

A meeting of the **CABINET** will be held in **THE CIVIC SUITE, 0.1A, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, CAMBS, PE29 3TN** on **THURSDAY, 19 JULY 2012** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

## **APOLOGIES**

  
**Contact**  
**(01480)**

### **6. LOCALISATION OF BUSINESS RATES (Pages 1 - 2)**

To consider a report by the Head of Financial Services on the planned basis for the localisation of Business Rates.

**S Couper**  
**388103**

Dated this 13 day of July 2012



Head of Paid Service

## **Notes**

### **A. Disclosable Pecuniary Interests**

(1) *Members are required to declare any disclosable pecuniary interests and unless you have obtained dispensation, cannot discuss or vote on the matter at the meeting and must also leave the room whilst the matter is being debated or voted on.*

(2) *A Member has a disclosable pecuniary interest if it*

- (a) relates to you, or*
- (b) is an interest of -*

- (i) your spouse or civil partner; or*
- (ii) a person with whom you are living as husband and wife; or*
- (iii) a person with whom you are living as if you were civil partners*

*and you are aware that the other person has the interest.*

(3) *Disclosable pecuniary interests includes -*

- (a) any employment or profession carried out for profit or gain;*
- (b) any financial benefit received by the Member in respect of expenses incurred carrying out his or her duties as a Member (except from the Council);*
- (c) any current contracts with the Council;*
- (d) any beneficial interest in land/property within the Council's area;*

- (e) any licence for a month or longer to occupy land in the Council's area;
- (f) any tenancy where the Council is landlord and the Member (or person in (2)(b) above) has a beneficial interest; or
- (g) a beneficial interest (above the specified level) in the shares of any body which has a place of business or land in the Council's area.

**B. Other Interests**

(4) If a Member has a non-disclosable pecuniary interest or a non-pecuniary interest then you are required to declare that interest, but may remain to discuss and vote.

(5) A Member has a non-disclosable pecuniary interest or a non-pecuniary interest where -

(a) a decision in relation to the business being considered might reasonably be regarded as affecting the well-being or financial standing of you or a member of your family or a person with whom you have a close association to a greater extent than it would affect the majority of the council tax payers, rate payers or inhabitants of the ward or electoral area for which you have been elected or otherwise of the authority's administrative area, or

(b) it relates to or is likely to affect any of the descriptions referred to above, but in respect of a member of your family (other than specified in (2)(b) above) or a person with whom you have a close association

and that interest is not a disclosable pecuniary interest.

**Please contact Mrs H Taylor, Senior Democratic Services Officer, Tel No. 01480 388008/e-mail Helen.Taylor@huntingdonshire.gov.uk /e-mail: if you have a general query on any Agenda Item, wish to tender your apologies for absence from the meeting, or would like information on any decision taken by the Cabinet.**

**Specific enquiries with regard to items on the Agenda should be directed towards the Contact Officer.**

**Members of the public are welcome to attend this meeting as observers except during consideration of confidential or exempt items of business.**

Agenda and enclosures can be viewed on the District Council's website – [www.huntingdonshire.gov.uk](http://www.huntingdonshire.gov.uk) (under Councils and Democracy).

If you would like a translation of Agenda/Minutes/Reports or would like a large text version or an audio version please contact the Democratic Services Manager and we will try to accommodate your needs.

***Emergency Procedure***

*In the event of the fire alarm being sounded and on the instruction of the Meeting Administrator, all attendees are requested to vacate the building via the closest emergency exit.*

This page is intentionally left blank

CABINET

19 JULY 2012

## **LOCALISATION OF BUSINESS RATES (Report by the Overview & Scrutiny (Economic Well-Being))**

### **1. INTRODUCTION**

- 1.1 At its meeting held on 12<sup>th</sup> July 2012, the Overview and Scrutiny Panel (Economic Well-Being) considered a report by the Head of Financial Services on the planned basis for the localisation of Business Rates. This report summarises the Panel's discussions.

### **2. THE PANEL'S DELIBERATIONS**

- 2.1 The Head of Financial Services has provided the Panel with details of proposals for the localisation of business rates which will come into effect in April 2013. Information has also been provided on the opportunities for local authorities to pool their business rates and the benefits which the Government envisage this will present.
- 2.2 As the legislation has not yet been finalised, the Panel has drawn attention to some aspects of the proposals that will need to be taken into account when a decision on whether to proceed with pooling is taken. Pooling will operate on the principle that none of the authorities that are party to the pooling agreement should be in a worse-off position than they would otherwise have been. There will then have to be agreement on what to do with any remaining money. This will require negotiation with the other Cambridgeshire authorities.
- 2.3 It needs to be stressed that it cannot be assumed income from business rates will not go down. Attention is drawn to the table in paragraph 2.7 of the report by the Head of Financial Services, which indicates that if there is growth there will be some small benefit to authorities but if business rate income falls there would be a significant overall reduction in Councils' income. It is estimated that business rates income would have to go down by more than 1% for these significant effects to be realised.
- 2.4 Where there is growth, there are clear benefits of pooling. Without pooling the levy rate Huntingdonshire would pay to the Government would be 78% compared to 36% with pooling. On this basis and given that authorities will be able to withdraw if it transpires that it is not advantageous, the Panel supports the suggestion that the Council should register its interest in pooling at this stage.
- 2.5 Business rate income from the Enterprise Zone is not included in these proposals. This income will be distributed throughout the Local Enterprise Partnership area. It should be noted there is the potential that Huntingdonshire businesses might relocate to the Enterprise Zone. Income from these businesses would not be included in the pooling arrangement. In addition, there is a question about what will happen if there is growth in one

area of the County and a decline in another area. Modelling is to be undertaken to identify the range of effects of pooling.

### 3. **RECOMMENDATION**

3.1 At the conclusion of its discussion on this item, the Panel has endorsed the recommendations that the Cabinet should

- ❖ note the planned basis for the localisation of Business Rates; and
  
- ❖ express to the DCLG the Council's interest in pooling with the County Council and other Cambridgeshire Districts on the understanding that the governance arrangements will be based on no authority losing from pooling, and noting that there will be the opportunity to review that decision later in the year.

3.2 The Cabinet is invited to consider the discussions of the Overview & Scrutiny Panel (Economic Well-Being) as part of their deliberations on this item.

**Contact Officer:** C Bulman, Democratic Services Officer  
01480 388234