

TONBRIDGE & MALLING BOROUGH COUNCIL
FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

22 July 2015

Report of the Director of Finance & Transformation

Part 1- Public

Matters for Information

1 BUSINESS RATES REVIEW: DISCUSSION PAPER FROM HM TREASURY - UPDATE

Following discussion at the last meeting of the Advisory Board, this report provides details of the final response provided to HM Treasury in respect of their discussion paper on the business rates system.

1.1 Introduction

1.1.1 At the last meeting of the Advisory Board, I presented the Discussion Paper on Business Rates which had been prepared by HM Treasury. The primary aim of the review, based on the terms of reference, was to establish whether the “business rates system remains fit for purpose in the 21st century”.

1.1.2 The Treasury sought responses by 12 June, and delegated authority was given to me in liaison with the Cabinet Member for Finance, Innovation and Property and the Leader (as the portfolio holder for Economic Regeneration) to formulate a final response on behalf of the Council.

1.2 Response Made

1.2.1 A response was sent to HM Treasury prior to the deadline, and a copy is attached at Annex 1 for Members’ information. Members will note that, as discussed at the last meeting, the impact of the Aylesford Newsprint situation was incorporated within the response as a key principle.

1.2.2 As requested by Members at the meeting, copies of the final response were circulated to the local Members of Parliament, Tracey Crouch and Tom Tugendhat.

1.2.3 The Leader of the Council also took the opportunity to email our response directly to Marcus Jones, Minister for Local Government, following a conversation with him after a Councillors’ Forum hosted by the LGA.

- 1.2.4 In addition, the Leader discussed our response with the South East England Councils Network (SEEC), and as a result the circumstances of Aylesford Newsprint's demise was also included within SEEC's own detailed response - viz:

"The following case study from SEEC member Tonbridge and Malling BC illustrates the point. Recent closure of local business Aylesford Newsprint came with no warning. It was caused in most part by international competition and the strength of the pound, and certainly not due to local issues where the local authority could have had an impact. However, because of the business size and rateable value, closure will have a hugely detrimental impact on a small local authority which is supportive of local business and invests what it can in helping grow the local economy.

Situations like that faced by Tonbridge and Malling are a double-blow to the community - not only is there the loss of 230 jobs from a business that has been part of the local area for around 100 years, but the local authority is hit financially, thus reducing its ability to help reinvigorate the economy. We would welcome an exceptions policy that takes into account special circumstances such as this to ensure that any incentives or disincentives linked to business rates are fair and proportionate"

- 1.2.5 We await feedback from HM Treasury once they had had the opportunity to consider all responses made.

1.3 Legal Implications

- 1.3.1 This is a discussion paper and therefore there are currently no legal implications.

1.4 Financial and Value for Money Considerations

- 1.4.1 This is a discussion paper and therefore there are currently no financial implications.

1.5 Risk Assessment

- 1.5.1 The Council is already affected by the volatility of business rate yield within the borough as outlined in the report.

1.6 Equality Impact Assessment

- 1.6.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

1.7 Policy Considerations

- 1.7.1 Community

Background papers:

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Nil

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