

Report

10

Report to: **Finance and Corporate Resources Committee**
 Date of Meeting: **20 June 2018**
 Report by: **Executive Director (Finance and Corporate Resources)**

Subject: **Business Rates Incentivisation Scheme**

1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide information on the Business Rates Incentivisation Scheme, including performance in 2017/2018 and targets for 2018/2019

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the report be noted.

3. Background

3.1. The current Business Rates Incentivisation Scheme (BRIS) was introduced by the Scottish Government in 2014/2015. BRIS is designed to encourage local authorities to grow their business tax base, through measuring increases in Rateable Values.

3.2. Rateable Value (RV) is the value placed on properties for the calculation of non-domestic (business) rates. BRIS is not dependent on collection levels of non-domestic rates but economic development activity to increase the value of business properties in the South Lanarkshire area.

3.3. BRIS targets are set annually by Scottish Government and councils who exceed their target will receive additional funding. The Scottish Government calculates the additional income from business rates above the target and 50% of this income is allocated to the council, with the remaining 50% retained by the Scottish Government.

4. BRIS Performance

4.1. South Lanarkshire Council has not achieved BRIS target levels since the introduction of the scheme. The targets and growth for BRIS since 2014/2015 are set out in the table below:-

Year	Target	Growth	Variance
2014/2015	1.8%	1.1%	-0.7%
2015/2016	1.4%	0.7%	-0.7%
2016/2017	1.0%	0.4%	-0.6%

- 4.2. The Scottish Government confirmed that ten councils had received additional income under the scheme for 2016/2017 totalling £1.4 million. No figures are available for 2017/2018.
- 4.3. The Scottish Government confirmed the final BRIS target for 2017/2018 at 1.7%. Growth of 0.3% was achieved in 2017/2018, as calculated below. As performance was below target by 1.4%, no BRIS income is anticipated for 2017/2018.

Rateable Value SLC properties (year start)	£276.931m
Rateable Value SLC properties (year end)	£277.657m
Increase in Rateable Value 2017/2018	£0.726m
% growth	0.3%

5. BRIS Target 2018/2019

- 5.1. The Scottish Government has set a provisional BRIS target for 2018/2019 of 1.8%. Performance against this target will continue to be reported to Finance and Corporate Resources Committee on a quarterly basis.

6. Employee Implications

- 6.1. None.

7. Financial Implications

- 7.1. The Council's financial position assumes no income from BRIS, so there are no financial implications.

8. Other Implications

- 8.1. The Council does not currently budget for any additional income from BRIS therefore the financial risks are considered low.
- 8.2. There are no implications for sustainability in terms of the information contained within this report.

9. Equalities Impact Assessment and Consultation Arrangements

- 9.1. There is no requirement to carry out an impact assessment in terms of the proposals within this report.
- 9.2. There is no requirement to undertake any consultation in relation to the content of this report.

Paul Manning

Executive Director (Finance and Corporate Resources)

25 May 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, effective, efficient and transparent
- ◆ Ambitious, self aware and improving

Previous References

- ◆ Finance and Corporate Resources Committee - 7 February 2018

List of Background Papers

- ◆ Finance Circular 6/2018

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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