

# Cabinet

## Supplementary Information



**Date:** Tuesday, 3 April 2018

**Time:** 4.00 pm

**Venue:** Conference Hall - City Hall, College Green,  
Bristol, BS1 5TR

### **Distribution:**

**Councillors:** Mayor Marvin Rees, Nicola Beech, Craig Cheney, Asher Craig, Kye Dudd, Helen Godwin, Helen Holland, Anna Keen, Paul Smith and Mhairi Threlfall

**Issued by:** Sam Wilcock, Democratic Services

City Hall, Bristol, BS1 5TR

Tel: 0117 92 23846

E-mail: [democratic.services@bristol.gov.uk](mailto:democratic.services@bristol.gov.uk)

**Date:** Thursday, 22 March 2018



# Supplementary Agenda

- a) **Item under APR16 - West of England Combined Authority (Pages 3 - 8)  
Business Rates Supplements) Order 2018**



## Decision Pathway – Report

---

**PURPOSE:** Key decision

**MEETING:** Cabinet

**DATE:** 03 April 2018

<b>TITLE</b>	<b>West of England Combined authority (Business Rates Supplements Functions) Order 2018 Urgent Item under APR16</b>		
<b>Ward(s)</b>	<i>City wide</i>		
<b>Author:</b> Shahzia Daya	<b>Job title:</b> Monitoring Officer		
<b>Cabinet lead:</b> Cllr Craig Cheney	<b>Executive Director lead:</b> Denise Murray		
<b>Proposal origin:</b> <i>Other</i>			
<b>Decision maker:</b> Cabinet Member <b>Decision forum:</b> <i>Cabinet</i>			
<p><b>Timescales:</b> The West of England Devolution Deal included the following provision relating to a Supplementary Business Rate – “The government will 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”.</p> <p>The Ministry of Housing, Communities and Local Government have confirmed they are ready to proceed with the Order to give effect to this to be laid before Parliament (following Easter recess) mid- April.</p> <p>In order for WECA to receive this power an executive decision giving consent to this affect is required from each of the constituent councils (including Bristol City Council) by early April.</p>			
<b>Purpose of Report:</b> To give consent to the West of England Combined Authority (Business Rate Supplements Functions) Order 2018. Giving consent to this Order is not in any way, a decision to actually implement a business rate supplement.			
<b>Evidence Base:</b>			
<p>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.</p> <p>The Government now intends to bring forward Regulations to be laid before Parliament in 2018 which will give effect to this commitment.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>			

- 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.
- 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
- 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.
- It should be stressed that giving consent to this Order is not in any way, a decision to actually implement a business rate supplement. Unanimous approval of the three Local Authorities that form the West of England Combined Authority is required. 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.

**Recommendation:**

1. To give consent to the making of an order to confer the power to levy a business rate supplement on the WECA Mayor (subject to the WECA Monitoring Officer confirming they are satisfied that the draft statutory instrument provides for the conferral of this power).

**Corporate Strategy alignment:** Ensure we maximise the opportunity of devolution and WECA to enhance and drive the good growth of the city.

**City Benefits:** The Order will give effect to the business rates supplement commitment contained in the WECA Devolution agreement.

**Consultation Details:** Consultation has been undertaken 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 and the WECA Mayor. The specific consultation requirements for any proposed business rate supplement are set out above. A detailed prospectus would need to be produced as part of the process for consideration and consultation of any proposed business rates supplement.

<b>Revenue Cost</b>	£n/a	<b>Source of Revenue Funding</b>	
<b>Capital Cost</b>	£n/a	<b>Source of Capital Funding</b>	
<b>One off cost</b> <input type="checkbox"/>	<b>Ongoing cost</b> <input type="checkbox"/>	<b>Saving Proposal</b> <input type="checkbox"/>	<b>Income generation proposal</b> <input type="checkbox"/>

**Required information to be completed by Financial/Legal/ICT/ HR partners:**

**1. Finance Advice:** There are no direct financial implications arising from the report. Subject to Consent being given to the West of England Combined Authority (Business Rate Supplements Functions) Order 2018, the WECA Mayor (following agreement as outlined in the evidence base section of this report) will have flexibility to propose a supplementary business rate of up to a cap of 2p per pound of rateable value.

**Finance Business Partner:** Tony Whitlock – 27<sup>th</sup> March 2018

**2. Legal Advice:** This report requests BCC’s authority to the making of an order to confer the power on the Mayor of the West of England Combined Authority (WECA) to levy a business rate supplement. (Sections 105B(1) and 107D(9) of the Local Democracy, Economic Development and Construction Act 2009 require that each of the constituent authorities of a combined authority give consent to any conferral of powers on a combined authority under that Act.)

The statutory instrument will be The West of England Combined Authority (Business Rate Supplements Functions) Order 2018 and will give effect to commitments in the area's devolution agreement by giving the WECA mayor the power to levy a supplement on business rates to raise money for projects that will promote economic development in the area. These powers are provided in the Business Rates Supplements Act 2009.

**Legal Team Leader:** Shahzia Daya, Monitoring Officer, comment provided on 26 March 2018

**3. Implications on ICT:** There are no identifiable IT implications in this initiative.

**ICT Team Leader:** Ian Gale – Monday 26<sup>th</sup> March 2018

**4. HR Advice:** No HR implications

**HR Partner:** James Brereton, HR Consultant, 26<sup>th</sup> March 2018

<b>EDM Sign-off</b>	Denise Murray	28 <sup>th</sup> March
<b>Cabinet Member sign-off</b>	Craig Cheney	27 <sup>th</sup> March
<b>CLB Sign-off</b>	Denise Murry	28 <sup>th</sup> March
<b>For Key Decisions - Mayor's Office sign-off</b>	Mayor's Office	27 <sup>th</sup> March

<b>Appendix A – Further essential background / detail on the proposal</b> Appendix A - WECA Business Rate Supplements Functions	<b>YES</b>
<b>Appendix B – Details of consultation carried out - internal and external</b>	<b>NO</b>
<b>Appendix C – Summary of any engagement with scrutiny</b>	<b>NO</b>
<b>Appendix D – Risk assessment</b>	<b>NO</b>
<b>Appendix E – Equalities screening / impact assessment of proposal</b>	<b>NO</b>
<b>Appendix F – Eco-impact screening/ impact assessment of proposal</b>	<b>NO</b>
<b>Appendix G – Financial Advice</b>	<b>NO</b>
<b>Appendix H – Legal Advice</b>	<b>NO</b>
<b>Appendix I – Combined Background papers</b>	<b>none</b>
<b>Appendix J – Exempt Information</b>	<b>NO</b>
<b>Appendix K – HR advice</b>	<b>NO</b>
<b>Appendix L – ICT</b>	<b>NO</b>

**ITEM: XX**

**REPORT TO: West of England Combined Authority**

**DATE: 18 April 2018**

**REPORT TITLE: WEST OF ENGLAND COMBINED AUTHORITY  
(BUSINESS RATES SUPPLEMENTS FUNCTIONS) ORDER  
2018**

**AUTHOR: Tim Richens – Director of Investments & Corporate  
Services**

#### **Purpose of Report**

- 1 To give consent to the West of England Combined Authority (Business Rate Supplements Functions) Order 2018.

#### **Issues for Consideration**

- 2 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".
  - 2.1 The Government now intends to bring forward Regulations to be laid before Parliament in 2018 which will give effect to this commitment.
  - 2.2 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.
  - 2.3 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.
  - 2.4 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.
  - 2.5 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

- 2.6 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.
- 2.7 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.

**Consultation:**

- 3 Consultation has been undertaken 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 and the WECA Mayor. The specific consultation requirements for any proposed business rate supplement are set out in para 2.4 above.

**Other Options Considered:**

- 4 The Order will give effect to the business rates supplement commitment contained in the WECA Devolution agreement.

**Risk Management/Assessment:**

- 5 There are no specific risks arising from this report. As set out in para's 2.4 above, a detailed prospectus would need to be produced as part of the process for consideration and consultation of any proposed business rates supplement.

**Public Sector Equality Duties:**

- 6 There are no direct equalities implications arising in relation to this report and these would be subsequently set out in decisions, should any proposals come forward for a business rates supplement.

**Finance Implications:**

- 8 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 2 of this report.

**Legal Implications:**

- 9 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.

Advice given by: John McCormack (Monitoring Officer)

**Recommendations:**

**13 The Committee is asked to:**

- i. **Give consent to the West of England Combined Authority (Business Rate Supplements Functions) Order 2018.**
- ii. **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.**

**Report Author: Tim Richens, Director of Investment & Corporate Services**

**West of England Combined Authority Contact:**

Any person seeking background information relating to this item should seek the assistance of the Contact Officer for the meeting who Joanna Greenwood on 0117 426210; writing to West of England Combined Authority, 3 Rivergate, Temple Way, Bristol BS1 6ER; email: [democratic.services@westofengland-ca.gov.uk](mailto:democratic.services@westofengland-ca.gov.uk)