



Report Reference Number: E/18/22

To: Executive
Date: 27 September 2018
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Executive Member: Councillor Cliff Lunn – Lead Member for Finance & Resources
Lead Officer: Karen Iveson – Chief Finance Officer

Title: 75% Business Rates Retention Pool

Summary:

This report presents an update on the arrangements for a 75% business rates retention pilot noting the deadline for submission of applications was 25th September 2108.

Recommendations:

It is recommended that the Executive note the position and endorse the action taken.

Reasons for recommendation

To ratify the decision.

1. Introduction and background

- 1.1 Significant changes to the Business Rates Retention Scheme were previously anticipated following the Government’s announcement that in future 100% of Business Rates will be retained by Local Government and Revenue Support Grant will be phased out. However since the General Election, plans for 100% rates retention are uncertain as bids for 75% pilots in 2019/20 have recently been invited.
- 1.2 As part of the Medium Term Financial Strategy report the Executive delegated authority to the Chief Finance Officer in consultation with the Lead Member for Finance and Resources, to submit an application as part of a wider North Yorkshire pool, on behalf of the Council, should this present a favourable outcome.
- 1.3 The deadline for submission of applications is 25th September 2018. It is understood that the submission of an application is not binding so should any issues come to light after the bid has been submitted, councils could withdraw.

2. The Report

- 2.1 The Chief Finance Officer has been working closely with colleagues across the district councils and North Yorkshire County Council to assess the implications for a 75% retention pool.
- 2.2 However, given the likelihood of East Riding of Yorkshire Council joining a Hull/Lincs proposal, Selby's safety net position and tier split issues between Harrogate Borough Council and North Yorkshire County Council, it became clear that an all North Yorkshire District and County proposal was untenable.
- 2.3 Consequently discussions were widened to a potential combined West Yorkshire/North Yorkshire pilot. In principle this option has support from member councils although final financial modelling is being undertaken to inform the distribution of any expected gains and any ultimate decisions.
- 2.4 A pilot application on a larger footprint enables greater spreading of risk for member councils, supports collaborative working across our overlapping Local Enterprise Partnerships and strengthens devolution proposals in our area.
- 2.5 The timescales are such that it is not possible to provide more precise information at this stage but any application involving Selby will be circulated to the Executive in advance of the meeting.

Legal/Financial Controls and other Policy matters

3.1 Legal Issues

- 3.1.1 There are no legal issues to raise as a direct result of this report.

3.2 Financial Issues

- 3.2.1 The financial issues are subject to the pilot proposals ultimately put forward but it is expected that Selby would be marginally better off as a result of the pilot proposal.
- 3.2.1 Should the WY/NY pilot not be taken forward authorities will revert to their existing arrangements. For Selby this would mean not being involved in any business rates pool and still being in receipt of a safety net payment from the government.

3.3 Impact Assessment

- 3.3.1 There are no equality impacts as a result of this report.

4. Conclusion

- 4.1 The Chief Finance Officer is continuing to work with colleagues across the sub-region to develop proposals for a potential pilot application. It is assumed that Selby will only take part if there is a favourable outcome for the Council.

5. Background Documents
None

Contact Details

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