



**BROMSGROVE DISTRICT COUNCIL**

**MEETING OF THE CABINET**

WEDNESDAY 5TH SEPTEMBER 2012, AT 6.00 P.M.

THE COUNCIL HOUSE, BURCOT LANE, BROMSGROVE

**SUPPLEMENTARY DOCUMENTATION**

The attached papers were tabled at the meeting.

15. Business Rate Pooling (Pages 1 - 6)

K. DICKS  
Chief Executive

The Council House  
Burcot Lane  
BROMSGROVE  
Worcestershire  
B60 1AA

17th September 2012

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**EXAMPLE OF SHARE OF £100K INCREASE IN BUSINESS RATE GROWTH FOR EACH DISTRICT COUNCIL WITHIN THE POOLED AREA**

| District       | National Share | Local Share | District Share |              |           | County Share |
|----------------|----------------|-------------|----------------|--------------|-----------|--------------|
|                |                |             | Gross          | Levy         | Net       |              |
| Bromsgrove     | 50             | 50          | 40             | (33)         | 7         | 10           |
| Malvern        | 50             | 50          | 40             | (27)         | 13        | 10           |
| Redditch       | 50             | 50          | 40             | (34)         | 6         | 10           |
| Worcester City | 50             | 50          | 40             | (33)         | 7         | 10           |
| Wychavon       | 50             | 50          | 40             | (32)         | 8         | 10           |
| Wyre Forest    | 50             | 50          | 40             | (29)         | 11        | 10           |
| <b>Total</b>   | <b>300</b>     | <b>300</b>  | <b>240</b>     | <b>(188)</b> | <b>52</b> | <b>60</b>    |
| <b>Pool</b>    | <b>300</b>     | <b>300</b>  | <b>300</b>     |              |           |              |

**Worcestershire Draft Proposal Potential Share of Retained Levy - £300k**

**50% - Risk Reserve £150k**

**25% - Districts £75k ( £12k per Council )**

**25% - County £75k**

**Greater Bham & Solihull Draft Proposal Potential Share of Retained Levy - £300k**

**25% - Risk Reserve £75k**

**75% - Pooled Reserve for Economic Development / Core Funding Bids**

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## **POOLING OPTIONS**

### **Greater Birmingham & Solihull / Worcestershire**

- Tariff Authority ( we receive more rates than entitled to)
- 20% of Business Rates paid to County
- Levy of each £1 of growth = 82p
- Starting position “No Loss” from being in pool
- Only retained levy paid into pool
- Maintain Sovereignty of District
- Rely on pooled funds to fund “safety net”

### **Worcestershire**

- All Districts Expressed an Interest in joining
- 1% Growth = £1.8m
- Growth estimations over next 5 years = 0.5% - 1% over RPI
- Economic Development opportunities
  - Worcester Tech Park
  - Malvern Science Park
  - Hoobrook (Wyre Forest Enterprise Zone)
- Proposals ( for consideration) :
  - 50% into risk reserve ( safety net)
  - 50% into Economic Development Reserve ( to be allocated to projects across the County)

### **Greater Birmingham & Solihull**

- All Districts Expressed an Interest in joining
- 1% Growth = £7.7m
- Growth estimations over next 5 years = 0.5% - 8% over RPI
- Economic Development opportunities
  - Enterprise Zone ( supporting other developments)
  - Birmingham Airport Improvements
  - City Deal Funding
- Proposals ( for consideration) :
  - 25% into risk reserve ( safety net)
  - 75% into Reserve to be utilised ( with approval) for Economic Development or Core Funding support

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## **TIMELINE**

**10<sup>th</sup> September** – Decision on pool – Worcestershire / Greater Birmingham & Solihull

**19<sup>th</sup> October** – Governance arrangements to be agreed with participating Councils

**Dec/ Jan** – Local Government Finance Settlement announced. Opportunity for Councils to withdraw from pooling arrangement if impact of financial settlement no longer beneficial.

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