

Cabinet Meeting		Agenda Item: 10
Meeting Date	5 October 2016	
Report Title	Business Rate Pooling	
Cabinet Member	Cllr Duncan Dewar-Whalley, Cabinet Member for Finance & Performance	
SMT Lead	Nick Vickers, Head of Finance	
Head of Service	Nick Vickers, Head of Finance	
Lead Officer	Nick Vickers, Head of Finance	
Key Decision	No	
Classification	Open	
Forward Plan	Reference number:	
Recommendations	1. To delegate to the Head of Finance in consultation with the Cabinet Member for Finance & Performance any decision to enter into a business rates pool for 2017/18.	

1 Purpose of Report and Executive Summary

- 1.1 Local authorities are able to enter into arrangements with other Councils to pool their business rates. This report seeks delegations to enable the Council to re-enter a pool in 2017/18.

2 Background

- 2.1 Legislation allows councils to voluntarily enter into a business rates retention pool. Councils within a pool are treated as a single entity with tariffs and top ups netted off and a single levy rate applied. In two tier areas this creates the potential for the levy paid by Borough Councils being reduced thus retaining more resources in the local area. In 2014/15 Kent County Council (KCC) and Maidstone Borough Council created a pool. In September 2014 Cabinet agreed to the principle of participation in a pool and 10 of the 12 Borough Councils committed to a pool with KCC for 2015/16. Further to this in October 2015 the Cabinet gave delegated powers to the Head of Finance in consultation with the Cabinet Member for Finance & Performance to join for 2016/17. Once again the pool proceeded with 10 Councils with Dartford replacing Dover.
- 2.2 Within the pool in each Borough area additional income is divided 30% Borough/30% KCC/30% for projects in the Borough area and 10% for a contingency. Any potential revenue is one-off and not taken into the base budget. For the one year which is complete, 2015/16, Swale was the largest

financial beneficiary of the pool with total additional revenue generated of £1.093m, split £330k to Swale BC, £328k to KCC, £328k to a 'Growth Fund' (jointly between KCC and Swale BC) and £109k earmarked for safety net payment.

- 2.3 A decision in principle needs to be taken by 31 October on whether the pool should continue into 2017/18. Whilst the Council monitors its own business rates income the pool requires the accounting body for the pool to coordinate monitoring across the 10 billing authorities and provide information back on the operation of the whole pool. Discussions are underway currently with KCC and the other boroughs but we do not yet have the full information to make a final decision.

3 Proposals

- 3.1 The pool is attractive as a way of retaining income in the county which would otherwise be paid to DCLG and at this stage it is anticipated that it will be in the Council's interest to stay within the pool.

4 Alternative Options

- 4.1 The decision could be to cease membership of the pool but this would mean the authority losing the benefits set out in paragraph 2.1 and 2.2 of the report.

5 Consultation Undertaken or Proposed

- 5.1 Consultation is taking place with KCC, Fire and Rescue and the other Borough and District Councils.

6 Implications

Issue	Implications
Corporate Plan	Good financial management is a key to achieving Corporate Plan objectives.
Financial, Resource and Property	As detailed in the report.
Legal and Statutory	None identified at this stage.
Crime and Disorder	None identified at this stage.
Sustainability	None identified at this stage.

Health and Wellbeing	None identified at this stage.
Risk Management and Health and Safety	None identified at this stage.
Equality and Diversity	None identified at this stage.

7 Appendices

None.

8 Background Papers

None.