


Single Member Cabinet Decision**Executive
Forward Plan
Reference****E2907****Decision to participate in a 100% Business Rates Retention
Pilot commencing 1 April 2017**

Decision maker/s	Cllr Charles Gerrish, Cabinet Member for Finance and Efficiency
The Issue	<p>The Government is introducing pilot schemes in 2017/18 in advance of full 100% business rate retention later in the parliament. Only authorities with signed devolution deals are eligible to be in a pilot: the pilot for the West of England would therefore include B&NES, Bristol and South Gloucestershire. The 100% pilot would give the West of England authorities the opportunity to retain 100% of any business rates growth over the next two to three years, with no downside financial risk. It also gives the West of England authorities the opportunity to help shape the national scheme.</p>
Decision Date	17 October 2016
The decision	<p>The Cabinet Member agrees that:</p> <ul style="list-style-type: none">(i) B&NES joins a 100% business rate retention pilot with Bristol and South Gloucestershire in 2017/18, subject to the final ratification of the Order for the West of England Devolution Deal.(ii) The principles of the 100% business rate retention pilot proposed by the Department for Communities and Local Government (DCLG) on the basis that the pilot will not leave any of the pilot authorities in the West of England any worse-off in financial terms.(iii) The final decision on the terms of the pilot following DCLG issuing a detailed proposal later in October 2016 be delegated to the Council's Chief Financial Officer in consultation with the Cabinet Member for Finance & Efficiency.(iv) The funding streams that are proposed for the 100% business rate retention pilot, as set out in the supporting report, are approved.(v) Agreement on the terms of a Memorandum of Understanding governing the redistribution scheme to ensure that no individual Authority can receive less than it would have done under the existing 50% scheme be delegated to the Council's Chief Financial Officer.
Rationale for decision	<p>It gives the three local authorities and the Combined Authority within the Pilot the ability to maximise their potential for additional business rates retention with no additional downside risks.</p> <p>There is no additional risk from the funding transfers to which the Pilot is agreeing and there is scope to expand the Pilot in 2018/19 to include a wider range of services and funding streams.</p>

Financial and budget implications	<p>The 100% pilot would enable the West of England authorities (B&NES, Bristol and South Gloucestershire) to retain 100% of the growth in business in 2017/18, 2018/19 and (potentially) 2019/20. Based on the budgeted level of business rates income in 2016/17, it is estimated that an additional £18.9m would be retained by the West of England authorities in 2017/18.</p> <p>The “no detriment” provisions for the 100% pilot mean that, if business rate income is lower than expected, the West of England would be no worse off than had it been operating the existing 50% rate-retention scheme.</p> <p>A number of funding streams would no longer be paid as specific grants to the West of England authorities, but would instead be funded from the additional retained rates.</p>
Issues considered (these are covered in more detail in the report)	Financial Sustainability; Corporate; Other Legal Considerations.
Consultation undertaken	Cabinet colleagues; Stakeholders/Partners; Other Public Sector Bodies; Section 151 Finance Officer; Chief Executive; Monitoring Officer.
How consultation was carried out	Discussions, negotiations and sharing of this report.
Other options considered	None, there are no other pilot options available.
Declaration of interest by Cabinet Member(s) for decision, including any dispensation granted:	None
Any conflict of interest declared by anyone who is consulted by a Member taking the decision:	None

Signatures of Decision Maker	
Date of Signature	17 Oct 16
Subject to Call-in until 5 Working days have elapsed following publication of the decision	