



Members of the Fire Authority

Please find enclosed the urgent item for consideration at the Fire Authority scheduled for Wednesday, 21 September 2016:

- 5A Response to Consultation Self Sufficient Local Government: (Pages 1 - 2)**
100% Business Rates Retention

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Agenda Item 5A

URGENT BUSINESS ITEM

CHESHIRE FIRE AUTHORITY

MEETING OF : FIRE AUTHORITY
DATE : 21st SEPTEMBER 2016
REPORT OF : HEAD OF FINANCE
AUTHOR : PAUL VAUGHAN

**SUBJECT : RESPONSE TO CONSULTATION
SELF-SUFFICIENT LOCAL GOVERNMENT:
100% BUSINESS RATES RETENTION**

Purpose of report

- 1 To allow Members to consider a proposed response to a question contained in a consultation concerning business rate retention.

Recommended: That

[1] Members approve the draft response shown in paragraph 4 of the report.

Background

- 2 The Government issued a consultation concerning a proposal to allow local authorities to retain 100% of the business rates that they collect. The deadline to respond is 26th September 2016. The consultation, Self-sufficient Local Government: 100% Business Rates Retention, can be viewed online at: <https://www.gov.uk/government/consultations/self-sufficient-local-government-100-business-rates-retention>

Information

- 3 The consultation poses 36 questions in all, which in the main are technical questions and concerning matters which are relevant to a billing authority rather than a fire authority. However, one question is pertinent and merits a response from the Fire Authority:

“Do you consider that fire funding should be removed from the business rates retention scheme and what might be the advantages and disadvantages of the approach?”

- 4 The following draft response has been prepared:

Cheshire Fire Authority considers that fire funding should be removed from the business rates retention scheme. The reasons for this are:

URGENT BUSINESS ITEM

- Fire authorities cannot directly influence the activities which generate business rates. Business rates are by their nature volatile, and whilst fire authorities might benefit from that, there is also a risk that they would suffer financial loss. It is felt that the risk and reward relating to business rates should rest with billing authorities.

- Fire authorities are now funded by the Home Office, so it does not seem logical that they should remain in a funding regime targeted at local authorities which are funded by the Department for Communities and Local Government.

- An alignment of the approach to funding for fire and police is logical given the increased collaboration that is taking place.

- 5 The above represents the general view of fire finance colleagues. Of course the benefit, or otherwise of being removed from the business rate retention scheme will be difficult to gauge.

Financial implications

- 6 This report considers financial matters.

Legal Implications

- 7 There are no legal implications arising from the report.

Equality and diversity implications

- 8 There are no equality and diversity implications arising from this report.

Environmental implications

- 9 There are no environmental implications arising from this report.

BACKGROUND PAPERS:

Department for Communities and Local Government: Self-sufficient local government: 100% Business Rates Retention: Consultation Document.