

 the low tax borough	London Borough of Hammersmith & Fulham OVERVIEW AND SCRUTINY BOARD 8th April 2014
THE BUSINESS RATES SCRUTINY TASK GROUP: FINAL REPORT	
Report of the Director of Law	
Open Report	
Classification: For Scrutiny Review & Comment Key Decision: No	
Wards Affected: All	
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1. EXECUTIVE SUMMARY

- 1.1. The Overview & Scrutiny Board established the Business Rates Scrutiny Task Group in July 2013 to investigate the impact of recent reforms to the business rates system and how the Council could help to foster healthy and successful high streets in the borough.
- 1.2. The Board is therefore invited to comment on the Final Report of the Task Group and to agree the recommendations within it.

2. RECOMMENDATIONS

- 2.1. That the Business Rates Scrutiny Task Group Final Report be noted and approved, and forwarded to the relevant decision-making bodies.
- 2.2. That the Board receive a report at the earliest opportunity outlining the decision-makers' responses to the recommendations, and then a further report six months later on the progress made implementing the recommendations.

3. REASONS FOR DECISION

- 3.1. The Board's approval of the Final Report is required prior to consideration of the report by Cabinet.

4. BACKGROUND

- 4.1 The Business Rates Scrutiny Task Group was established by the Board in response to the reform of the business rates system that took effect in April 2013. Under the new system councils would retain part of the income they collected through business rates as an incentive to promote local economic growth. However the reforms also resulted in a substantial loss of funding for the London Borough of Hammersmith & Fulham. The financial uncertainty caused by this funding gap was added to by the significant number of appeals that were outstanding. The Task Group was therefore commissioned to explore the impact of the reforms, the performance of the Valuation Office Agency who handled the appeals and the wider issue of town centre support.
- 4.2 The Task Group has interviewed a number of key witnesses and considered documentary evidence before reaching the conclusions presented in its Final Report, which is appended as **Appendix A**. In accordance with the Hammersmith & Fulham Constitution, the Task Group's findings are now submitted to the Board for consideration. The Overview & Scrutiny Board may publish the Final Report and make recommendations to the Cabinet, external statutory partners and any other relevant decision makers.
- 4.3 The Task Group has made a number of recommendations to the Council, Government and the Valuation Office Agency. It is anticipated that the report and recommendations will be submitted to the Cabinet and /or Cabinet Member to consider those recommendations made to the Council. The recommendations made to Government and the Valuation Office Agency will also be submitted for a response. It is suggested that the Board receive a report outlining the decision-makers' responses to the recommendations at the earliest possibility, and then a further report six months later updating members on the progress made implementing the recommendations.
- 4.4 The Task Group has made eighteen recommendations in total. These are presented at paragraph 6.1 of the Final Report (Appendix A).

LOCAL GOVERNMENT ACT 2000 **LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Notes of Task Group meetings	Craig Bowdery, ext 2278	Governance & Scrutiny, HTH