

RESOURCES

REPORT OF THE LEAD CABINET MEMBER FOR RESOURCES

The Lead Cabinet Member for Resources, Councillor Elkin, met on 29 October 2013.

Attendance: Councillor Elkin (Lead Cabinet Member for Resources)

Also present: Councillors Charlton, Keeley, O'Keeffe and Pursglove

1. Notice of Motion: Sustainable Communities Act Proposal

1.1 The Lead Cabinet Member has considered a report by the Chief Operating Officer concerning a Notice of Motion which was submitted by Councillor Charlton. The Notice of Motion states:

"The County Council notes the request from Local Works to consider submitting the following proposal to the government under the Sustainable Communities Act. That the Secretary of State gives Local Authorities the power to introduce a local levy of 8.5% of the rate on large retail outlets in their area with a rateable annual value not less than £500,000 and requires that the revenue from this levy be retained by the Local Authority in order to be used to improve local communities in their areas by promoting local economic activity, local services and facilities, social and community wellbeing and environmental protection. The Council notes that if this power was acquired it would present the opportunity to raise further revenue for the benefit of local communities, should the Council wish to use it. The Council resolves to submit the proposal to the government under the Sustainable Communities Act and to work together with Local Works to gain support for the proposal from other councils in the region and across the country."

The Chairman agreed that the Notice of Motion should be considered by the Lead Cabinet Member for Resources prior to it being reported to the Council Meeting on 3 December 2013.

1.2 The Sustainable Communities Act (SCA) 2007 means councils and communities can put forward new thinking (e.g. seek new legislation) on how best to improve quality of life and wellbeing in their local areas. The legislation was promoted by the think-tank New Economics Foundation and it provides a statutory framework for councils in England to work with local people and community groups, to put forward proposals on sustainable improvements to economic, environmental and social wellbeing.

1.3 This proposal stems from a campaign by the organisation "Local Works" specifically under the Sustainable Communities Act 2007. In more detail, the specific Local Works proposal is for a "Supermarket Levy" to ask central government to give local authorities the power to impose a levy of 8.5% of the rate on large retail outlets in their area with a rateable annual value not less than £500,000. The proposal, as developed by Local Works, is set out in the Appendix 1 to this report which is circulated separately to Members.

1.4 In two tier areas Districts and Boroughs already manage business rates in their area. District and Borough Councils are the local planning authorities influencing

RESOURCES

the development of neighbourhood economies. Large supermarkets are clearly significant contributors to neighbourhood economies. What is best for one locality within the county area is unlikely to be so for another. Whenever local powers are sought, local authorities have to be mindful of the influence they would have on its boundary neighbours.

1.5 At the same time, large supermarkets pay significant business rates revenues to local authorities, supporting local services. A new supplement could provide additional revenues to invest specifically in additional projects aimed at promoting the economic development of a local area and assisting wider economic progress. The risk is, of course, that a levy could discourage a major employer from settling in a particular area, which could jeopardise these significant revenues. To lose a major business rates payer, for whatever reason, would significantly impact on East Sussex County Council and District/Borough Business Rates Retention revenues.

1.6 The Lead Cabinet Member **recommends** the County Council to –

Y (1) agree that, on balance, the County Council considers it inappropriate to support the motion, but reserves the right to reconsider this approach if the Government were to consult on a mandatory power to local authorities at a national level; and

(2) note that the District and Boroughs also have an independent interest in this motion locally, namely Eastbourne Borough Council, Hastings Borough Council, Lewes District Council, Rother District Council and Wealden District Council in East Sussex. This is due to their separate roles as local planning and business rates billing authorities.

29 October 2013

DAVID ELKIN
Lead Cabinet Member for
Resources