



NON DOMESTIC RATEPAYERS CONSULTATION MEETING

**MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON
WEDNESDAY 9TH FEBRUARY 2016 AT 5.30PM**

PRESENT:

Councillor H. David – Chair

Together with:

S. Harris (Interim Head of Corporate Finance), J. Carpenter (Council Tax and NNDR Manager), H. Morgan (Senior Committee Services Officer)

Also present:

Huw Edwards - Blackwood Retail Partnership
Deborah Hale and Tracie Undrey - Caerphilly Town Retailers Association
Dorothea and Clive Saunders

1. APOLOGIES

Apologies for absence were received from Councillor Mrs B. Jones.

2. DECLARATIONS OF INTEREST

It was noted that Councillor S. Morgan was not present as, being a non-domestic ratepayer, he had declared an interest.

3. LOCAL GOVERNMENT FINANCE ACT 1992 - SECTION 65 - CONSULTATION WITH NON DOMESTIC RATEPAYERS

The meeting had been convened in accordance with Section 65 of the Local Government Act 1992 to consult representatives of non-domestic ratepayers on the Council's draft revenue strategy 2016/2017.

A notice outlining the provisions of the Act and inviting non-domestic ratepayers to participate in the consultation process had been placed in the local press. Huw Edwards (Blackwood Retail Partnership), Deborah Hale and Tracie Undrey (Caerphilly Town Retailers Association) and Dorothea and Clive Saunders were in attendance.

The Chair thanked those present for their interest and welcomed them to the meeting. He then invited Mr S. Harris (Interim Head of Corporate Finance) to outline the key financial pressures facing the Council in 2016/17.

With the aid of a slide presentation, Mr Harris gave an overview of the budget proposals for 2016/17. To set the context, he referred to the report presented to Cabinet on 14th October 2015 which included an updated MTFP covering the three-year period 2016/17 to 2018/19. This was based on a range of revised assumptions, the most significant of which was an assumed reduction in WG funding of 4.3% for 2016/17 and 2017/18 and a further reduction of 3% for 2018/19. The updated MTFP also assumed an indicative increase in Council Tax of 3.9% for each of the three years. The net result of these changes was an anticipated savings requirement of £35.2m for the three-year period.

He advised that significant work had already been undertaken during 2015 to identify savings proposals and the report presented to Cabinet in October included details of potential savings proposals totalling £21.3m, consisting of £14.4m for 2016/17 and £6.9m for 2017/18. The savings proposals had been subject to an impact assessment to determine whether there would be an impact on service users and/or the public. £8.7m of the 2016/17 proposals and £3m of the 2017/18 proposals were assessed as having nil impact.

At the meeting on the 14th October 2015, Cabinet endorsed the proposed package of savings for 2016/17 and agreed that those assessed as having an impact on service users and/or the public should be subject to a further period of extensive consultation prior to final budget proposals being presented to Cabinet and Special Council in February 2016. Cabinet also supported the proposal to increase Council Tax by 3.9% for 2016/17 to ensure that a balanced budget could be achieved.

Details of the Comprehensive Spending Review were announced on the 25th November 2015 and the outcome was much better than anticipated. This in turn led to the ensuing cut in the 2016/17 Provisional Local Government Settlement being much less than feared. As such, the revised potential savings requirement for the three-year period 2016/17 to 2018/19 is now £24.5m instead of the £35.2m reported to Cabinet in October 2015. The savings requirement for the five-year period 2016/17 to 2020/21 being £36.3m.

Reference was then made to the key messages and Mr Harris gave an overview of each: -

- Revised savings requirement for 3 year period 2016/17 to 2018/19 is £24.5m instead of £35.2m in 14th October 2015 report to Cabinet.
- Savings requirement for 5 year period 2016/17 to 2020/21 is £36.3m.
- There is still need to deliver all of the savings currently under consideration and more
- If we focus on the 4 year period 2016/17 to 2019/20 to tie in with potential local government reorganisation then projected savings of £32.2m will be required.
- Further savings of circa £10.9m will be needed over and above those already under consideration.
- The position remains volatile:-
 - Variations in LG Settlement in recent years.
 - Assembly election.
 - Office for Budget Responsibility (OBR) projections may change.

Mr Harris then gave an overview of the 2016/17 budget proposals and highlighted the key components (1% increase in Council Tax, no generic increase in fees and charges, schools pledge honoured, £2.5m Social Care cost pressures contingency, one-off funding of £1.6m to be set-aside in earmarked Waste Management reserve, £215k one-off funding for Carbon Management initiatives (Improvement Objective 5) and all 2016/17 'Nil Impact' savings proposals to be delivered (£8.661m).

In closing he referred to ongoing work to identify future savings proposals and advised of the preparation of a report that is to be presented to Cabinet on 17th February and subsequently Council on 24th February 2016 which will detail the budget proposals for 2016/17 and the medium-term financial strategy 2016/21.

With regard to non-domestic rates, Mr Carpenter explained that these are set by the Valuation Office Agency as a means by which businesses and other users of non-domestic property contribute towards the costs of local authority services. The details of each premises, including a brief description and the rateable value, are held in a local rating list and premises are given a rateable value by the Valuation Office Agency. It was explained that NDR is calculated by taking the rateable value of a property and multiplying it by the NDR 'multiplier' for the year in question. The multiplier is set by Welsh Government and the payment collected by local authorities on its behalf.

Those present referred to the challenges that are faced by retail business and concerns were raised in relation to the number of vacant premises in the town centres as a result of the high rateable value and queried as to whether there is any assistance that the Authority can offer in order to encourage occupation. It was suggested that market conditions should be taken into consideration and a 'local' rate relief scheme or a scheme that could be negotiated with landlords should be adopted to assist in the process.

Mr Carpenter advised that the figures are set by the Valuation Office Agency and details of the rateable value for each premises, and how it has been calculated, are shown on a summary valuation for the property. There is a differentiation between locality and types of premises and more information is contained on the Valuation Office Agency website. If there is a disagreement on the rateable value of the property an appeal can be made to the Valuation Office Agency. On the Council's website there are details of those premises that are eligible for rate relief (mandatory/discretionary) or exemptions. If premises are entitled to any form of rate relief or exemption the sum is then reduced accordingly. It was noted that the retail rate relief will finish at the end of March 2016 and as of yet there has been no decision as to whether this relief will continue.

Rateable values are reviewed every five years - a revaluation. They were last updated in England and Wales on 1st April 2010, based on market rents at 1st April 2008. The revaluation scheduled to take effect from 1st April 2015 has been postponed until 2017 (the rateable value being assessed 2 years prior to that date). As part of the process, the Valuation Office will publish a new drafting rating list.

Whilst it was not the purview of the Sub-Committee, the Chair advised that he would be happy to meet with those present in order to consider a way the concerns raised can be taken forward with representations being made through Welsh Government and the relevant agencies.

The Chair thanked those present for their attendance and contribution to the meeting.

The meeting closed at 6.40pm.