

ARUN DISTRICT COUNCIL

REPORT TO AND DECISION OF POLICY & FINANCE COMMITTEE ON 31 MARCH 2022

SUBJECT: BUSINESS RATE POOL – DECISION MAKING

REPORT AUTHOR: Karl Roberts, Director of Place

DATE: 18 February 2022

EXTN: 37760

AREA: Planning

EXECUTIVE SUMMARY:

The purpose of this report is to address how decisions on the Business Rate Pool can be made in a timely manner.

RECOMMENDATIONS:

The Committee is asked to agree:

- a) That any membership contributions for external partnerships currently funded from the Business Rate Pool will continue to do so until the funds are exhausted, or a decision is made by the constituent authorities of the Business Rate Pool to cease funding, whichever is the sooner; and
- b) Delegate to the Chief Executive in consultation with the Leader of the Council, the authority to determine in agreement with the other West Sussex Authorities, this Council's position on how any Business Rate Pool funds are used both in respect of the 2015-2021 Business Rate Pool and the 2022 onwards Business Rate Pool.

1. BACKGROUND:

- 1.1 The Council, along with the other West Sussex Authority Members currently participate in a Business Rate Pool. The overall scheme came into effect from 1 April 2013 and deals with income from business rates (the business rate retention scheme). Under the business rates retention scheme, local authorities are able to keep a proportion of the business rates that they collect. However, the system remains extremely complex with tariffs, top-ups, 'safety nets' and levies.
- 1.2 Details of the scheme and how it works were presented in a report to the Policy & Finance Committee on the 9 December 2021 (see Background Papers).

<p>1.3 The Council joined the West Sussex Business Rates Pool on 1 April 2015 and was a Pool Member until 31 March 2021. The Pool was suspended for 2021/22 because of the financial risks to all the Pool Members arising from COVID-19. An invitation has been received from the Department of Levelling Up, Housing and Communities (DLUHC) to re-introduce a pool for 2022/23 and the Council agreed to join as from the 1 April 2022.</p> <p>1.4 However, at present there is not any authority, other than to bring reports to this Committee to collectively agree with the other authorities how any funds in the Pool are spent. Clearly this is not helpful to making timely decisions and so the purpose of this report is to address that.</p>															
<p>2. PROPOSAL(S):</p> <p>2.1 The Committee should note that the Council's membership fees for a number of partnership groups are currently funded from the Business Rate Pool. All the other authorities are currently awaiting the decision of this Council to support the continued funding of these partnerships from the Business Rate Pool.</p> <p>2.2 In order to support the operation of the pool and to enable timely decisions to be made it is also proposed that the Chief Executive be given delegated authority (in consultation with the leader of the Council) to make decisions on behalf of this Council in respect of how the Business Rate Pool funds are spent. This would apply to both any legacy funds from the 2015 pool and the more recent 2022 fund.</p>															
<p>3. OPTIONS: To agree or reject the recommendations</p>															
<p>4. CONSULTATION:</p>															
<p>Has consultation been undertaken with:</p>	<table border="1"> <thead> <tr> <th data-bbox="1040 1339 1267 1397">YES</th> <th data-bbox="1267 1339 1490 1397">NO</th> </tr> </thead> <tbody> <tr> <td data-bbox="1040 1397 1267 1451"></td> <td data-bbox="1267 1397 1490 1451">X</td> </tr> <tr> <td data-bbox="1040 1451 1267 1505"></td> <td data-bbox="1267 1451 1490 1505">X</td> </tr> <tr> <td data-bbox="1040 1505 1267 1559"></td> <td data-bbox="1267 1505 1490 1559">X</td> </tr> </tbody> </table>	YES	NO		X		X		X						
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<p>Relevant Town/Parish Council</p>															
<p>Relevant District Ward Councillors</p>															
<p>Other groups/persons (please specify)</p>															
<p>5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)</p>	<table border="1"> <thead> <tr> <th data-bbox="1040 1559 1267 1673">YES</th> <th data-bbox="1267 1559 1490 1673">NO</th> </tr> </thead> <tbody> <tr> <td data-bbox="1040 1673 1267 1727">X</td> <td data-bbox="1267 1673 1490 1727"></td> </tr> <tr> <td data-bbox="1040 1727 1267 1780"></td> <td data-bbox="1267 1727 1490 1780">X</td> </tr> <tr> <td data-bbox="1040 1780 1267 1834"></td> <td data-bbox="1267 1780 1490 1834">X</td> </tr> <tr> <td data-bbox="1040 1834 1267 1888"></td> <td data-bbox="1267 1834 1490 1888">X</td> </tr> <tr> <td data-bbox="1040 1888 1267 1942"></td> <td data-bbox="1267 1888 1490 1942">X</td> </tr> <tr> <td data-bbox="1040 1942 1267 1995"></td> <td data-bbox="1267 1942 1490 1995">X</td> </tr> </tbody> </table>	YES	NO	X			X		X		X		X		X
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<p>Financial</p>															
<p>Legal</p>															
<p>Human Rights/Equality Impact Assessment</p>															
<p>Community Safety including Section 17 of Crime & Disorder Act</p>															
<p>Sustainability</p>															
<p>Asset Management/Property/Land</p>															

Technology		X
Other (please explain)		X

6. IMPLICATIONS: There is no cost to the Council arising from this decision if agreed. If it is not agreed then any membership fees for any partnerships would need to be found out of the Council's budget.

7. REASON FOR THE DECISION: To address how decisions on the Business Rate Pool can be made in a timely manner.

8. BACKGROUND PAPERS:

Policy & Resources Committee agenda – 9th December 2021

<https://democracy.arun.gov.uk/documents/s9638/Business%20Rates%20Pooling.pdf>