

# **MINUTES OF THE MEETING OF THE CABINET MEMBER SIGNING HELD ON TUESDAY, 4TH APRIL, 2017**

## **PRESENT:**

**Councillor Claire Kober (Chair)**

### **1. FILMING AT MEETINGS**

The Chair referred Members present to agenda Item 1 as shown on the agenda in respect of filming at this meeting, and Members noted the information contained therein.

### **2. URGENT BUSINESS**

There were no new items of urgent business.

### **3. DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **4. DISCRETIONARY BUSINESS RATES RELIEF CONSULTATION - REVALUATION SUPPORT**

The Leader considered the report seeking approval to start consultation with council tax payers and local businesses on options for a new discretionary relief scheme for 'revaluation support'. The Leader noted that, subsequent to the publication of the report, the recommendation had been amended to provide for a longer period of consultation, and that a consultation period of 5 weeks was now proposed, to run from 12<sup>th</sup> April until 17<sup>th</sup> May 2017, with the aim to agree the final proposal at the meeting of the Cabinet in June.

The Leader noted that a longer 5 week period would allow more time for residents, businesses and the Greater London Authority to be able to respond to the consultation; the Council wished to ensure that the local business base and residents had every opportunity to shape proposals and to ensure that the Council designs a scheme which supports local businesses most effectively. The Leader further noted that other London boroughs were at the same time working up proposals for their own discretionary business rates relief schemes, and were expected to reach final decisions in June for their local areas. By extending the consultation period, the Council would have more time to consider what other boroughs were doing, and to coordinate if deemed necessary.

It was noted that the Council wished to ensure that the extra funding for discretionary relief is distributed to the local business base as quickly as possible. By continuing to initiate the consultation early in April, this will help ensure that a final decision on the

new scheme can be reached in June and the extra relief distributed to those eligible shortly thereafter.

## **RESOLVED**

- i) That the Leader agree that the Council consult on its Discretionary Business rates Relief Policy for 'Revaluation Support' for a period of 5 weeks, from 12<sup>th</sup> April to 17<sup>th</sup> May 2017.
- ii) That the Leader agree that the consultation seek views from residents, businesses and the Greater London Authority (GLA) as precepting authority on the following proposals and options:
  - a) Designing a discretionary relief scheme that distributes Haringey's allocation of Government funding across local businesses facing an increase in their business rate bills as a direct result of the revaluation. The amount of relief given to an individual business eligible for the scheme would be proportional to the amount that a business' bill has increased following the revaluation.
  - b) The option to set aside a proportion of the Government's funding to strategically target extra support at businesses facing severe and immediate hardship from the revaluation and who can demonstrate a sustainable longer term business plan.
  - c) The option to give preference to small and medium sized firms and independents, over multinational and large national businesses with high turnovers on the grounds that the latter are financially more likely to be able to pay higher business rate bills than the former.
  - d) The option to prioritise relief on public interest grounds.

## **REASONS FOR DECISION**

Haringey Council will be expected to use discretionary business rates relief to distribute the Government's extra funding for 'revaluation support' to those businesses that have seen increases in their bills. By going out to consultation with residents and businesses this will help inform and shape options for the design of this discretionary relief scheme.

The rationale behind the proposal and options we are consulting on are to:

- Target relief at businesses that are facing an increase in their business rate bills following the revaluation, encompassing different sizes, sectors and locations across the borough.
- Distribute the extra relief in a way that is proportionate to how much a businesses' bill has gone up by, and in a fair manner.

- Ensure that the extra relief is distributed to local businesses quickly and smoothly.
- Be relatively simple for the Council to administer.

## **ALTERNATIVE OPTIONS CONSIDERED**

To delay or not go out to consultation on proposals and options for a new discretionary business rates relief scheme for 'revaluation support'.

This option is not being considered because:

- Engaging early with residents and businesses through this consultation will help shape proposals and options for the new relief and ensure that we design a scheme which supports local businesses most effectively.
- The Council wants to ensure that the Government's extra funding for discretionary relief is distributed to our local business base as quickly as possible. Initiating the consultation now rather than later will help ensure that a final decision on the new scheme can be reached in June.

Other alternative options have been considered and discounted from including in the consultation for the following reasons:

- Haringey Council could use its own funds to 'top-up' the Government's allocated funding for implementing this extra discretionary relief. This option has been discounted because it would result in a financial cost for the Council at a time when the organisation needs to find financial savings as part of its medium term financial strategy.
- To target all of the Government's funding for discretionary relief at one particular high street, regeneration zone or economic sector. This option has been discounted because the 2017 revaluation will have significant impacts on all high streets and localities across the borough, and impact upon retail, workspace and industrial sectors. To concentrate all the Government's funding on just one locality or sector within the borough would be unfair.
- To target all of the Government's funding for discretionary relief through a large scale 'hardship fund' which businesses would apply for. This option has been discounted because of the significant administrative challenges for assessing thousands of applications on a case by case basis. It would not be practical, could lead to lengthy delays in awarding relief and treat businesses inconsistently.

## **5. NEW ITEMS OF URGENT BUSINESS**

There were no new items of urgent business.

CHAIR:

Signed by Chair .....

Date .....