

Corporate Resources Advisory Group

24 November 2016

Report to Cabinet

**Local Council Tax Support Scheme;
Review of the Discretionary Rate Relief Policy; and
Business Rate Retention update.**

Purpose of the Meeting

The purpose of the meeting was to enable councillors to consider the proposed Local Council Tax Support Scheme (LCTSS) and to contribute to the Review of the Discretionary Rate Relief Policy (DRRP). The group also received an update in respect of Business Rate retention.

Summary of Advice - LCTSS

The Group:

- Queried whether the cost of collection would increase if the level of claimant contribution was raised. It was clarified that the LCTSS proposals would not require additional resources therefore collection costs would not increase as a result of raising the level of claimant contribution.
- Raised concerns about the response rate to the LCTSS consultation but acknowledged that it is higher than in previous years.
- Queried whether pensioners will remain protected, as they represent 50% of the caseload. It was noted that no indication has been received that this exemption will be reviewed.
- Commented that it would be appropriate to retain the minimum contribution at 8.5%, due in part to other welfare changes and the likely decrease in collection rates.

Summary of Advice - DRRP

The Group:

- Supported the financial assessment of organisations. Concerns were raised in respect of rate relief to organisations with the ability to pay rate liability. As an example, the group highlighted that some childcare providers are extremely profitable national companies, branded as local small enterprises.

- Expressed support for the provision of rate relief to organisations whose members/customers are Gateshead residents. It was acknowledged that affected business could consider relocation.
- Requested a clear and efficient process to reduce the strain on already limited resources. It was noted that copies of audited accounts could be requested from Limited Companies to speed up the financial assessment of organisations.

Summary of Advice – Business Rate Retention

The Group:

- Agreed to note the update, in particular the key issues and risks as highlighted in the presentation.
- Requested that collaborative work with other Local Authorities be undertaken to ensure the North East economy can remain competitive with that of Scotland.

Chair: C Donovan (In the Chair)

Councillors Present: D Bradford, M Brain, P Dillon, M Henry, M Hood, J McElroy, P Mole, I Patterson, L Twist, J Wallace and N Weatherley.

Officers Present: Keith Purvis – Corporate Resources
John Jopling – Corporate Resources
Pam Richardson – Corporate Resources
Neil Porteous – Corporate Service and Governance