notice of appeal on the VTE so that it is received within the period of 28 days beginning with the date on which the appellant received the notice that a penalty had been imposed (“penalty notice”).
- (3) The notice of appeal must be accompanied by—
- (a) a copy of the penalty notice; and
 - (b) a statement as to whether the appeal is against—
 - (i) the imposition of the penalty; or
 - (ii) the amount of the penalty.
- (4) If a person serves a notice of appeal on the VTE later than the time required by paragraph (2) or allowed by an extension of time under regulation 6(3)(a) of the Procedure Regulations, the notice of appeal must include a request for an extension of time and the reason why the notice of appeal was not served in time.

Determination of proposal following appeal against a penalty under this Part

- 9D.**—(1) This regulation applies in relation to the determination of a proposal if a penalty is imposed under this Part.
- (2) The VO may not determine a proposal until the expiry of the time limit for making an appeal against a penalty imposed under this Part.
- (3) If an appeal is made, the VO must not determine the proposal until the VTE has decided the appeal.”.

Substitution of regulation 10

- 12.** For regulation 10 (proposals agreed by VO) of the 2009 Regulations substitute—

“Proposals agreed by VO

- 10.**—(1) This regulation applies if the VO decides that a proposal is well-founded.
- (2) The VO must as soon as reasonably practicable—
- (a) alter the list accordingly; and
 - (b) serve a copy of the decision on—
 - (i) the proposer; and
 - (ii) if the proposer is not the ratepayer, the ratepayer.”.

Amendment of regulation 12

13. Paragraph (2)(e) of regulation 12 (agreed alterations following proposals) of the 2009 Regulations is amended as follows—

- (a) in the opening words, omit “or relevant authority”;
- (b) in paragraph (ii), omit “or the authority (as the case may be)”.

Substitution of regulation 13

14. For regulation 13 (disagreement as to proposed alteration) of the 2009 Regulations substitute—

“Disagreement as to proposed alteration

- 13.**—(1) This regulation applies if—
- (a) the VO decides that a proposal is not well-founded;
 - (b) the proposal is not withdrawn under regulation 11; and
 - (c) there is no agreement under regulation 12.
- (2) The VO must as soon as reasonably practicable serve a notice of the decision under paragraph (1) on the following—
- (a) the proposer;
 - (b) if the proposer is not the ratepayer, the ratepayer;
 - (c) the relevant authority, if the proposal falls within a class specified by that authority in a notice served under regulation 9(1)(b);
 - (d) any IP mentioned in regulation 12(2)(e).
- (3) The notice of decision must contain—
- (a) a statement that the VO is of the opinion that the proposal is not well-founded, that it disagrees with the proposed alteration to the list and that it has decided—
 - (i) not to alter the list according to the proposal; or
 - (ii) to alter the list otherwise than in accordance with the proposal;
 - (b) the reasons for that decision, including a statement of the evidence used to make the decision;
 - (c) a statement in relation to each of the grounds of the proposal setting out why in the opinion of the VO the ground is not made out, including a summary of any particulars by reason of which the ground is not made out; and
 - (d) details of the proposer’s right to appeal against the decision.

Making an appeal to the VTE

13A.—(1) A proposer may appeal to the VTE on any of the following grounds—

- (a) that the VO has decided under regulation 13 not to alter the list and the list remains inaccurate;
 - (b) that the VO has decided under regulation 13 to alter the list otherwise than in accordance with the proposal and the list remains inaccurate;
 - (c) that a decision has not been made under regulation 10 or 13, and the period of 18 months beginning with the date on which the proposal was made has elapsed.
- (2) A proposer and the VO may agree in writing to extend the period in paragraph (1)(c) in order to allow the VO to make a decision under regulation 10 or 13.
- (3) An appeal on the ground set out in paragraph (1)(a) or (b) must be made within the period of 4 months beginning with the date of the decision notice under regulation 13.
- (4) An appeal on the ground set out in paragraph (1)(c) must be made within the period of 4 months, or any longer period agreed under paragraph (2), beginning with the date on which the period in that paragraph has elapsed.
- (5) A proposer who wishes to appeal on a ground set out in paragraph (1) must serve a notice of appeal to the VTE so that it is received within the time for making an appeal specified in paragraph (3) or (4).
- (6) A notice of appeal must be accompanied by—
- (a) if a decision has been given under regulation 13, a copy of that decision;
 - (b) a copy of the proposal and any evidence forming part of the proposal;
 - (c) any information provided to the proposer by the VO under regulation 9; and
 - (d) the fee (if any) payable under regulation 13B(1).
- (7) If a proposer serves the notice of appeal on the VTE later than the time for making the appeal specified in paragraph (3) or (4) or allowed by an extension of time under regulation 6(3)(a) of the Procedure Regulations, the notice of appeal must include a request for an extension of time and the reason why the notice of appeal was not served in time.

Payment of fees

- 13B.**—(1) The fee payable on making an appeal on the ground set out in regulation 13A(1)(a) or (b) is—
- (a) for a smaller proposer, £150;
 - (b) for any other proposer, £300.
- (2) A fee is not payable for an appeal on the ground set out in regulation 13A(1)(c).
- (3) Any fees paid under this regulation must be paid into the Consolidated Fund.

Refund of appeal fees

- 13C.**—(1) If an appeal is decided under the Procedure Regulations without a hearing, part of the fee must be refunded in accordance with paragraph (2).
- (2) The amount of the refund is—
- (a) for a smaller proposer, £50;
 - (b) for any other proposer, £100.
- (3) A fee paid under regulation 13B must be refunded in full if the VTE orders the VO under regulation 38(4) of the Procedure Regulations to alter the list.”.

Amendment of regulation 14

15. [DN: Regulation 14 to be amended to reflect end of list policy - see paragraph 38 of the consultation document]

Amendment of regulation 18

16. Regulation 18(2) (relevant hereditaments) of the 2009 Regulations is amended as follows—

- (a) for sub-paragraph (b) substitute “regulations 4A to 8A”;
- (b) for sub-paragraph (d) substitute “regulations 9A to 13C”.

Amendment of regulation 19

17. Regulation 19 (appeals against completion notices or imposition of penalties) of the 2009 Regulations is amended as follows—

- (a) in paragraph (1) before “penalty” each time it occurs insert “Schedule 9”;
- (b) in paragraph (2)(c) before “penalty” each time it occurs insert “Schedule 9”.

Amendment of regulation 22

18. Regulation 22 (notices) of the 2009 Regulations is amended as follows—

- (a) in paragraph (1) for “paragraphs (3) and (4)” substitute “paragraphs (3), (4) and (4A)”;
- (b) after paragraph (4) insert—

“(4A) If another person is authorised by X to act as X’s agent, a copy of any notice sent or served to X’s agent under the following provisions must be provided to X at the same time—

 - (a) regulation 4A(4);
 - (b) regulation 4A(7);
 - (c) regulation 7;
 - (d) regulation 8(2);
 - (e) regulation 9A(4);
 - (f) regulation 10;
 - (g) regulation 13.”;
- (c) in paragraph (5)(b) for the words “a proposal and any other document” substitute “any document, other than a proposal.”.

Saving

19. The 2009 Regulations as in force immediately before these Regulations come into force continue to have effect in relation to a non-domestic rating list compiled before 1st April 2017.

Signed by authority of the Secretary of State for Communities and Local Government

Date

Name
Parliamentary Under Secretary of State
Department for Communities and Local Government

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which apply in relation to England only, amend the Non-Domestic Rating (Alteration of Lists and Appeals) Regulations 2009 (“the 2009 Regulations”).

The Regulations provide for the introduction of a new appeals system which is to have effect in relation to non-domestic rating lists compiled on or after 1st April 2017. This reflects the date of the next list following revaluation.

Regulations 4 and 5 update a number of existing definitions and introduce further definitions.

Regulation 6 amends who may make proposals under the new appeals system.

Regulation 7 inserts new provisions setting out details of the steps which must be completed before a proposal may be made.

Regulation 8 amends regulation 6 of the 2009 Regulations to specify requirements for making a proposal including time limits and contents of a proposal.

Regulation 9 substitutes the existing regulation 8 of the 2009 Regulations, which contained the invalidity procedure, with provision setting out the steps to be taken by the VO and proposer when the requirements for a proposal are not met.

Regulation 10 amends the procedure to be followed after a proposal has been made and includes provision about the exchange of evidence and information between the VO and the proposer.

Regulation 11 inserts the new penalty for knowingly, recklessly or carelessly providing false information to the VO. It also provides for the payment and appeal of such a penalty which is imposed under the new regulation 9A.

Regulations 12 and 13 update existing provisions about the determination of proposals to account for the new appeals system.

Regulation 14 amends existing provision and inserts further provisions setting out the requirements of a decision by the VO where there is disagreement and provides for appeal to the VTE and appeal fees.

Regulation 16 updates the provisions to which the modification under regulation 18 of the 2009 Regulations applies.

Regulation 17 makes amendment to clarify the application of regulation 19 in light of the new penalties.

Regulation 18 inserts provision regarding notices where an agent has been appointed.

An impact assessment has not been produced for this instrument because it amends an existing local tax regime. Publication of a full impact assessment is not necessary for such legislation.

STATUTORY INSTRUMENTS

2016 No.

RATING AND VALUATION, ENGLAND

The Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) (Amendment) Regulations 2016

| | | |
|-------------------------------|---------|-----|
| <i>Made</i> | - - - - | *** |
| <i>Laid before Parliament</i> | | *** |
| <i>Coming into force</i> | - - | *** |

The Secretary of State, in exercise of the powers conferred by sections 55(2) to (6) and (7A) and 143(1) and (2) of, and paragraphs A19, 8 and 16 of Schedule 11 to the Local Government Finance Act 1988(a), makes the following Regulations:

Citation and commencement

1.—(1) These Regulations may be cited as the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) (Amendment) Regulations 2016.

(2) These Regulations come into force on [XX XXXX] 2016.

Application

2. The amendments made by these Regulations apply only in relation to a non-domestic rating list compiled on or after 1st April 2017.

Interpretation

3. In these Regulations “2009 Procedure Regulations” means the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009(b).

Amendment of regulation 2

4. Regulation 2 (interpretation: general) of the 2009 Procedure Regulations is amended as follows—

- (a) in paragraph (1), in sub-paragraph (c) of the definition of “appeal”, for “regulation 8 or 13” substitute “regulation 9C or 13A”;
- (b) in paragraph (3)(d)(i) for “regulation 8, 13” substitute “regulation 9C, 13A”.

(a) 1988 c. 41. Relevant amendments were made to section 55 by section 139 of, and Schedule 5 to, the Local Government and Housing Act 1989 (c. 42); sections 104, 117 and 118 of, and Schedules 10 and 13 to, the Local Government Finance Act 1992 (c. 14); sections 220 and 241 of, and Schedules 16 and 18 to, the Local Government and Public Involvement in Health Act 2007; section 32 of the Enterprise Act 2016 (c. 12). Relevant amendments were made to section 143 by section 32 of the Enterprise Act 2016 (c. 12). Relevant amendments are made to Schedule 9 by section 117 of, and Schedule 13 to, the Local Government Finance Act 1992 (c.14); section 1 of the Non-Domestic Rating (Information) Act 1996 (c. 13); and section 117 of the Local Government Finance Act 2012 (c. 17).

(b) S.I. 2009/2269. Relevant amendments were made to the 2009 Procedure Regulations by S.I. 2011/434 and S.I. 2013/465.

Amendment of regulation 5

5. In regulation 5 (arrangement for appeals) of the 2009 Procedure Regulations—

- (a) in paragraph (2)—
 - (i) for “regulation 13” substitute “regulation 13A”;
 - (ii) for “regulation 8” substitute “regulation 9C”;
- (b) in paragraph (3) for “regulation 13” substitute “regulation 13A”.

Amendment of regulation 6

6. Regulation 6 (appeal management powers) of the 2009 Procedure Regulations is amended as follows—

- (a) in paragraph (3) before “the VTE may” insert “subject to paragraph (4)”;
- (b) after paragraph (3) insert—

“(4) In relation to an appeal under regulation 13A of the NDR Regulations sub-paragraphs (c) and (d) of paragraph (3) apply as follows—

 - (a) the VTE may permit or require a party to amend a document under paragraph (3)(c) if the amendment is in order to correct an inaccuracy;
 - (b) the VTE may permit or require a party or another person to provide documents, evidence, information or submissions to the VTE or a party under paragraph (3)(d) where those documents, evidence, information or submissions formed part of the proposal or have been provided in accordance with regulation 17(1) as it applies in relation to appeals under regulation 13A of the NDR Regulations.”.

Amendment of regulation 7

7. In regulation 7(1) (lead appeals) of the 2009 Procedure Regulations for “regulation 13” substitute “regulation 13A”.

Amendment of regulation 17

8. Before paragraph (1) of regulation 17 (evidence and submissions) of the 2009 Procedure Regulations insert—

“(A1) In relation to an appeal under regulation 13A of the NDR Regulations this regulation applies subject to regulation 17A.”.

Insertion of regulation 17A

9. After regulation 17 of the 2009 Procedure Regulations insert—

“Evidence and submissions in appeals under regulation 13A of the NDR Regulations

17A.—(1) This regulation applies to appeals made under regulation 13A of the NDR Regulations.

(2) The VTE may only give a direction under regulation 17(1) in relation to evidence or submissions that relate to matters which the VTE may take into account as part of the appeal(a).

(3) Before the VTE determines an appeal, a party to the appeal may provide further evidence to the VTE if—

- (a) that evidence—

(a) See regulation 18B for matters which are not to be taken into account.

- (i) relates to the ground on which the proposal was made; and
 - (ii) was not known to the proposer and could not reasonably have been known to the proposer before the proposer had the right to appeal under regulation 13A of the NDR Regulations; or
- (b) all the parties to the appeal agree in writing to the evidence being provided.
- (4) If evidence is provided under paragraph (3), the other parties to the appeal may provide further evidence in response to that evidence.
- (5) A party which provides evidence under paragraph (3) or (4) must also provide that evidence to all other parties to the appeal.”.

Amendment of regulation 18

10. Before paragraph (1) of regulation 18 (summoning of witnesses, and orders to answer questions or produce documents) of the 2009 Procedure Regulations insert—

“(A1) In relation to an appeal under regulation 13A of the NDR Regulations this regulation applies subject to regulation 18A.”.

Insertion of regulation 18A and 18B

11. After regulation 18 of the 2009 Procedure Regulations insert—

“Summoning of witnesses, and orders to answer questions or produce documents in appeals under regulation 13A of the NDR Regulations

18A.—(1) This regulation applies to appeals made under regulation 13A of the NDR Regulations.

(2) The VTE may not issue a summons under regulation 18(1)(a) unless the person is to be a witness in relation to evidence or information provided—

- (a) under regulation 9 of the NDR Regulations; or
- (b) in accordance with a direction under regulation 17(1) as it applies in relation to appeals under regulation 13A of the NDR Regulations.

(3) The VTE may only order a person under regulation 18(1)(b) to answer questions in relation to evidence or information provided—

- (a) under regulation 9 of the NDR Regulations; or
- (b) in accordance with a direction under regulation 17(1) as it applies in relation to appeals under regulation 13A of the NDR Regulations.

(4) The VTE may only order a person under regulation 18(1)(b) to produce documents provided—

- (a) under regulation 9 of the NDR Regulations; or
- (b) in accordance with a direction under regulation 17(1) as it applies in relation to appeals under regulation 13A of the NDR Regulations.

Matters which are not to be taken into account in appeals under regulation 13A of the NDR Regulations

18B.—(1) This regulation applies to appeals under regulation 13A of the NDR Regulations.

(2) The VTE must not take into account matters which—

- (a) did not form part of the proposal; or
- (b) were not raised in evidence or submissions provided in accordance with a direction under regulation 17(1) as it applies in relation to appeals under regulation 13A of the NDR Regulations.

(3) The VTE must not take into account, to the extent that they have been agreed between the parties, matters which—

- (a) formed part of the proposal; or
- (b) were raised in evidence or submissions provided in accordance with regulation 17(1) as it applies in relation to appeals under regulation 13A of the NDR Regulations.”.

Amendment of regulation 19A

12. Regulation 19A (withdrawals and deemed withdrawals for non-domestic rating appeals) of the 2009 Procedure Regulations is amended as follows—

- (a) in paragraph (2)(a)(i) after “(penalties)” insert “, or an appeal under regulation 9C of the NDR Regulations (appeal against a penalty under Part 2 of the NDR Regulations)”;
- (b) in paragraph (2)(a)(ii) for “the VO” substitute “the appellant”;
- (c) in paragraph (3) for “the VO” in both places it appears substitute “the appellant”;
- (d) in paragraph (5) after “any” insert “other”;
- (e) in paragraph (7) for “regulation 13 of the NDR Regulations (disagreement as to proposed alteration)” substitute “regulation 13A of the NDR Regulations (making an appeal to the VTE)”;
- (f) in paragraph (8) after “NDR penalty” insert “or an appeal under regulation 9C of the NDR Regulations”;
- (g) omit paragraph (10).

Amendment of regulation 28

13. Regulation 28 (notices of appeal, etc) of the 2009 Procedure Regulations is amended as follows—

- (a) in paragraph (1) before “penalty” insert “a CT or NDR”;
- (b) after paragraph (1) insert—

“(1A) If an appellant serves a notice of appeal against a penalty under regulation 9C of the NDR Regulations later than the time required by that regulation or the time allowed by an extension of time under regulation 6(3)(a), the VTE must not admit the notice of appeal unless the VTE extends the time for the notice of appeal under regulation 6(3)(a).”.

Amendment of regulation 33

14. Regulation 33 (appeals relating to validity of proposals) of the 2009 Procedure Regulations is amended as follows—

- (a) in the opening words omit “or regulation 13 of the NDR Regulations (disagreement as to proposed alteration)”;
- (b) in sub-paragraph (a) omit “or, as the case may be, the VO”.

Amendment of regulation 37

15. Regulation 37 (reasons for the decisions) of the 2009 Procedure Regulations is amended as follows—

- (a) in paragraph (1) after “(3)” insert “and (3A)”;
- (b) after paragraph (3) insert—

“(3A) For an appeal under regulation 13A of the NDR Regulations, the decision notice under regulation 36(2) must be accompanied by the written statement of the VTE panel’s reasons for the decision.”.

Amendment of regulation 38

16. Regulation 38 (orders other than consent orders) of the 2009 Procedure Regulations is amended as follows—

- (a) in paragraph (4) for “regulation 13 of the NDR Regulations (disagreement as to proposed alteration)” substitute “regulation 13A of the NDR Regulations (appeal to the VTE)”;
- (b) after paragraph (8) insert—

“(8A) After dealing with an appeal under regulation 9C of the NDR Regulations (appeal against a penalty under Part 2 of the NDR Regulations), the VTE may order the VO who imposed the penalty to remit the penalty.”.

Saving

17. The 2009 Procedure Regulations as in force immediately before these Regulations come into force continue to have effect in relation to a rating list compiled before 1st April 2017.

Signed by authority of the Secretary of State for Communities and Local Government

| | |
|------|--|
| | <i>Name</i> |
| | Parliamentary Under Secretary of State |
| Date | Department of Communities and Local Government |

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which apply in relation to England only, amend the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 (“the 2009 Procedure Regulations”).

The Regulations provide for the introduction of a new appeals system which is to have effect in relation to rating lists compiled on or after 1st April 2017. This is to coincide with the date of the next revaluation.

Regulations 4 and 5 make amendments to cross references to reflect the amendments made by the Non-Domestic Rating (Alteration of Lists and Appeals) (England) (Amendment) Regulations 2016 (S.I. 20[XX/XXXX]).

Regulation 6 inserts a provision to restrict the appeal management powers of the VTE in relation to appeals under regulation 13A of the NDR Regulations. These amendments are made to reflect the new provisions regarding evidence and matters which are not to be taken into account by the VTE.

Regulation 7 amends cross references to reflect the amendments made by the Non-Domestic Rating (Alteration of Lists and Appeals) (England) (Amendment) Regulations 2016.

Regulations 8 and 9 disapply the existing evidence and submissions provision in relation to appeals under regulation 13A of the NDR Regulations and insert provision to specifically provide for evidence and submissions in those appeals.

Regulations 10 and 11 disapply the existing provision regarding witnesses and production of documents and insert specific provision in relation to witnesses and production of documents in relation to appeals under regulation 13A of the NDR Regulations.

Regulation 11 also inserts provision setting out those matters which the VTE must not take into account in relation to appeals under regulation 13A of the NDR Regulations.

Regulation 12 makes amendments to reflect that under the new appeals system appeals are made to the VTE by a proposer rather than referred by the VO.

Regulation 13 makes amendment to clarify the application of the existing provision to existing penalties and inserts new provision to set out notice requirements in relation to a penalty under new regulation 9C of the NDR Regulations.

Regulation 14 makes amendment to reflect the substitution of regulation 8 of the NDR Regulations in relation to lists compiled on or after 1st April 2017.

Regulation 15 inserts a requirement that in relation to an appeal under regulation 13A of the NDR Regulations the statement of the VTE's reasons under regulation 37 of the 2009 Procedure Regulations must accompany the decision notice under regulation 36 of those Regulations.

Regulation 16 amends cross references and includes provision addressing the new penalty inserted by the NDR Regulations.

An impact assessment has not been produced for this instrument because it amends an existing local tax regime. Publication of a full impact assessment is not necessary for such legislation.

DRAFT

Report of Head of Governance and Scrutiny Support

Report to Scrutiny Board (Strategy and Resources)

Date: 18 January 2018

Subject: Work Schedule – January 2018

| | |
|--|---|
| 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 |

1 Purpose of this report

1.1 The purpose of this report is to consider the Scrutiny Board’s work schedule for the remainder of the current municipal year.

2 Main issues

2.1 At its initial meeting in June 2017, the Scrutiny Board discussed a range of matters for possible inclusion within the overall work schedule for 2017/18. The areas discussed included a range of matters which were then used to help formulate an outline work schedule.

2.2 The latest iteration of the work schedule is attached as Appendix 1 for consideration and agreement of the Scrutiny Board – subject to any identified and agreed amendments.

Developing the work schedule

2.3 The work schedule should not be considered to be a fixed and rigid schedule, it should be recognised as something that can be adapted and changed to reflect any new and emerging issues throughout the year; and also reflect any timetable issues that might occur from time to time.

2.4 However, when considering any developments and/or modifications to the work schedule, effort should be undertaken to:

- Avoid unnecessary duplication by having a full appreciation of any existing forums already having oversight of, or monitoring a particular issue.
- Ensure any Scrutiny undertaken has clarity and focus of purpose and will add value and can be delivered within an agreed time frame.

- Avoid pure “information items” except where that information is being received as part of a policy/scrutiny review
- Seek advice about available resources and relevant timings taking into consideration the workload across the Scrutiny Boards and the type of Scrutiny taking place
- Build in sufficient flexibility to enable the consideration of urgent matters that may arise during the year

2.5 In addition, in order to deliver the work schedule, the Board may need to take a flexible approach and undertaken activities outside the formal schedule of meetings – such as working groups and site visits, where deemed appropriate. This flexible approach may also require additional formal meetings of the Scrutiny Board.

Developments since the previous Scrutiny Board meeting

Service area performance

2.6 The work schedule reflects the Board’s discussion about monitoring specific service areas. Any updated proposals will be reported to the Scrutiny Board.

Business Rates Inquiry

2.7 At the beginning of the municipal year, the Scrutiny Board identified ‘Business Rates’ as a specific inquiry topic. The Scrutiny Board has considered a range of information to date.

2.8 As part of the inquiry, members of the Scrutiny Board to attended and observed a Valuation Tribunal Hearing on 12 December 2017.

2.9 At its meeting on 21 December 2017, the Scrutiny Board agreed 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. Preparations for this meeting are detailed elsewhere on the agenda.

2.10 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.

2.11 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.

2.12 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.

2.13 It also remains the intention to request a meeting with the relevant / responsible government minister. Details of this meeting remain to be finalised.

Apprenticeships Levy

- 2.14 At the Scrutiny Board meeting in October 2017, members of the Scrutiny Board agreed that arrangements should be made for a working group meeting in early 2018 to review progress against the identified 'inquiry points' set out in the apprenticeship levy paper.
- 2.15 At its previous meeting in December 2017, the Scrutiny Board agreed to arrange a working group meeting in late February 2018, once the outcome of the Council's bid to the Education and Skills Funding Agency to become an Employer Provider is known. Specific details remain to be finalised.

Outcome of discussions at the meeting

- 2.16 Details of any specific outcomes from the meeting may need to be considered and reflected in an updated work schedule, including any longer-term consideration of future budget developments or proposals.

3. Recommendations

- 3.1 Members are asked to consider the matters outlined in this report and agree (or amend) the overall work schedule (as presented at Appendix 1) as the basis for the Board's work for the remainder of 2017/18.

4. Background papers¹

- 4.1 None used

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.

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Scrutiny Board (Strategy and Resources) Work Schedule for 2017/2018 Municipal Year

| December | January | February |
|---|---|---|
| Meeting Agenda for 21/12/17 2017 at 10.30 am. | Meeting Agenda for 18/01/18 at 10.30 am. | Meeting Agenda for 22/02/18 at 10.30 am. |
| Service Performance: Effective Procurement (PM) | Service Performance: Human Resources - Employee Health and Wellbeing (PM) | Financial Health Monitoring (PSR) |
| Service Performance: Human Resources - Can Do Culture (PM) | Business Rates Inquiry Update (PSR) | Service Performance: Electoral, Registrars and Licensing (PM) |
| Financial Health Monitoring (PSR) | Corporate Risk: Draft Statement (PSR) | Service Performance: Human Resources – Staff Survey / Appraisals (PM) |
| 2018/19 Initial Budget Proposals (PDS) | | |
| Best Council Plan Refresh for 2018/19-2020/21 – Initial Proposals (PDS) | | |
| Working Group Meetings | | |
| | Business Rates Inquiry: Valuation Office Agency (22 January 2018 at 12:00 noon) | Apprentice Levy – pending the outcome of the Council's bid to the Education and Skills Funding Agency to become an Employer Provider (PSR) - <i>date to be confirmed.</i> |
| Site Visits | | |
| Business Rates Inquiry: Valuation Tribunal Hearing (12 December 2017) | | |

Scrutiny Work Items Key:

| | | | | | |
|-----|-----------------------|----|-------------------------|----|-----------------------|
| PSR | Policy/Service Review | RT | Recommendation Tracking | DB | Development Briefings |
| PDS | Pre-decision Scrutiny | PM | Performance Monitoring | C | Consultation Response |

Scrutiny Board (Strategy and Resources) Work Schedule for 2017/2018 Municipal Year

| March | April | May |
|--|---|---|
| Meeting Agenda for 12/03/18 at 10.30 am | Date to be confirmed | No Scrutiny Board meeting currently scheduled. |
| Financial Health Monitoring (PSR) Service Performance: Civic Enterprise Leeds (PM) Service Performance: Digital & Information Service (PM) Equalities: Equality Impact Priorities refresh (PSR) | People’s Services Commissioning – 6-monthly update report (PM) Business Rates Inquiry – draft statement / report (PSR) | |
| Working Group Meetings | | |
| | | |
| Site Visits | | |
| | | |

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Scrutiny Work Items Key:

| | | | | | |
|-----|-----------------------|----|-------------------------|----|-----------------------|
| PSR | Policy/Service Review | RT | Recommendation Tracking | DB | Development Briefings |
| PDS | Pre-decision Scrutiny | PM | Performance Monitoring | C | Consultation Response |