

Agenda Item: 6

TO: Policy and Resources Committee

FROM: Deputy Chief Executive Officer - Matthew Warren

PRESENTING OFFICER(S): Matthew Warren

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BUSINESS RATES RETENTION - CONSULTATION

1. Purpose

- 1.1 To provide the Policy and Resources Committee with a response for approval to the consultation on Business Rates Retention.

2. Recommendation

- 2.1 The Committee is asked to approve the response proposed to the consultation.

3. Risk Assessment

- 3.1 **Financial** – the Authority is always at risk of its funding, associated with business rates, fluctuating on an annual basis. The major risk is in circumstances where a major business leaves the area and our proportion of the local business rate is lost.

4. Background and Suggested Response

- 4.1 Attached at Appendix 1 is the consultation document issued by the Department of Communities and Local Government. The document proposes that, by the end of the current parliament, local government will retain 100% of taxes raised locally.

- 4.2 Whilst there is a significant amount of detail within the consultation document, there is only one specific question that requires a response from fire and rescue services and that is:

“Do you consider that fire funding should be removed from the business rates retention scheme and what might be the advantages and disadvantages of this approach?”

- 4.3 It is suggested that the Authority response is:

Cambridgeshire and Peterborough Fire Authority believe that fire funding should be removed from the business rates scheme and be replaced with a specific fire grant that equals current funding levels. The effect local business rates funding has on a local fire and rescue service is relatively minor. The advantage of having a specific grant removes the uncertainty associated with the annual variations associated with

local business rates. The disadvantage is that the local fire and rescue service does not benefit from local business rates growth. However the certainty of funding outweighs this benefit.

- 4.4 If the Committee accepts this response then no further responses are required as fire and rescue services will sit outside of future arrangements and should therefore not have any influence on the outcome.

BIBLIOGRAPHY

Source Document	Location	Contact Officer
DCLG Self sufficient local government: 100% Business Rates Retention	Hinchingsbrooke Cottage Brampton Road Huntingdon	Matthew Warren 01480 444619 matthew.warren@cambsfire.gov.uk