

**AGENDA ITEM 7 – Questions on Notice under Standing Order No 6.**

**Question from Councillor Keith Gilbert:**

I would like to ask the Executive Member for Finance the following question on notice under standing order no 6 at the Full Council meeting on Thursday 31<sup>st</sup> March 2016.

Not long ago the Government gave us the good news that councils would be able to retain, if not all, then a large portion of the business rates they collect.

In the recent budget the Chancellor announced a big reduction, and in the case of some small businesses, especially small shops, an abolition of the business rate.

Therefore there is less business rates for councils to retain. It seems as though the Government has given us a box of chocolates, but when we opened it we found they had eaten most of them.

How does this impact on Breckland's budget and finances?

**Answer from Councillor Pablo Dimoglou – Executive Member for Finance**

I would like to thank the Councillor Gilbert for his question.

He is indeed correct when he says that Central Government did announce an intention for Councils to be able to retain 100% of their business rates.

We are still awaiting detail of the scheme, but in consideration of the information we already have, it would appear to be good news for Breckland Council.

There are always risks to any new initiatives, as Central Government is not renowned for wanting to give away money! With 100% retention of business rates comes 100% of the risks of funding appeals and suchlike - with reclaims sometimes being valid for 6 years.

Breckland is also part of the Norfolk Business Rate Pool which equalises business rates received. This does not mean all councils receive the same income from business rates but it does mean that better off councils have to subsidise others not doing so well.

Small Business Rate Relief (SBRR) will apply to a greater number of businesses. There is currently Section 31 grant funding in place to cover this cost to the Council (c£600,000). This should be in place until 2020, but another risk is that it could be reduced or removed after 2021, as we have seen reductions in New Homes Bonus and The Revenue Support Grant.

As part of the initiative Central Government also plans to let Councils set their own levels of business rates, which I feel will also help Breckland Council as we have an entrepreneurial approach to business development.

The recent budget announcements will not affect Breckland Council's budget or medium term financial plan in the coming years. With permission of Members during budget setting we agreed a four year settlement with Central Government to give us stability moving forward.

In addition these changes will first be rolled out in London in 2017 and three years later (2020) around the rest of England.

So to summarise, this should have no effect on Breckland Council until 2020-21.