

## SERVICES IN A UNITARY STRUCTURE

### CORPORATE RESOURCES: REVENUE COLLECTION

#### Introduction

1. Consideration of a possible unitary structure for Leicestershire presents an opportunity to consider whether to redesign how services are delivered by local government, and if so what form the redesigned structure should take. The focus is on how better outcomes can be delivered for residents, local business and partner organisations, and how local government can best work with those organisations recognising the challenging times ahead as a result of public sector finance restraints. This appendix, and other appendices prepared in part to facilitate discussion at scrutiny bodies, set out the opportunities that a unitary structure could afford to each service, as well as some examples of best practice from the county unitary councils established in 2009.
2. This appendix should be read alongside the appraisal of options in the Cabinet report. In the sections which follow, some of the changes highlighted offer the greatest benefits in a single unitary structure.

#### Current

3. Council Tax and Business Rates are currently collected by the seven districts, although some do have a shared arrangement for the transactional element of the service. This means there is duplication with separate management structures, collection systems and processes and polices across the county. Collection performance, especially for Council Tax, could be improved.

#### **What would Council and Business Rates service look like in a unitary structure?**

4. The benefits would materialise at both an operational and strategic level.
5. A unitary structure for Leicestershire would operate at a scale that would ensure best practice systems and processes would be adopted across the county with this improving the effectiveness of business rates and council tax collection. In addition, economies of scale and reduced management would lower collection costs.
6. As well as these obvious benefits there are real tangible benefits around economic development. The current split of business rates and council tax (including New Homes Bonus) between county and districts means some of the strategic economic development levers are just not used. There is also inherent confusion given the complexities of the existing system. Examples of improvements are set out below:
  - There is the potential for discretionary business rates discounts to be used to encourage economic development in certain locations and to encourage certain types of business to locate in Leicestershire. The current structure does not allow such encouragement to be effective.

- As the business rates generated are split between districts and the county it is often very difficult to ensure the appropriate level of investment is made in infrastructure both to encourage investment and to cope with the impact of development. The major infrastructure investment is generally in transport and schools and the tax benefits from growth are not received by the organisation responsible for the investment in these services.
  - The simplification of the business rate system would lead to better relationships with the LLEP and enterprise zones.
7. Discretionary Council Tax discounts and exemptions could be used in a similar way as levers to deliver policies around housing, social inclusion and economic development. This would involve a much more considered policy approach around these areas linking tax policy to other social policies to help deliver objectives ranging from bringing vacant homes into occupation to council tax discounts and incentives for vulnerable groups. This approach would be more successfully delivered at a unitary county level.