



## Report to Economic and Environmental Wellbeing Scrutiny and Policy Development Committee 26<sup>th</sup> October 2016

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**Report of:** Executive Director of Resources

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**Subject:** Business Rates: changes, risks and opportunities for Sheffield

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**Author of Report:** Laurie Brennan  
Policy and Improvement Manager  
[laurie.brennan@sheffield.gov.uk](mailto:laurie.brennan@sheffield.gov.uk)

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This paper provides an overview of the major changes that are taking place to the Business Rate system over the coming years, including the implementation of a revaluation of rateable values in April 2017.

In the medium term, Government have announced their intention to fully localise Business Rates to councils in England. Local areas currently retain 50% of their Business Rates with the other 50% going back to Government who then redistribute it to places through grants. From 2020, councils will keep 100% of their Business Rates and Government plan to phase out the main Revenue Support Grant (RSG) which councils currently receive.

This is a fundamental policy and financial change for local government and is a first step towards local fiscal reform in England.

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### **The Committee is being asked to:**

- Note the changes to Business Rates that are being implemented over the coming years
  - Consider the financial and economic implications of the changes for Sheffield
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### **Background papers**

Business Rate reform

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CLG (2016) *Self-sufficient local government: 100% business rates retention*,  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/535022/Business Rates Retention Consultation 5 July 2016.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/535022/Business_Rates_Retention_Consultation_5_July_2016.pdf)

CLG (2016) *Business rates reform: call for evidence on needs and redistribution*,  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/534956/Discussion document - Needs and Redistribution.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/534956/Discussion_document_-_Needs_and_Redistribution.pdf)

HM Treasury (2016) *Budget 2016*,  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/508193/HMT Budget 2016 Web Accessible.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/508193/HMT_Budget_2016_Web_Accessible.pdf)

HM Treasury (2016) *Spending Review and Autumn Statement 2015*,  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/479749/52229 Blue Book PU1865 Web Accessible.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/479749/52229_Blue_Book_PU1865_Web_Accessible.pdf)

### Sheffield City Council's financial position

Sheffield City Council (2016) *Medium Term Financial Strategy: 2017/18 to 2021/22*,  
<http://sheffielddemocracy.moderngov.co.uk/documents/s24067/MTFS.pdf>

### Wider fiscal reform

Core Cities (2016) *Stronger growth, better services, fiscally sustainable: core cities' response to the Metro Dynamics report on fiscal reform*,  
[http://www.corecities.com/sites/default/files/images/publications/Core%20cities%20Response%20Document\\_V6.pdf](http://www.corecities.com/sites/default/files/images/publications/Core%20cities%20Response%20Document_V6.pdf)

Metro Dynamics (2016) *A call for greater fiscal autonomy for our cities*,  
[https://static1.squarespace.com/static/55e973a3e4b05721f2f7988c/t/5742bd18d210b8671e0fed70/1463991577672/Metro+Dynamics\\_Core+cities+report\\_V11.pdf](https://static1.squarespace.com/static/55e973a3e4b05721f2f7988c/t/5742bd18d210b8671e0fed70/1463991577672/Metro+Dynamics_Core+cities+report_V11.pdf)

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