

Bath & North East Somerset Council

MEETING/ DECISION MAKER:	Cllr Tim Warren, Leader of the Council	
MEETING/ DECISION DATE:	On or after 5th April 2018	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3063
TITLE:	West of England Combined Authority (Business Rate Supplements Functions) Order 2018	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: None		

1 THE ISSUE

1.1 As part of the arrangements for devolution and the establishment of combined authorities, the Government committed to give the West of England Combined Authority Mayor the power to place a supplement on business rates to fund infrastructure, with the agreement of the local business community through the local enterprise partnership, up to a cap of 2p per pound of rateable value. The Government now intends to bring forward Regulations to be laid before Parliament in 2018 which will give effect to this commitment. The Government requires each of the constituent councils to give consent to the West of England Combined Authority (Business Rate Supplements Functions) Order 2018, this report seeks the granting of this consent.

2 RECOMMENDATION

The Leader is asked to;

- 2.1 Give consent to the West of England Combined Authority (Business Rate Supplements Functions) Order 2018.
- 2.2 Delegate to the Chief Executive, authority to make all related decisions and provide written authority to the Secretary of State of consent to the West of England Combined Authority (Business Rate Supplements Functions) Order 2018.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 This report is financial in nature and there are no direct implications arising. Subject to Consent being given to the West of England Combined Authority

(Business Rate Supplements Functions) Order 2018, the WECA mayor will have flexibility to propose a supplementary business rate as part of the Mayoral Budget process and subject to the provisions set out in Section 5 of this report.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The West of England Combined Authority (Business Rate Supplements Functions) Order 2018 will be specified in regulations made under The Business Rates Supplement Act 2009.

5 THE REPORT

- 5.1 As part of the arrangements for devolution and the establishment of combined authorities, the Government committed to give the West of England Combined Authority Mayor the power to place a supplement on business rates to fund infrastructure, with the agreement of the local business community through the local enterprise partnership, up to a cap of 2p per pound of rateable value.
- 5.2 The Government now intends to bring forward Regulations to be laid before Parliament in 2018 which will give effect to this commitment.
- 5.3 It is currently envisaged that The West of England Combined Authority (Business Rate Supplements Functions) Order 2018 will give effect to commitments in the area's devolution agreement by giving the WECA Mayor the same powers that the mayor of Greater London has to levy a supplement on business rates to raise money for a project that will promote economic development in the area. These powers are provided in the Business Rates Supplements Act 2009. Key provisions are set out below.
- 5.4 The funds raised from the supplement cannot be put towards the WECA's day-to-day running costs or for the costs of services it has existing obligations to provide.
- 5.5 Before levying any business rates supplement, the WECA Mayor would be required to publish and consult on, a prospectus setting out the details of and benefits arising from the proposed project that the business rates supplement would fund.
- 5.6 Following consultation, the proposed business rates supplement will then be subject to a ballot of businesses that would be affected. Both a majority of affected individual rate-payers must approve it and the aggregate rateable value of those businesses in favour must exceed those against.
- 5.7 The business rate supplement may only be levied on business properties with a rateable value of £50,000 or more. The WECA Mayor may increase, but cannot reduce, this threshold, and can apply any other reliefs as may be set out in the prospectus.
- 5.8 It should be stressed that giving consent to this Order is not in any way, a decision to actually implement a business rate supplement. In addition to the specific requirements set out above for such a supplement to be approved, any proposal would first be subject to usual WECA governance approval as part of the Mayoral Budget process.

6 RATIONALE

6.1 The Government requires each of the constituent councils to give consent to the West of England Combined Authority (Business Rate Supplements Functions) Order 2018.

7 OTHER OPTIONS CONSIDERED

7.1 The order will give effect to the business rates supplement commitment contained in the WECA Devolution agreement.

8 CONSULTATION

8.1 WECA has undertaken consultation with each of the constituent council Chief Executive, Monitoring and S151 Officers. Consent to the Regulations will also need to be given by each of the constituent councils as an executive function. The specific consultation requirements for any proposed business rate supplement are set out in paragraph 5.4 above.

8.2 This report has been reviewed by the Council's S151 & Monitoring Officers.

9 RISK MANAGEMENT

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

9.2 There are no specific risks arising from this report. As set out in para's 5.4 above, a detailed prospectus would need to be produced as part of the process for consideration and consultation of any proposed business rate supplement.

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Background papers	The West of England Combined Authority Order 2017
Please contact the report author if you need to access this report in an alternative format	