

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 03 April 2018

TITLE	West of England Combined authority (Business Rates Supplements Functions) Order 2018 Urgent Item under APR16		
Ward(s)	<i>City wide</i>		
Author:	Shahzia Daya	Job title:	Monitoring Officer
Cabinet lead:	Cllr Craig Cheney	Executive Director lead:	Denise Murray
Proposal origin:	<i>Other</i>		
Decision maker:	Cabinet Member		
Decision forum:	<i>Cabinet</i>		
Timescales:	<p>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>		
Purpose of Report:	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.		
Evidence Base:	<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"> • 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. 		

- 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.

Revenue Cost	£n/a	Source of Revenue Funding	
Capital Cost	£n/a	Source of Capital Funding	
One off cost <input type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <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 – 27th 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 26th March 2018

4. HR Advice: No HR implications

HR Partner: James Brereton, HR Consultant, 26th March 2018

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

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