

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

COUNCIL – 25 FEBRUARY 2014

Title of report	NOTIFICATION OF AN URGENT DECISION – BUSINESS RATES POOL
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Purpose of report	In accordance with the Council's Constitution, to report formally that the Chief Executive has taken a decision, which she considered to be urgent and, if delayed, the Council's interests would be seriously prejudiced.
Council Priorities	Business and Jobs Value For Money
<p>Implications:</p> <p>Financial/Staff</p> <p>Link to relevant CAT</p> <p>Risk Management</p> <p>Equalities Impact Assessment</p> <p>Human Rights</p> <p>Transformational Government</p>	<p>Financial implications are detailed in the Report</p> <p>None</p> <p>To avoid future risks of liability in relation to potential shortfalls in the Business Rate Pool an urgent decision was taken by the Chief Executive. The risks associated with the decision are detailed within the report</p> <p>Not applicable</p> <p>Not applicable</p> <p>Not applicable</p>
Comments of Head of Paid Service	The report is satisfactory

Comments of Section 151 Officer	The report is satisfactory
Comments of Monitoring Officer	The report is satisfactory
Consultees	Statutory Officers The Chairman of the Council The Chairman of the Policy Development Group
Background papers	Officer Decision Record Letter to Chairman of Policy Development Group: Letter to Chairman of the Council Report to Cabinet 31 October 2012 - Proposal for the Pooling of Business Rates
Recommendations	THAT COUNCIL NOTES THE REPORT.

1.0 BACKGROUND INFORMATION

- 1.1 The Business Rates pooling arrangement was introduced by Government and adopted by the Council in October 2012. The Pool was originally considered to be beneficial to the Leicestershire member authorities for reasons detailed in the previous report. Originally the benefits to the individual members of the Pool outweighed the perceived risks. The Council participated in the Pool in 2013/14 which was the first year of the arrangement.
- 1.2 Over the last 12 months the risks inherent in pooling business rates have become greater for the following reasons:
- (a) lack of certainty over the number and outcome of rating assessment appeals compounded by Valuation Office delays;
 - (b) continued uncertainty about the operation of various aspects of the business rates retention system, due to the lateness of Government decisions and recent changes.
 - (c) the burden of business rates has become a contentious issue nationally, it is not unrealistic to expect further changes to reduce the cost to targeted businesses.
 - (d) Continuing volatility in projections of business rates income at both individual authority and Pool level.
- 1.3 The uncertainties outlined above have made projecting a 2013/14 year end position for the Pool very difficult. Whilst a small surplus is currently being projected, there remains a risk that there could still be a deficit or any surplus would be too small a buffer to continue with the Pool in 2014/15. If there was a deficit the Council would be required to make a contribution to the Pool to make up any shortfall.
- 1.4 It was therefore considered to be detrimental to the Authorities to remain in the pool.

2. MOVING FORWARD

- 2.1 On 13 January 2014 the Chief Executive, following the approval of the Chairman of the Council and the Chairman of Policy Development Group, and in line with all member authorities, gave the Council's agreement to the dissolution of the Leicester and Leicestershire Business Rates Pool from 2014/15.
- 2.2 A unanimous decision of all the pool members was required by 14 January 2014 to meet the Government's statutory deadline and the timetable of cabinet meetings meant that there was no available meeting of members which would have met this deadline.
- 2.3 Due to the deadline imposed by Government and the urgency of the decision, the Council's Scrutiny Procedure Rules in relation to Call-In did not apply as any delay would have caused the council's interests to be prejudiced going forward.