

## Finance Sub-Committee

19 October 2016

Present: Councillor A McMullen (Chair)  
Councillors D Cox, K Lee, S Graham

### **F25/10/16 Apologies**

Apologies were received from Councillors J O'Shea and L Miller.

### **F26/10/16 Substitute Members**

The following substitute Members were reported:

Councillor S Graham for Councillor J O'Shea

### **F27/10/16 Declarations of Interest and Dispensations**

There were no declarations of interest or dispensations reported for this meeting.

### **F28/10/16 Minutes**

**Resolved** that the Minutes of the meeting held on 29 September 2016 be confirmed and signed by the Chair.

### **F29/10/16 Business Rates**

The Sub-Committee considered a report which provided an introduction to the increasingly complex area of business rates, including information on forecasting anticipated debit to be collected and the monitoring of income levels.

It was noted that the amount of business rates payable by a business is determined by two key elements that are multiplied together to arrive at the gross rates payment: the rateable value attributed to a property, and the National Non-Domestic Rating Multiplier. It was noted that the rateable values currently used are based on the revaluation that came into effect on 1 April 2010 (based on values as at 1 April 2008), and that a further revaluation has just taken place, based on values as at the 1 April 2015. These new valuations will come into force on 1 April 2017.

It was noted that once the gross rates payable has been determined, the actual net rates payable is determined by whether the occupier, or responsible party for liability, is entitled to any further reductions due to the particular circumstances of the property or occupier, such as Small Business Rate Relief.

There was some discussion about the Business Rate appeals process. A member asked about the level of successful appeals against business rate valuations and it was noted that around 20% of appeals are successful. The Sub-committee was informed that the Valuation Office Agency are responsible for making decisions on appeals, but if appeals are successful, the local authority has to pick up part of the cost of refunding the business rate payer. It was noted that 15.5% of the commercial properties in North Tyneside currently have an outstanding appeal against their 2010 rateable value. It has therefore

been necessary for the Council to make provision for losses in income that could be incurred due to successful appeals. It was noted that there are plans for a new appeal process that would aim to involve businesses at an earlier stage in the valuation process and thereby reduce the number of appeals coming forward.

Members asked about the approach to businesses who may be facing hardship and whether there was any scope to waive business rates in such circumstances. The sub-committee was advised that this was not possible, but that Paul Buie's team have a role in working with such businesses and offering support in other areas.

It was noted that the discretionary reliefs applied to business rates were set out in a Council policy and were agreed by Cabinet. It was noted that this policy is strictly applied by a panel convened to make decisions on reliefs and exemptions.

Members considered the extract of the government return attached to the report in detail. It was noted that the total rateable value in North Tyneside was relatively small compared to many other areas, and that some specific large rate-payers across the country could have a rateable value in excess of the total for North Tyneside, for example Heathrow Airport.

One Councillor asked about the profile of businesses in North Tyneside in comparison with other areas. It was noted that North Tyneside has a mix of small to medium businesses. This was considered to be a positive for the Council in that it reduced the potential impact of any change to the rateable value of individual businesses within the borough.

There was some discussion about the monitoring of business rate collection rates and it was noted that work is on-going to develop a way of reporting this through the budget monitoring process. It was suggested that officers bring a further report on this to a future meeting with a view to the Sub-committee making a recommendation to Cabinet on this.

The Sub-committee thanked officers for this report.

It was **AGREED** that a report on the reporting of business rate collection rates via budget monitoring be submitted to a future meeting of the Sub-committee.

### **F30/10/16 Fees and Charges**

The Chair explained that it had not been possible to receive the report on Fees and Charges at this meeting and therefore this item should be deferred to the next scheduled meeting in November.

It was **AGREED** that this item be deferred to the next meeting.

### **F31/10/16 Exclusion Resolution**

**Resolved** that under Section 100A (4) of the Local Government Act 1972 (as amended) and having applied a public interest test as defined in Part 3 of Schedule 12A of the Act, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act.

**F32/10/16 Business and Technical Partnership Risks**

The Sub-committee considered a report which set out the latest monitoring update on risks which are rated high (red) within the Strategic and Operational Risk Registers of the Business and Technical Partnerships with ENGIE and Capita respectively.

The Sub-committee requested clarification on whether the report referred to in relation to risk no Op018 had been received and officers agreed to provide this.

It was **Agreed** that the report be noted.

Signed by: \_\_\_\_\_

Date: \_\_\_\_\_

Cllr A McMullen, Chair of the Finance Sub-committee