

# Business Rates and Beyond

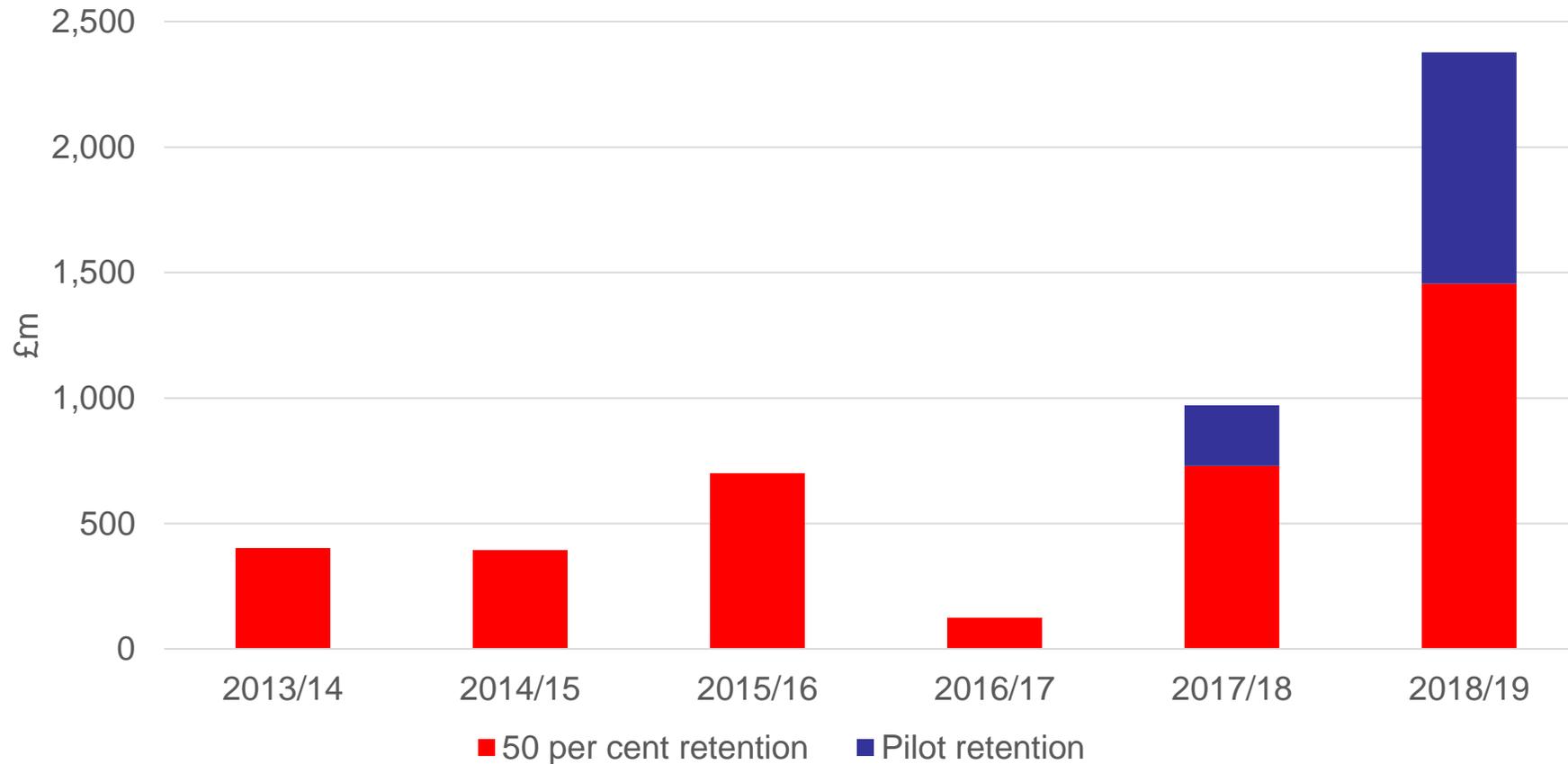
Sarah Pickup, Deputy Chief Executive

7 January 2020

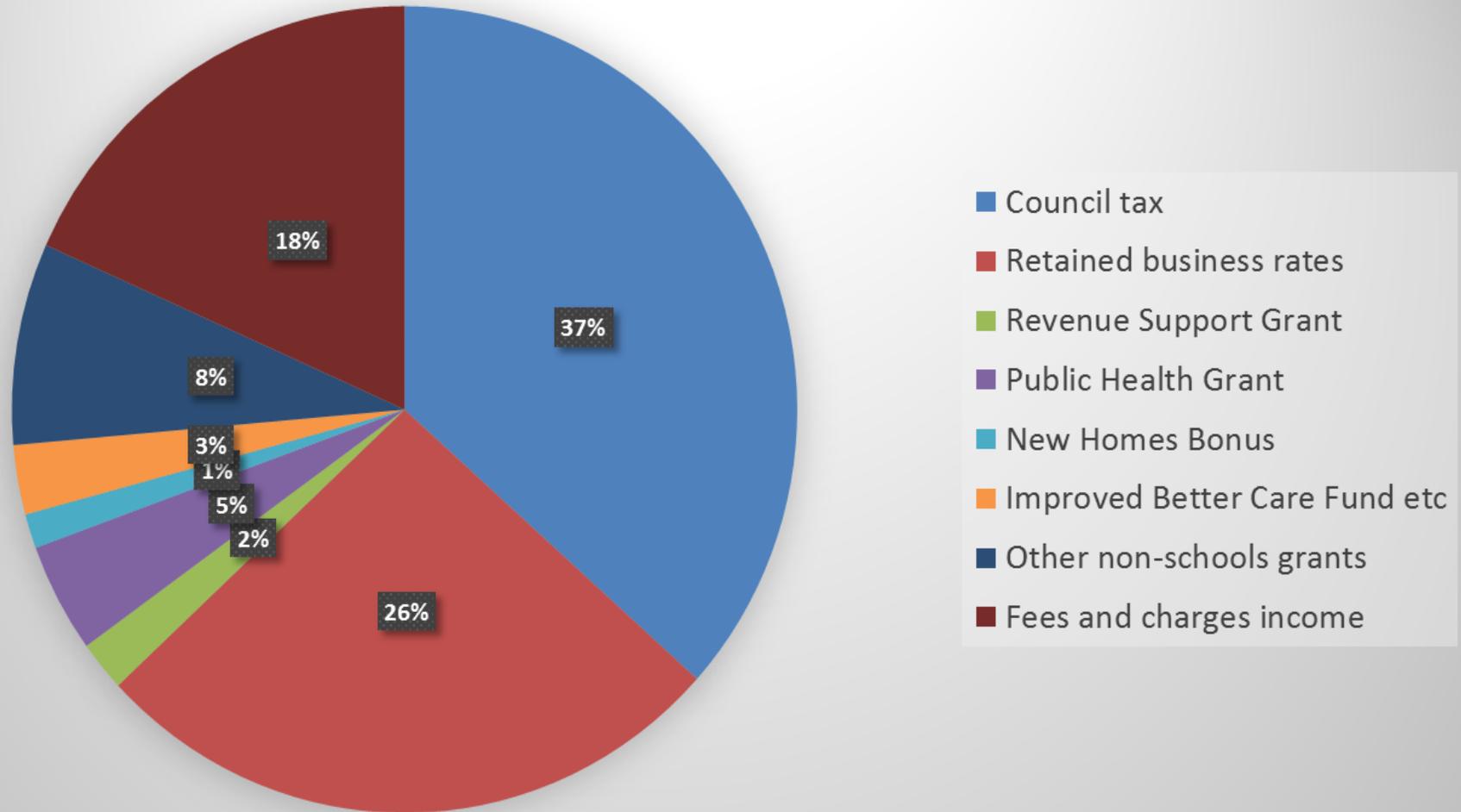
## Business rates retention

- 2013/14 - 50% Business Rates Retention introduced
  - 2015 – move to 100% retention of business rates announced
  - 2017 – following General Election and fall of LGF Bill – revised to aim of 75% retention in 2020 – now postponed to 2021
  - 2017/18 onwards – 100% and 75% pilots
  - 2018/19 - authorities kept around £2.4 billion in business rates growth
  - 2019 – Discussions go on towards implementation of new system in April 2021
-

# Growth retained from business rates since 2013



# Local Authority revenue funding – 2018/19



## Fundamental Review of business rates

- Announced in Queen's Speech
  - Few details – other than 'Fundamental Review'
  - Business rates recognised as source of LA income
  - Government will consider input from the sector as part of the review of business rates
  - Further details on the review will be announced
  - LGA likely to call for
    - Joint central/local government working on the model of business rates retention;
    - Clarity on further business rates retention reform and the Fair Funding Review.
-

## **LGA submission to the Treasury Select Committee**

- A buoyant, responsive and fair system which promotes growth through incentives
  - Support increase to 100 per cent retention by the sector
  - Property still a good basis but needs reform – such as the concept of beneficial occupation
  - Still too many unsolved appeals – both 2010 and 2017 lists
  - Business rates avoidance – new LGA research shows around £250 million per year lost – Government needs to take action along the lines of Wales and Scotland
  - Make sure online businesses make a fair contribution
-