



BROMSGROVE DISTRICT COUNCIL

MEETING OF THE COUNCIL

WEDNESDAY 20TH SEPTEMBER 2017, AT 6.00 P.M.

PARKSIDE SUITE - PARKSIDE

ADDITIONAL PAPERS 2

The attached papers were specified as "to follow" on the Agenda previously distributed relating to the above mentioned meeting.

- 9. Business Rates Pooling Pilot (Pages 1 - 4)
- 15. Motions on Notice (Pages 5 - 12)

A period of up to one hour is allocated to consider the motions on notice. This may only be extended with the agreement of the Council.

K. DICKS
Chief Executive

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA

19th September 2017

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100% BUSINESS RATE PILOT POOL

Relevant Portfolio Holder	Councillor Geoff Denaro
Portfolio Holder Consulted	-
Relevant Head of Service	Jayne Pickering – Exec Director Finance and Resources
Ward(s) Affected	All Wards
Ward Councillor(s) Consulted	No

1. SUMMARY OF PROPOSALS

- 1.1 To present the potential opportunities to participate in a 100% Business Rate Pool Pilot covering Worcestershire and seek delegated authority to conclude the 2018/19 Business Rate Pool arrangements with the Executive Director Finance and Resources and Group Leaders. In the event that a decision cannot be reached the matter will be reported to a Special Full Council in October.

2. RECOMMENDATIONS

- 2.1 **That the Council consider the information received to date on the potential opportunities to participate in a 100% Business Rate Pool Pilot covering Worcestershire and delegate the decision on the 2018/19 Business Rate Pool arrangements to the Executive Director Finance and Resources in agreement with the Group Leaders. In the event that a decision cannot be reached the matter will be reported to a Special Full Council in October.**

3. KEY ISSUES

- 3.1 On 1st September 2017 the Secretary of State published a prospectus inviting applications for business rate pool pilots to be submitted by 27th October. The Secretary of State is seeking pools that cover County areas where the pilot can help inform the tier splits between County and District authorities and mechanisms for encourage future business rate growth.
- 3.2 To be successful the pilot would require all Districts in the County to apply and after discussing with the Leader it was agreed to have a dialogue on the application for a Worcestershire Business Rate Pool Pilot as part of the 100% business rate retention. The decision will be informed by:-
- A view on the likelihood of the success of a bid
 - The tier splits proposed as part of the application
 - Confirmation that the impact of the loss of RSG is taken into account in the revised tariff calculation – ie cost neutral
 - A requirement for the County and all Districts to be part of the Pool
 - Understanding the safety net calculation, impact if the 'no detriment' guarantee is not part of the pilot and how this risk will be managed.

- Understanding how income earmarked in the Pool for further growth is to be applied. Bromsgrove has major projects planned and proposed and would welcome resources to incentivise economic development which in turn will increase the future business rate pool (ie invest to gain future yield).
- Understanding the impact of Bromsgrove withdrawing from the GBS Pool and how the resources set aside for safety net would be applied.

3.3 The decision is a matter for Council. Discussions are still at an early stage and the information to make an informed decision will not be available until October. The next Council meeting is 22nd November so authority is sought to delegate the decision to the Executive Director Finance and Resources in agreement with Group Leaders. In the event that a decision cannot be reached the matter will be reported to a Special Full Council in October.

3.4 At this stage the Council has the option of remaining a member of the Greater Birmingham & Solihull Pool or participating in the pilot. If we decide to apply for the Worcestershire Pool Pilot and it is successful this will be the Pool which will apply in 2018/19. However, if the application is unsuccessful the Council can determine which Pool membership would apply. This could be either the Greater Birmingham & Solihull Pool or the Worcestershire Pool Pilot. It is not possible in the arrangements to be a member of two pools. These matters are all part of the delegation within the decision on '2018/19 Business Rate Pool arrangements'.

Financial Implications

3.5 At the moment the Council receives 26.5% of the business rate growth through the Greater Birmingham & Solihull Pool. 20% is received automatically and 6.5% through the pooling arrangements. A diagram illustrating this split is attached as Appendix 1.

3.6 A summary of the current distribution of the business rate growth through the Pool is:-

	%
Bromsgrove District Council	26.5
Birmingham City Council	1.5
Greater Birmingham & Solihull LEP	8.0
Safety Net Pot	4.0
Central Government	50.0
Worcestershire County Council	9.0
Hereford and Worcester Fire	1.0
Total	100.0

3.7 Prior to the distribution of business rate resources from the pool there is a top slice for administration costs incurred by Birmingham City Council who are the lead authority. These amount to £50,000 per annum. The current administration costs of the Worcestershire business rate pool are £10,000 per annum.

- 3.8 The safety net pot is required to protect pool members if there is a reduction in business rate income which could be from business decline but is more likely to be from successful appeals or applications for mandatory rate reliefs.
- 3.9 The main benefit from the 100% business rate pilot is that the Government's 50% share is retained locally. The pilot requires an agreement on the tier splits between Districts and County and there is an expectation that the County will receive a greater share than at the moment to deal with pressures such as Adult Social Care. The Government will also want to see a top slice to encourage future business rate growth. However, there is scope for the Districts to receive more than the current arrangements and also to have more influence over the resources to encourage business rate growth. For Bromsgrove the final decision will require a share of growth in excess of 26.5%.

Legal Implications

- 3.10 Schedule 7B to the Local Government Finance Act 1988 provides the framework of the pooling arrangements including the designation of a lead authority and Governance requirements. There are currently five pilot pools, Greater Manchester, Liverpool City Region, the West Midlands, Cornwall and the West of England.

Service / Operational Implications

- 3.11 If the Council decided to apply to be a pilot for 100% business rate retention and it is successful it this is likely to provide additional corporate resources to fund services. The extent of the additional resource is unknown at this stage and the main factor will be the tier splits.

Customer / Equalities and Diversity Implications

- 3.12 There are no direct implications arising out of this report.

4. RISK MANAGEMENT

- 4.1 The main risk with business rates is if there were successful business rate appeals or new mandatory rate relief application. This could reduce business rate income and there is no Government safety net if you are a member of a pool. For this reason pools set aside resources to cover this risk.

5. APPENDICES

Appendix 1 – Business Rate Growth Diagram

AUTHOR OF REPORT

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Appendix 1

CURRENT - business rate growth

BDC	WCC	Fire	CG
40%	9%	1%	50%
Keep 50% as a right			
20%			
Levy for 50%			
20%			
BGS Pool receives levy and pays back 32.5%			
6.5%			
District share of growth			
26.5%	or 66.25% of the 40%		

The levy is payable to the Government unless a Council is part of of Business Rate Pool

BUSINESS RATE PILOT - business rate growth

BDC	WCC	Fire	nothing to CG
<p>Tier splits to be agreed but keep 100% locally , no levy</p>			
<p>No central Government share so gain 50%</p>			
<p>There must be a scheme to use a proportion of the resources to enhance future business rate growth</p>			

COUNCIL

20th September 2017

NOTICE OF MOTION – NEW HOMES BONUS

The following Notice of Motion has been submitted in accordance with Procedure Rule 10 by Councillor P. M. McDonald:

“This Council immediately ceases the practice of double accounting, by charging £2,000 administration for the transfer of New Homes Bonus Grant of £27,000 from last year to this year’s account thus reducing the amount of monies available to the public. The Council is guilty of sharp practice which has no place in local government.

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COUNCIL

20th September 2017

NOTICE OF MOTION – HIGHWAYS DATA

The following Notice of Motion has been submitted in accordance with Procedure Rule 10 by Councillor L. C. R. Mallett:

“Council notes that even Worcestershire County Council’s (WCC) potentially flawed highways survey data from 2017 shows large uplifts in traffic volume over the past few years over historic levels.

Council further notes that on some roads especially on the west of the town the actual observed growth is much higher than the previous projections from Worcestershire Highways’ now discredited models.

Council resolves to commission an urgent independent review of all WCC input into current development strategy and any local highways strategy, including the analysis and report around the need for a Western Distributor Road for Bromsgrove.”

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COUNCIL

20th September 2017

NOTICE OF MOTION – NJC PAY CLAIM

The following Notice of Motion has been submitted in accordance with Procedure Rule 10 by Councillor M. Thompson:

“Public Sector workers have unnecessarily borne the brunt of austerity at the expense of others. Pay freezes and pay caps amount to little more than a “divide and rule” tactic.

Council notes that:

NJC basic pay has fallen by 21% since 201 in real terms;
NJC workers had a three year pay freeze from 2010-2012;
Local terms and conditions of many NJC employees have also been cut, impacting on their overall earnings;
There are growing equal and fair pay risks resulting from this situation.

The Council therefore supports the NJC pay claim for 2018, submitted by UNISON, GMB and Unite on behalf of council workers and calls for immediate end of public sector pay restraint. NJC pay cannot be allowed to fall further behind other parts of the public sector.

This Council also notes the drastic ongoing cuts to local government funding and calls on the government to provide additional funding to fund a decent pay rise for NJC employees and the pay spine review.

This Council therefore resolves to:

Call immediately on the LGA to make urgent representations to government to fund the NJC pay claim and the spine review and notify us of their action in this regard;

Write to the Prime Minister and Chancellor supporting the NJC pay claim and seeking additional funding to fund a decent pay rise and the pay spine review;

Meet with the NJC union representatives to convey the support for the pay claim and the pay spine review”.

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COUNCIL

20th September 2017

NOTICE OF MOTION – AFFORDABLE HOUSING

The following Notice of Motion has been submitted in accordance with Procedure Rule 10 by Councillor C. J. Bloore:

“Council notes the shortage of affordable homes in the Bromsgrove District.

Council notes the challenges facing Bromsgrove District Council in attracting and retaining young people in the local area due to local above average housing prices.

Council notes the challenging local private renting situation in the Bromsgrove District area.

Council believes it should be an integral part of the Council’s Economic Strategy to best ensure a housing market that meets our economic needs.

Council resolves to ensure that on developments of over fifteen dwellings or more a minimum of 40% of units should be affordable.”

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