Council, Tuesday 3 November 2009

Motion 3.6: Councillor Lynne Hillan

Business Rates

Council notes that business rates in London are set to rise by 10% before inflation over the next five years in order to pay for reductions elsewhere in the country. For the average Barnet business this will mean an additional £12,000 and follows a rise last April of 5%.

Council believes that to significantly raise taxes on small businesses as the economy is beginning to come out of recession is deplorable and makes a mockery of the Prime Minister's mantra that his government is 'doing everything we can to help people through the recession'.

Council notes that the Department for Communities and Local Government's plans are based on property valuations as at 1st April 2008, when rental values in London were at their peak, and before the recession took hold. Since that date commercial rents in London have plummeted by up to 40 per cent.

Council notes that business rates in many regions of the United Kingdom are to fall, subsidised by increases in London.

Council believes that there should be an immediate review of rental values to reflect the significant fall since April 2008. In the longer term the business rate tax system should be overhauled so that councils keep the money they raise, thereby creating an incentive to keep taxes low and encourage enterprise.

Council calls upon the Chief Executive to write to the Secretary of State to stating that;

- The Council objects to Barnet's businesses being forced to subsidise other parts of the United Kingdom
- There should be a review so that rates are not based on valuations at the height of the property bubble
- The Local Authority Business Growth Incentives scheme should be reformed and simplified in order for councils to keep more of the money they raise

Under Standing Order Part 4, Section 1, 31.5: if my item is not dealt with by the end of the meeting I ask that it be voted upon at the Council meeting.