

**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)