

# LEEDS CITY REGION BUSINESS RATES POOL JOINT COMMITTEE

FRIDAY, 28TH JULY, 2023

**PRESENT:** Councillor Hinchcliffe in the Chair

**PRESENT:** Councillors: P Davies (Kirklees MBC)  
J Lewis (Leeds CC)  
J Scullion (Calderdale MBC)  
Councillor C Douglas (City of York)

**In Attendance:** C Duffill (Kirklees), P Heptonstall (Wakefield),  
R Ellis (LCC), R Colley (LCC), and H Gray (LCC)

## 1 Election of the Chair

Nominations were sought for the position of Chair. Councillor Hinchcliffe was nominated for the position of Chair, the nomination was seconded. Upon being put to the vote it was

**RESOLVED** – That Councillor Hinchcliffe be elected as Chair for the duration of the meeting.

## 2 Appeal against refusal of Inspection of Documents

There were no appeals against the refusal of inspection of documents.

## 3 Late Items

No late items of business were added to the agenda.

## 4 Exempt Information - Possible exclusion of the press and public

The agenda contained no exempt information.

## 5 Apologies for absence

The following apologies for absence and notifications of substitutes were reported:

Councillors S Pandor (Kirklees MBC) and D Jeffery (Wakefield MDC)

Councillor P Davies (Kirklees MBC) attended as a substitute and Mr P Heptonstall attended as the representative for Wakefield MDC.

Apologies were also received from R Tuddenham, J Gedman, T Riordan, V Bradshaw, C Carter, K England and I Floyd.

## 6 Declarations of Interest

No declarations of interest were made.

## 7 Minutes of the previous meeting

**RESOLVED** – The minutes of the previous meeting held 17<sup>th</sup> March 2023 were agreed as a correct record.

## **8 2023/24 Leeds City Region Business Rates Pool Financial Report**

The Chief Officer, Financial Services, Leeds City Council submitted a report for consideration which set out the following:

- a) The context in which the 2023/24 Leeds City Region Business Rates Pool had been set up,
- b) The governance arrangements and Memorandum of Understanding for the Leeds City Region Pool, and the Terms of Reference for the governing Joint Committee,
- c) The current position of the 2023/24 Leeds City Region Business Rates Pool, including the latest income projections for 2023/24,
- d) The proposed allocation of funding for 2023/24, including a £50,000 administration fee to Leeds City Council.

The report included a draft Memorandum of Understanding (MOU) at Appendix A and the Terms of Reference for the Joint Committee for 2023/24 at Appendix B to be ratified by the Joint Committee.

The revised Memorandum of Understanding for 2023/2024 reflected the re-organisation of Local Government in North Yorkshire and set out the methodology for administration of the Net Retained Levy which had been agreed by the Section 151 Officers of the six member authorities for the purposes of making an application to the Secretary of State to pool in 2023/24.

The Joint Committee noted that pooled levy payments must first meet any safety net payments due to individual member authorities. Any surplus pooled levy payments (known as the Net Retained Levy) can then be used at the direction of the Joint Committee in the following ways:

- A. The running costs of the Pool, if any, will initially be paid by the lead authority and will be reimbursed to them from the Net Retained Levy.
- B. If after paying the running costs, the Net Retained Levy is greater than £0 (i.e. the pool has made an overall gain), then the first £200k of Net Retained Levy will be paid to the City of York Council recognising that this member is the largest contributor of funding to the Pool.

If after paying the administration fee and the payment to City of York Council, there is any further Net Retained Levy, then the Joint Committee may make decisions as to how it can be used to further regional economic growth as a Residual Benefit of the Pool. The Residual Benefit was proposed to be returned to all member authorities using the following apportionments: -

- 25% in proportion to population, to recognise the most significant driver of need,
- 25% in proportion to growth above the baseline, to continue to incentivise growth in the business rates tax base in the region,
- 25% in proportion to the levy payments made to the pool, to recognise the contribution of the 2 levy-paying authorities to the income of the pool,

- 25% to the 4 top-up authorities in proportion to the top-ups they receive from Government, to recognise that without the participation of top-up authorities levy payments could not be retained within the region.

Estimated levy payments of £3.7 m to the 2023/24 Leeds City Region BR Pool were reported along with an indicative level of each member authority retained income and safety net. The report also set out the issues which pose possible risks to business rates income and its associated general fund income streams, noting that for some authorities a reduction in business rates may result in a safety net payment being required from the Pool. The Joint Committee noted that currently, no authority was forecast to require a safety net payment.

### **RESOLVED**

- a) To note the context and structure of the 2023/24 Leeds City Region Business Rates Pool as described in Paragraphs 1 and 2 of the report,
- b) To approve the Memorandum of Understanding and Terms of Reference set out in Paragraph 3 and Appendices A and B,
- c) To note the projected Pool income for 2023/24 as shown in Paragraph 4 of the report,
- d) To note the risks to retained income and of breaching safety net as described at Paragraph 5 of the report,
- e) To approve the payment of a £50,000 administration fee to the lead authority, Leeds City Council as shown at paragraph 6, and
- f) To note the projected and forecast re-distribution of Pool income to member authorities at Paragraph 6.