

MINUTES OF THE MEETING OF THE CABINET MEMBER SIGNING HELD ON FRIDAY, 2ND FEBRUARY, 2018, 9.00 am

PRESENT: Councillor Joe Goldberg (Chair)

231. FILMING AT MEETINGS

The Cabinet Member referred those present to agenda item 1 as shown on the agenda in respect of filming at this meeting and asked that those present reviewed and noted the information contained therein.

232. URGENT BUSINESS

None.

233. DECLARATIONS OF INTEREST

None.

234. DISCRETIONARY BUSINESS RATES RELIEF: REVALUATION SUPPORT POLICY [AMENDMENT]

The Cabinet Member for Economic Development, Social Inclusion & Sustainability considered the report, which sought approval for the revised Discretionary Business Rates Relief – Revaluation Support Policy. The reason for this amendment is necessary to ensure full use of Haringey's allocation of the Government's funding for discretionary relief 2017/18 and for the remainder of the period, through to 2021.

It was noted that the original policy had been approved by Cabinet on 20th June 2017 and the changes proposed within this report were outlined as detailed in the recommendations.

RESOLVED

That the Cabinet Member for Economic Development, Social Inclusion & Sustainability approves the revised Discretionary Business Rates Relief – Revaluation Support Policy, as appended to this report at Appendix A, which makes the following amendments to the policy agreed by the Cabinet on 20 June 2017:

- **Year 1 (2017-18):** Give effect to new policy clause 2.2.2 and proportionately apply the remaining funds amongst eligible businesses. This equates to a 10.5% increased discount (indicative), taking the total reduction to an estimated 52.5%. An approximate rather than specific percentage is given to allow for any further adjustments in the business base (including as described at section 6.3

of this report). A proportionate distribution of remaining funds is in keeping with the policy, most administratively efficient to operate and would provide further support to local businesses.

- **Years 2-4** (2018-19 to 2020-21): Give effect to amended policy clause 2.3, so that during each year that remains, funds available will be distributed proportionately amongst eligible businesses.
- **A caveat added**, which gives effect to amended policy clause 2.4; that this policy is subject to any relevant wider policy changes that may occur, including those outlined by Government. Should substantial changes arise then the policy is to be reviewed accordingly.

REASONS FOR DECISION

The proposed amendments seek to ensure delivery of the Discretionary Business Rates Relief – Revaluation Support Policy, as appended to this report at Appendix A, which: -

- Allocates discretionary business rates relief to rate payers where - The business rate increase is £500 or more (after all other applicable reliefs have been applied)
- Automatically applies a 42% discount on the monetary increase in business rates to affected businesses in 2017/18

With the following exclusions:

- a) Premises occupied by multinational and national chain companies
- b) Excepted hereditaments within the meaning of s 47 Local Government Finance Act 1988 and wider public sector premises
- c) Businesses not located in the borough for the duration of 2016/17 and/or have left since April 2017
- d) Premises with rateable values in excess of £200,000

The amendments proposed maintain the above outlined exclusions and are in keeping with the aims of the original policy. The policy sits in the context of the Council's wider economic growth priorities for the borough. We believe the policy best supports economic growth as it targets small, medium-sized and independent businesses over multinational, and national chain businesses. The policy aligns with the Council's existing policies to encourage business resilience and growth in Haringey and support local job creation. For this reason, the policy supports private businesses over public sector premises (a number of which are hereditaments already excluded in accordance with s 47 Local Government Finance Act 1988).

Haringey Council is 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 incorporating the principles below:

- 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 increased, and in a fair and equal manner
- Apply to ratepayers occupying lower value properties
- 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 include wider public sector. However, this is one of the exclusions in the policy, we are minded not to extend the fund to wider public sector organisations'. We believe this is in line with the aims of the fund, which are to support business and promote growth. Therefore, we believe it is best to support those small, medium-sized and independent businesses in Haringey facing difficulties.

To include multinational and national chain companies. This is another exclusion within the policy. The consultation feedback (which preceded the policy) supported the proposal that excluding multinational and national chain businesses is a fairer way of distributing the relief to businesses that are less able to cope with the business rate increase. A majority of the respondents to the Council's consultation stated that preference should be given to small, medium-sized and independent businesses; and Haringey's precepting Authority, the Greater London Authority, stated that firms operating nationally or internationally may be benefitting from reductions in business rates in other parts of the country.

To administer a hardship fund. This could create the need to consider a large volume of applications and subsequent lengthy delays in awarding relief. The Council does not have resources in place to manage this. Particularly within the time left for this financial year (2 months) to deliver the year one allocation.

235. NEW ITEMS OF URGENT BUSINESS

None.

CHAIR: Councillor Joe Goldberg

Signed by Chair

Date