



INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
FINANCE	FINANCE AND DEMOCRACY COMMITTEE	19 JUNE 2017	10
UPDATE ON 100% BUSINESS RATE RETENTION			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY OF INFORMATION

In October 2015, the government committed that, by the end of the Parliament, local government should retain all taxes raised locally, including 100% of locally collected business rates. This amounts to a significant reform of the local government finance system. It should be noted that this commitment refers to the retention of 100% of business rates by the local government sector as a whole – it is not proposed that individual councils should retain 100% of business rates collected within their areas.

The proposals will give local councils in England control of around an additional £12.5 billion of revenue from business rates to spend on local services. **To ensure that the reforms to business rates are fiscally neutral some existing central Government grants will be replaced by additional retained business rates. Local government will continue to deliver these existing responsibilities through such retained business rates and/or they will take on new responsibilities to reflect additional tax income.** Subject to Parliamentary approval, the government aim to introduce the new system for the financial year 2019/20.

The following note provides an update on the current position.

SOURCE OF INFORMATION

DCLG - Consultations on Business Rates Reform 2016 and 2017.

LINK TO INFORMATION

Briefing Note attached and DCLG Consultations:

<https://www.gov.uk/government/consultations/100-business-rates-retention-further-consultation-on-the-design-of-the-reformed-system>

<https://www.gov.uk/government/consultations/self-sufficient-local-government-100-business-rates-retention>

WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

To update the Committee on the latest Government proposals with regard to Business Rate retention and the potential implications for Fylde Council with regard to the future levels of retained Business Rate income.

FURTHER INFORMATION

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