

# DECISION NOTICE

Notice is given that the following decision has been taken under the Provisions set out in the Council's Constitution

**Decision maker:** Cabinet Member for Finance and Assets

**Date:** 10 March 2016

**Decision in the matter of:** Business Rates Pooling 2016/17

**Decision:** That the Cabinet Member for Finance and Assets, in consultation with the Chief Operating Officer:

1. Endorses the application for Cheshire East Council to form a business rates pool with the ten Greater Manchester authorities and Cheshire West and Chester Council from 1 April 2016; and
2. Agrees that Manchester Council continues to act as the lead authority for the pool.

**Background:** Consideration needed to be given to whether the Council should continue to be part of a business rates pooling arrangement under the Business Rates Retention Scheme with the local authorities in Greater Manchester and Chester West and Chester Council.

As part of the Scheme authorities are able to come together, on a voluntary basis, to pool their business rates. This gives them scope to generate additional growth through collaborative effort and to smooth the impact of volatility in rates income across a wider economic area. It also ensures that members of the pool are treated as if they were a single entity for the purposes of calculating levy and safety net payments under the scheme.

Each authority must decide whether such pooling is appropriate for them and the consequences of forming a pool are different in each case and each therefore needs to undertake their own due diligence, modelling their individual position alongside the pool position. This has been undertaken.

The situation for the proposed pool suggests that the levy rate will be reduced to zero therefore benefitting the pool as a whole. By comparison, Cheshire East Council's levy rate would be 43p in the

pound paid over to central government.

On the basis of the current position of each of the twelve authorities, there is a realistic prospect of Trafford, Stockport, Cheshire East and Cheshire West and Chester generating sufficient business rates growth which would otherwise lead to levies being paid to DCLG should the business rates pool not exist. An application was submitted on behalf of the Greater Manchester Council's, Cheshire East, and Cheshire West and Chester to the Department of Communities and Local Government on the pooling of business rates.

Each authority had 28 days from the release of the provisional Local Government Finance Settlement announced on 17 December 2015 to reconsider. None of the authorities which had expressed an interest decided to withdraw, therefore the pool will become operational from 1 April 2016 unless the Council or another member opts out.

**Background Documents:**

The background papers to this report can be inspected by contacting the report writer.

**Approved:**

Signed .....  
Councillor Peter Groves (Cabinet Member for Finance and Assets)

**Date:**

10 March 2016

**Advising Officer:**

Signed .....  
Alex Thompson (Strategy and Funding)