

EXECUTIVE DECISION RECORD

REF No. 074/23

A1 Service Area	Finance and Treasury Management
A2 Title	Staffordshire Business Rates Pool Arrangements for 2024/25
A3 Decision Taken By	Cabinet Member / Chief Officers
A4(a) Chief Officer	Please print name: Andy O'Brien Please sign name: (Approval by signature 28/09/23)
A4(b) Chief Officer	Please print name: Lisa Turner Please sign name: (Approval by signature 28/09/23)
A5 Cabinet Member	Please print name: Cllr A Chaudhry Please sign name: (Approval by email 28/09/23)
A6 Date of Decision	28 th September 2023

Confidentiality

A7 Is this Decision confidential by containing exempt information as described in Schedule 12A of the Local Government Act 1972?	No
A7.1 If yes, please state relevant paragraph from Schedule 12A LGA 1972.	N/A

Scrutiny

A8 Which Scrutiny Committee should this decision be submitted to? (*Please tick as appropriate*) ✓
Scrutiny (Value for Money Council Services) Committee

B1 What is the Decision?	To roll forward the existing business rates pooling arrangement to 2024/25
B2 What are the reasons for the Decision?	
<p>On the 5th September 2023 the Department for Levelling Up, Housing and Communities have in advance of the Financial Settlement requested confirmation that we wish to remain in the current business rates pool with the other Staffordshire Authorities for 2024/25. The cut-off date of 10th October 2023 has been set for authorities, or pools of authorities to state whether they wanted existing pools to continue or to be revoked or reconfigured or new pools created. The deadline enables such a pool to be proposed (designated) in the provisional settlement.</p> <p>Information was only received from Cannock Chase District Council (the lead authority for the Staffordshire Pool) on 27th September 2023 to support this decision.</p> <p>A sound financial business case has existed to date for pooling, as demonstrated with all authorities being a member of Business Rates pool, in one form or another since 2013/14. The business case is based upon both “historical” growth, achieved since 2013/14, and the potential for new growth. In 2022/23 the current Staffordshire and Stoke on Trent Pool retained estimated growth of £10m (subject to final audit of accounts) which would normally be paid to Central Government as a levy (representing 50% of growth above its baseline funding in 2013/14).</p> <p>Whilst the impact of the current economic circumstances on business rates remains uncertain, significant growth above the baseline set when the scheme was introduced in 2013/14 has been maintained to the benefit of the region and this was also the case during the height of the Covid-19 Pandemic.</p> <p>Based on the Quarter 1 forecast for 2023/24, £11.9m of estimated growth might be expected to be retained, which without maintaining a Pool would be paid to Government. For East Staffordshire Borough Council, without a reset this would amount to approx:</p> <ul style="list-style-type: none"> • Estimated share of levy on growth saved: £518k (i.e. 40% of the estimated levy £1.295m) • There would also be a redistributed potential windfall, which is estimated to be in the region of £264K. 	
B3 What are the contributions to Corporate Priorities?	Additional funds will contribute to all corporate priorities.
B4 What are the Human Rights considerations?	There are no Human Rights issues arising from this decision.

Financial Implications

<p>B5 What are the financial implications?</p>	<p>The main financial issues arising from this decision have been considered in the main body to this document.</p> <p>The current economic circumstances means there is more financial risk attached to remaining within the Pool. However safety net arrangements exist for individual members and also the pool as a whole in the unlikely event that these should be required.</p> <p>Retention of Share of Levy Saved by being in the Pool (indicative estimate based on Quarter 1 Forecast Outturn 2023/24 = £0.518m);</p> <p>Potential redistributed Windfall from rolling forward existing Pool (indicative estimate £0.264m)</p> <p>The Business Rates Retention Scheme is due to be reset and the future of business rates pooling is uncertain and therefore any benefit from pooling is effectively windfall.</p>
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<p>The finance section has been approved by the following member of the Financial Management Unit:</p>	<p>Please print name: Lisa Turner</p> <p>Please sign name: (Approval by email 28/09/23)</p>
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Policy Framework

B6 Is the Decision wholly in accordance with the Council's policy framework?	Yes
B6.1 If No, does it fall within the urgency provisions (Part 3 of the Constitution)?	NA
B6.2 Has it got the appropriate approvals under those provisions?	N/A
B7 Is the Decision wholly in accordance with the Council's budget?	Yes
B7.1 If No, does it fall within the urgency provisions (Part 3 of the Constitution)?	N/A
B7.2 Has it got the appropriate approvals under those provisions?	N/A

Equalities Implications

B8 What are the Equalities implications:
B8.1 Positive (Opportunities/Benefits): n/a
B8.2 Negative (Threats): n/a
B8.3 The subject of this decision is not a policy, strategy, function or service that is new or being revised. An equality impact assessment is not required.

Risk Assessment

B9 What are the Risk Assessment implications:
B9.1 Positive (Opportunities/Benefits): Opportunity to continue to retain and benefit from business rates growth both within East Staffordshire and the region as a whole.
B9.2 Negative (Threats): Financial risks associated with business rates income contraction due to various factors, including appeals, the economy, and a business rates reset. These risks are partially mitigated by the existing pooling arrangement and safety net provisions. Significant existing growth also provides a large buffer against any shocks.
B9.3 The risks are referred to in the Risk Register. The financial implications to mitigate against these risks are considered above.

Legal Considerations

B10 What are the Legal Considerations:

Pools are established under Part 9 paragraph 34 of Schedule 7B to the Local Government Finance Act 1988 (as inserted by Schedule 1 to the Local Government Finance Act 2012). However governance arrangements are in place in relation to the existing pool with the Staffordshire Authorities pursuant to a Memorandum of Understanding and these will be reviewed following the settlement to ensure they remain fit for purpose.

B10.1

There are no significant legal issues arising from this decision.

This section has been approved by the following member of the Legal Team

Please print name: Glen McCusker – Locum Solicitor

Please sign name (Approval by email 28/09/23)

Sustainability Implications

B11 What are the Sustainability implications:

B11.1 The proposal would not result in an overall positive effect in terms of sustainability (including climate change and change adaptation measures).

B11.2 Positive (Opportunities/Benefits): N/A

B11.3 Negative (Threats): N/A

Health & Safety Implications

B12 What are the Health & Safety implications: N/A

Key Decision

B13 Is this a Key Decision? Yes

Note: A Key Executive Decision is one where:

- 1. REVENUE – Any contract or proposal with an annual payment or saving of more than £100,000**
- 2. CAPITAL – Any capital project with a value in excess of £150,000**
- 3. A decision which significantly affects communities living or working in an area comprising two or more wards.**

B13.1 If this is a Key Decision, is this an urgent decision such that a delay caused by use of the Call-in Procedure would <u>seriously</u> prejudice the public interest?	Yes
B13.2 If yes, has the Mayor or in his/her absence the Deputy Mayor or in his/her absence the Chair of the relevant Scrutiny Committee agreed that the decision will be exempt from Call-in?	Yes – email 28/9/23

NOTE: If this decision is subject to the Call-in Procedure it will come into force, and may then be implemented, on the expiry of 3 working days after publication – unless 10 Members of the Council call in the decision.

Please send the original signed document to andrea.davies@eaststaffsbc.gov.uk