

Finance and Assets Policy Development Advisory Group
10 JULY 2017

Present: Councillors: Brian Donnelly (Chairman), Paul Clarke, David Coldwell, Leonard Crosbie and Nigel Jupp

Apologies: Councillors: John Bailey, John Chidlow, Adrian Lee, Tim Lloyd, Stuart Ritchie and Simon Torn

1 **TO APPROVE THE NOTES OF THE PREVIOUS MEETING**

The group approved the notes of the meeting held on 8 May 2017.

2 **DISCRETIONARY BUSINESS RATE RELIEF SCHEME**

The Head of Finance presented to the group. Members heard that the council had to design a local scheme to distribute its allocation of a centrally funded national £300m discretionary business rate relief scheme. The scheme would assist small businesses that were facing rising bills as a result of the 2017 revaluation.

The allocation was over 4 individual years and the council would currently be required to pay back any unspent grant, as well as bearing the cost of any grant overspend.

The government's assumptions were that the relief would be targeted at:

- those ratepayers who were facing an increase in their bills following revaluation
- ratepayers that faced the most significant increases in bills
- ratepayers occupying lower value properties

There are approximately 4,500 business in the Horsham district of which approximately 3,100 had an increase in rateable value. The Head of Finance explained the parameters and emphasised a preference for a simple scheme that was straightforward to administer. Members were presented with modelling of five options for discussion.

Members' discussion included

- The need for an objective, transparent approach
- The risk of spreading the grants apparently equitably, but too thinly so as to have limited effect

Members endorsed the need for a simple scheme that was administratively straightforward. Of the 5 options presented, members supported two options,

firstly for a scheme applicable to *all* small businesses that had a rateable value increase; **or** for a scheme where only those small businesses with a greater than 15% increase in rateable value would be eligible. The Head of Finance emphasised the fact that the latter was more in line with government's assumptions that the relief was for ratepayers that faced the most *significant* increases in bills. The Cabinet Member thanked members for their considerations and would work with officers to produce a scheme for consultation. West Sussex County Council would be consulted on the proposed scheme prior to a cabinet decision in September, and an operational scheme from 1 October 2017.

3 **ALLOCATION OF BUSINESS TRANSFORMATION RESERVE**

The Director of Corporate Resources explained that the Medium Term Financial Strategy required the movement of a surplus to an earmarked reserve, which Cabinet would agree in September 2017. The Council was currently forecasting a balanced budget from 2017/18 through to 2019/20. This relied on implementing a range of actions to help deliver further income generation and efficiency measures. This required further investment in transformational projects. Moving £0.5m to the transformation earmarked reserve would set aside funds to help transform the Council in the future, effectively funded from the 2016/17 budget surplus.

The meeting closed at 18.25

CHAIRMAN