



**Report of the Chief Officer - Financial Services**

**Report to Executive Board**

**Date: 12<sup>th</sup> February 2020**

**Subject: North and West Yorkshire Business Rates Pool**

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**Summary**

**1. Main issues**

- Leeds City Council is currently a member of the North & West Yorkshire business rates pool. The Pool came into being on 1st April 2019.
- The business rates pool has a governing body consisting of a Joint Committee made up of the leaders of all the West Yorkshire district councils, the City of York Council, North Yorkshire County Council and two North Yorkshire districts. Leeds' position on the Joint Committee was agreed at Executive Board on 13th February 2019.
- The purpose of the 2019/20 North and West Yorkshire Business Rates Pool was to pilot 75% business rates retention for the year 2019/20. This was originally intended to foreshadow the introduction of 75% retention nationally in 2020/21.
- In the Technical Consultation for the 2020/21 Local Government Finance Settlement in October 2019 the Government confirmed that the national introduction of 75% business rates retention would be postponed until 2021/22.
- The Government also confirmed that the 2019/20 75% business rates retention pilots would end on 31st March 2020 reverting to the 50% business rates retention scheme.
- Under the 50% retention scheme groups of authorities can form pools which, when constituted, can retain levy payments rather than pay those levy payments to

Government. However any safety net payments to be received by member authorities from Government would also be lost.

- The current North & West Yorkshire business rates pool includes 8 authorities that would have to pay levy payments to Government, if not in a pool, and one authority, Selby District Council, that would receive a safety net payment outside a Pool.
- In order to maximise the resources retained in the region in 2020/21 the intention is to change the membership of the 2019/20 North & West Yorkshire Business Rates Pool with Selby District Council withdrawing its membership and therefore continuing to receive a safety net payment from the Government.
- To achieve this change of membership the current pool has to be revoked and an application made for a new pool to be designated by the Secretary of State. This was successfully achieved in December 2019.
- This report seeks Executive Board's approval to form a new Joint Committee to oversee the new North and West Yorkshire Business Rates Pool from 1st April 2020, including associated governance arrangements.

## **2. Best Council Plan Implications** (click [here](#) for the latest version of the Best Council Plan)

- The Best Council Plan is the Council's strategic plan which sets out its ambitions, outcomes and priorities for the City of Leeds and the Local Authority.
- The understanding of the Business Rates Pool and associated risk is therefore necessary to ensure the City can deliver on its ambitions.

## **3. Resource Implications**

- The funding implications of the new North and West Yorkshire Business Rates Pool are noted in this report and previously noted at Executive Board on 7<sup>th</sup> January 2020.

## **Recommendations**

Members are requested to:

- a) Note the update on the new 2020/21 North & West Yorkshire Business Rates Pool;
- b) Note the revoking of the 2019/20 North & West Yorkshire 75% Retention Business Rates Pool on 31st March 2020 and agree to disband the current North & West Yorkshire Pool Joint Committee on the same date;
- c) Agree to appoint the Leader to a new Joint Committee to oversee the new North & West Yorkshire 50% Retention Business Rates Pool, such Joint Committee to consist of the Leaders of the authorities specified in 3.3.3 and to have the Terms of Reference as set out;
- d) Note and agree the Memorandum of Understanding setting out the governance arrangements for the North and West Yorkshire Business Rates Pool as shown at Appendix B;
- e) Note and approve the Terms of Reference for the new North and West Yorkshire Business Rates Pool Joint Committee as shown at Appendix C;
- f) Give the City Solicitor delegated authority to seek the formal agreement of the other 12 members of the Pool to the new arrangements.

## **1. Purpose of this report**

- 1.1 Following the success of the North and West Yorkshire application to be designated as a 50% retention business rates pool from 1st April 2020, this report will:
  - 1.1.1 Update Executive Board on the successful application for a new 2020/21 North & West Yorkshire 50% Retention Business Rates Levy Pool;
  - 1.1.2 Note the revocation of the 2019/20 North & West Yorkshire 75% Retention Pilot Pool;
  - 1.1.3 Request that Executive Board agree the formation of a new Joint Committee to oversee the 2020/21 North and West Yorkshire Business Rates Pool;
  - 1.1.4 Request that Executive Board approve the Leader's position on this Joint Committee; and
  - 1.1.5 Request that Executive Board note and agree the Memorandum of Understanding and Terms of Reference for the 2020/21 North and West Yorkshire Business Rates Pool.

## **2. Background information**

- 2.1 As a precursor to the planned introduction of 75% business rates retention nationally in 2020/21, the North & West Yorkshire 75% Retention Pilot Pool was able to retain 75% of business rates growth in the region in 2019/20 instead of the usual 50%.
- 2.2 Following publication of the Technical Consultation about the 2020/21 Local Government Finance Settlement in October 2019, it became clear that the introduction of 75% retention of business rates nationally would be delayed until 2021/22. It was also confirmed that the pilot pools begun in 2019/20, like that in North & West Yorkshire, would revert to the 50% retention scheme in 2020/21.
- 2.3 Under the 50% Business Rates Retention Scheme local authorities can come together to form a 50% retention business rates pool and this pool is treated as one entity for the purposes of the scheme. This means that when authorities that are deemed to have more or less business rates income than they need (known as tariff and top up authorities respectively) and they combine, the resulting pool can reduce or eliminate completely the levy payments tariff authorities would otherwise have to pay to the Government.
- 2.4 Conversely, under 50% retention an individual authority would normally receive a safety net payment from the Government if its business rates income fell below 92.5% of its assessed needs. However, in a pool that safety net payment would be lost with the pool as a whole being expected to fund the losses.
- 2.5 The current 2019/20 North & West Yorkshire Business Rates Pool includes 8 tariff authorities that could save levy payments under these pooling arrangements and one authority, Selby District Council, that is likely to require a safety net payment.
- 2.6 In order to maximise resources retained in the region discussions have taken place between the current pool members. Selby District Council has withdrawn from the pool at the end of 2019/20 and thereby retained its safety net payment from the Government.
- 2.7 In order to achieve this result Leeds City Council, as lead authority, informed the Secretary of State that the current business rates pool wished to be revoked at the

end of 2019/20. The Secretary of State is obliged to revoke the Pool in these circumstances.

- 2.8 Alongside this revocation the members of the current business rates pool, excluding Selby District Council, applied for a new pool to be designated with effect from the 1<sup>st</sup> April 2020. These remaining members will continue as a pool in 2020/21, thereby eliminating the levy payments that would otherwise have to be paid to the Government. It is intended these saved levy payments will be used to fund regional projects supporting economic growth and regeneration across the Pool area.
- 2.9 In December 2019 the Secretary of State informed members of the new 2020/21 North & West Yorkshire Business Rates Pool that this application for designation had been successful.
- 2.10 As a consequence of this successful application the Secretary of State has revoked the designation of the 2019/20 North & West Yorkshire Business Rates Pilot Pool from the 31<sup>st</sup> March 2020 and the 2019/20 pilot pool will cease to exist. On the 1<sup>st</sup> April 2020 a new 50% retention pool will come into being for the remaining members of the North & West Yorkshire Business Rates Pool excluding Selby District Council.

### **3. Main issues**

- 3.1 Following notification of the successful application for a new 50% business rate retention pool, Executive Board gave their agreement that Leeds becomes a member of the new North and West Yorkshire Business Rates Pool and act as lead authority for it (Executive Board date 7<sup>th</sup> January 2020).
- 3.2 The success of this application has the potential to retain an estimated £9.6m of funding within the Region. This funding will be used for regional projects that support economic growth and regeneration under the supervision of a joint committee consisting of the Leaders of member Authorities.
- 3.3 Governance Arrangements
  - 3.3.1 With the formation of the 2020/21 North and West Yorkshire Business Rates Pool and its changed membership, the Secretary of State has revoked the designation for the 2019/20 North & West Yorkshire Business Rates Pool, as shown at Appendix A. We therefore request that from the 31<sup>st</sup> March 2020 the 2019/20 pool will disband and cease to exist.
  - 3.3.2 In order to provide leadership for the 2020/21 North & West Yorkshire Pool and ensure consistency of approach, it is proposed that the 13 Pool authorities agree to set up a single-purpose joint committee that will have specific responsibility for leading the new North & West Yorkshire Pool.
  - 3.3.3 The 2020/21 North & West Yorkshire Pool will be led by a Joint Committee comprising of the Leaders (or their nominees) of the five member Authorities from West Yorkshire and five of the member Authorities from North Yorkshire. The Joint Committee representation will therefore be as follows:

#### West Yorkshire

City of Bradford Metropolitan District Council

The Metropolitan Borough Council of Calderdale

Kirklees Council

Leeds City Council

The Council of the City of Wakefield

North Yorkshire

City of York Council

North Yorkshire County Council

Harrogate Borough Council

Scarborough Borough Council

Fifth representative to be confirmed by the Joint Committee once the Pool is established

- 3.3.4 As with the current Joint Committee, the new North & West Yorkshire Pool Joint Committee will direct expenditure and be responsible for allocating income arising from the saved levy payments, an estimated £9.6m, as set out in 3.2 above.
- 3.3.5 We therefore ask Executive Board to agree the formation of a new Joint Committee to oversee the 2020/21 North & West Yorkshire 50% Retention Business Rates Pool and to approve that the Leader sits on this Joint Committee.
- 3.3.6 Further to this, Executive Board are asked to give the City Solicitor delegated authority to seek the formal agreement of the other 12 members of the Pool to the new arrangements.
- 3.4 Memorandum of Understanding
- 3.4.1 The draft Memorandum of Understanding, which sets out the governance arrangements for a North & West Yorkshire 50% Retention Pool, is attached at Appendix B and the Terms of Reference for the proposed Joint Committee at Appendix C. The Memorandum of Understanding and Terms of Reference will be formally ratified at the first meeting of the 2020/21 North & West Yorkshire Pool Joint Committee.
- 3.4.2 This Memorandum of Understanding addresses how the Pool proposes to share and use the saved levy payments although, at Paragraph 5, stresses that the principle that no member authority will receive less income than they would if they were not a member of the Pool shall be maintained. Further, it explains how member authorities will work together to manage risk and how any residual benefits or liabilities would be dealt with.
- 3.4.3 It should be further noted that if an Authority should have received a safety net payment from the Government but cannot because it is a member of the Pool then the Pool will compensate that Authority. At Paragraph 8 the Memorandum of Understanding states that, in the first instance, Pool income from saved levy payments will be used to fund any safety net payments. If this funding is not sufficient, all member authorities will be expected to fund the remainder in proportion to their Baseline Funding Levels.
- 3.4.4 Once any losses arising from the principle that no member Authority should have less income than they would outside the Pool have been met and the costs of any projects agreed to by the Joint Committee paid, any residual benefits or liabilities arising from the Pool will be shared amongst all members of the Pool in proportion to their share of the income received from the Pool.

3.4.5 We ask Executive Board to note and approve the North and West Yorkshire Business Rates Pool Memorandum of Understanding and Terms of Reference.

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

4.1.1 This report sets out the proposed governance arrangements for the new North and West Yorkshire Business Rates Pool. No further consultation or engagement is required.

### **4.2 Equality and diversity / cohesion and integration**

4.2.1 This report has no implications for equality and diversity or cohesion and integration.

### **4.3 Council policies and the Best Council Plan**

4.3.1 Achievement of the priorities identified in the Best Council Plan requires that the Council's financial resources are maximised and associated risk managed appropriately. The understanding of the Business Rates Pool and associated risk is therefore necessary to ensuring the City can deliver on its ambitions.

#### Climate Emergency

4.3.2 There are no implications for the climate emergency resulting from this report.

### **4.4 Resources, procurement and value for money**

4.4.1 The funding implications of the new North and West Yorkshire Business Rates Pool are noted in this report.

### **4.5 Legal implications, access to information, and call-in**

4.5.1 Under Schedule 7B of the Local Government Finance Act 1988, the Secretary of State may designate two or more relevant authorities as a pool, subject to conditions requiring the authorities to appoint a lead authority to exercise those functions specified in such conditions, and subject to such other conditions as the Secretary of State thinks fit.

4.5.2 This report makes recommendations with regard to the governance arrangements of the new 2020/21 North & West Yorkshire 50% Retention Business Rates Pool following the revocation of the 2019/20 North & West Yorkshire 75% Retention Business Rates Pool pilot. Each Pool member authority is being requested to approve these arrangements and the appointment of the members as a joint committee of the authorities in the 2020/21 North and West Yorkshire Business Rates Pool, including Leeds City Council.

4.5.3 The revised agreement will need to be approved by each member authority individually, including Leeds. Under Regulation 11(6) of The Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012, where functions are all the responsibility of the executive of the authority, the appointment of the joint committee is to be made under Section 102(1)(b) of the Local Government Act 1972, and the number of members to be appointed, their term of office, and the area (if restricted) within which the committee is to exercise its

authority, are to be fixed, under Section 102(2) of the 1972 Act. These matters must all be dealt with, in the case of an authority having a leader and cabinet executive, by the executive leader, or unless the executive leader otherwise directs, by the executive, another member of the executive, or a committee of the executive, of the authority. As matters relating to the Pool are all executive functions, each member authority will therefore need to resolve, as specified above, to appoint the new joint committee on the terms set out in this Report.

4.5.4 Leeds City Council will be lead authority for the Pool.

4.5.5 The report is subject to call in.

## **4.6 Risk management**

4.6.1 The report makes recommendations about the leadership of the new North and West Yorkshire Business Rates Pool that are essentially administrative in nature.

## **5. Conclusions**

5.1 This report:

5.1.1 Updates Executive Board on the successful application to form a new North & West Yorkshire 50% Retention Business Rates Pool, with changed membership to that in 2019/20;

5.1.2 Notes the revocation of the 2019/20 North & West Yorkshire 75% Retention Business Rates Pool;

5.1.3 Requests that Executive Board agree the formation of a new Joint Committee to oversee the new 2020/21 North and West Yorkshire Business Rates Pool;

5.1.4 Request that Executive Board approve the Leader's position on this Joint Committee; and

5.1.5 Requests that Executive Board note and agree the Memorandum of Understanding and Terms of Reference for the 2020/21 North and West Yorkshire Business Rates Pool.

## **6. Recommendations**

6.1 Members are requested to:

6.1.1 Note the update on the new 2020/21 North and West Yorkshire Business Rates Pool;

6.1.2 Note the revoking of the 2019/20 North & West Yorkshire 75% Retention Business Rates Pool on 31st March 2020 and agree to disband the current North & West Yorkshire Pool Joint Committee on the same date;

6.1.3 Agree to appoint the Leader to a new Joint Committee to oversee the new 2020/21 North and West Yorkshire Business Rates Pool, such Joint Committee to consist of the Leaders of the authorities specified in **3.3.3** and to have the Terms of Reference as set out;

6.1.4 Note and agree the Memorandum of Understanding for the 2020/21 North and West Yorkshire Business Rates Pool as shown at Appendix B;

6.1.5 Note and approve the Terms of Reference for the 2020/21 North and West Yorkshire Business Rates Pool Joint Committee as shown at Appendix C;

6.1.6 Give the City Solicitor delegated authority to seek the formal agreement of the other 12 members of the Pool to the new arrangements.

## **7. Background documents<sup>1</sup>**

7.1 None

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<sup>1</sup> The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.



Dear North and West Yorkshire BR Pool Member,

We wrote to you on 18 September 2019 with a Business Rates Pooling Invitation for 2020-21. In response, we received confirmation from your authority of your request to revoke the current North and West Yorkshire Business Rates Pool and re-invoke with new membership.

In accordance with paragraph 34(3) and (5) of Schedule 7B to the Local Government Finance Act 1988 (“the 1988 Act”), the Secretary of State hereby revokes the designation of the following pool of authorities:

- City of York Council
- Craven District Council
- North Yorkshire County Council
- Hambleton District Council
- Richmondshire Shire District
- Scarborough Borough Council
- Harrogate Borough Council
- Ryedale Shire District
- Selby District Council
- City of Bradford Metropolitan District Council
- The Metropolitan Borough Council of Calderdale
- Kirklees Council
- Leeds City Council (Lead Authority)
- The Council of the City of Wakefield

Further to the proposed arrangements provided to MHCLG, you asked the Secretary of State to reform the Business Rates Pool with a new membership – hereby referred to as the ‘pool’. In accordance with paragraph 34 of Schedule 7B to the 1988 Act, the Secretary of State designates the following authorities as a pool of authorities for the purposes of the scheme for local retention of non-domestic rates under Schedule 7B to the 1988 Act:

- City of York Council
- Craven District Council
- North Yorkshire County Council



- Hambleton District Council
- Richmondshire Shire District
- Scarborough Borough Council
- Harrogate Borough Council
- Ryedale Shire District
- City of Bradford Metropolitan District Council
- The Metropolitan Borough Council of Calderdale
- Kirklees Council
- Leeds City Council (Lead Authority)
- The Council of the City of Wakefield

All members of the pool have agreed to this designation.

The designation has effect for the year beginning 1 April 2020 and every year after that, unless the Government exercises the power to revoke the pool.

This designation is made subject to the conditions below.

1. The authorities to which this designation relates must appoint a lead authority to exercise the following functions:
  - To make and receive, on behalf of the pool members, payments in respect of any top ups and tariffs, levy and safety net, and safety net on account payments to and from the Department.
  - To make and receive payments between members of the pool as determined by the pool's governance agreements.
  - Administration (including the operation of the dissolution arrangements) of the pool in accordance with the pool's governance arrangements.
2. If this designation is revoked, the authorities covered by this designation must take the following steps before the revocation takes effect:
  - Comply with the dissolution arrangements established in the pool's governance agreement.

Local authorities in the pool will have 28 days beginning with the date on which the draft Local Government Finance Report is published to consider if they wish to continue to be designated as a pool. Provided that no authority within the pool asks



Ministry of Housing,  
Communities &  
Local Government

the Secretary of State to make a revocation during that period, the pool will come into effect on 1 April 2020, meaning that all local authorities covered by the designation will remain in the pool for the full financial year. Please endeavour to instruct MHCLG on any revocation as soon as practicable after the Provisional Local Government Finance Settlement.

If a member of the pool decides it no longer wishes to be designated as part of a pool for 2020-21 it must notify MHCLG using the e-mail addresses in the following paragraph. If any local authority within the pool exercises this option to request revocation of the designation before the cut-off date, the Secretary of State has a duty to revoke the pool. Once the Secretary of State has revoked this designation the local authorities identified as part of this pool will revert to being considered as individual authorities for the purposes of the business rates retention scheme.

If there are any questions about the content of this letter and the enclosed designation, please contact us at [BRRSA@communities.gov.uk](mailto:BRRSA@communities.gov.uk), copying Cris Nicolae at [Cristian.Nicolae@communities.gov.uk](mailto:Cristian.Nicolae@communities.gov.uk) and Emily Gascoigne at [Emily.Gascoigne@communities.gov.uk](mailto:Emily.Gascoigne@communities.gov.uk), as soon as possible.

Signed by authority of the Secretary of State for Housing, Communities and Local Government:

Alex Skinner

Director of Local Government Finance  
Ministry of Housing, Communities and Local Government

18 December 2019

## NORTH AND WEST YORKSHIRE BUSINESS RATES POOL

### MEMORANDUM OF UNDERSTANDING

#### **1. Title**

- 1.1. North and West Yorkshire Business Rates Pool.

#### **2. Membership**

- 2.1. City of Bradford Metropolitan District Council, The Metropolitan Borough Council of Calderdale, Craven District Council, Hambleton District Council, Harrogate Borough Council, Kirklees Council, Leeds City Council, North Yorkshire County Council, Richmondshire District Council, Ryedale District Council, Scarborough Borough Council, The Council of the City of Wakefield, City of York Council.

#### **3. Commencement**

- 3.1. This Memorandum of Understanding will come into force on 1st April 2020 and will continue until any one of the members formally leaves the Pool (see "Dissolving the Pool", below).

#### **4. Rationale and Objectives**

- 4.1. The North and West Yorkshire Pool exists to benefit the individual members and to further the aims of the region as a whole.
- 4.2. The income received by the Pool will be shared out so that each member authority receives at least the same amount that they would if they were treated individually under the Business Rates Retention scheme. The only exception to this is set out in **Section 8 and 9**, below. Any excess income arising from reductions in levy payments will, after allowing for agreed expenses, be allocated to activities that support economic growth and regeneration across the Pool area.
- 4.3. Any variation to the arrangements set out in **4.2**, above, will require the formal agreement of the North and West Yorkshire Business Rates Pool Joint Committee.

## 5. Leadership and Accountability

- 5.1. The Pool will be led by a joint committee comprising of representatives of the member Authorities making up the Pool. Joint Committee representation will be as follows:

Five representatives from West Yorkshire:

- City of Bradford Metropolitan District Council
- The Metropolitan Borough Council of Calderdale
- Kirklees Council
- Leeds City Council
- The Council of the City of Wakefield

Five representatives from North Yorkshire, the initial representatives being:

- North Yorkshire
- City of York Council
- Harrogate Borough Council
- Scarborough Borough Council
- Fifth representative will be confirmed by the Joint Committee once the Pool is established

- 5.2. The joint committee shall be responsible for:

- any changes to the purposes for which the income received by the pool should be used, but the principle that no authority should receive less than they would if treated individually, shall be maintained;
- agreeing the expenses to be deducted by the lead authority administering the Pool;
- considering any applications for other councils to join the Pool;
- any variations to the membership of the joint committee; and
- any other matters relating to the administration and governance of the Pool including replacement of the lead authority.

- 5.3. The local authority representatives, as noted in 5.1 above, will be the leaders of the representative local authorities. Representatives of the member authorities will be able to nominate substitutes. This may be from their own authority or

substitution from a different member authority that is not one of the representatives listed at **5.1**.

- 5.4. The members of the Joint Committee will elect a chairperson.
- 5.5. The Joint Committee will meet as and when required but no less than twice each year.
- 5.6. The quorum for the meetings will be no less than 5 members.
- 5.7. Member voting rights will be one vote for each member of the Joint Committee. Voting will be by simple majority. In the event of a tie, the chair of the meeting will have a casting vote.
- 5.8. The Joint Committee will be supported by officers drawn from the lead authority.
- 5.9. The Joint Committee may establish any sub-groups or any officer forums that they believe to be appropriate.
- 5.10. Minutes of Joint Committee meetings will be published as required by law.

## **6. Lead Authority**

- 6.1. The initial lead authority responsible for the administration of the Pool shall be Leeds City Council.
- 6.2. The lead authority will normally act as such for a full year and may only be replaced at the year end. A lead authority wishing to relinquish the role at the year end (i.e. 31<sup>st</sup> March) must give a minimum of four months' notice.
- 6.3. Each member of the Pool will be jointly and severally liable for any payments required to the Ministry of Housing, Communities and Local Government but, notwithstanding that, the lead authority will take responsibility for all matters in relation to the administration of the Pool including (but not limited to):
  - All liaison with MHCLG and other government departments including the completion of all forms and returns associated with the Pool;
  - Administration of payments to and from the Pool and all calculations relating to the collection fund for the Pool;
  - Producing an annual report showing how income has been distributed and preparing periodic monitoring reports for Pool members;
  - Calculation of the costs of administering the Pool which are to be deducted from the rewards of the Pool. If the excess income generated by the Pool was insufficient to cover the administrative costs of the Pool in any year, then the

shortfall would be shared between the Pool members in proportion to their spending baselines;

- The lead authority will ensure that the pooling arrangements, annual reports and other financial information is published and is freely available on the lead authority website or elsewhere as appropriate.

## 7. Dissolving the Pool

- 7.1. If any member decides to leave the Pool the regulations require that the Pool will be dissolved. Pools can only be dissolved at the end of a year.
- 7.2. Any authority seeking to leave the Pool should inform MHCLG and all other members of the Pool as soon as possible. Once the Pool has been established, this must be by 30th September in any year, to allow the remaining members time to seek designation of a new pool for the following year (see 7.4, below).
- 7.3. The lead authority will make the necessary calculations and submit the required returns associated with the dissolving of the Pool.
- 7.4. The remaining members of the Pool may choose to form a new Pool and, if they wish, include new members for the following year (subject to new designation by MHCLG).

## 8. Treatment of Potential Losses in Income

- 8.1. The Pool will have a single safety net threshold set at 92.5% of its baseline funding level. Authorities that suffer reduction in 'retained rates income' to a threshold that is below 92.5% their Baseline Funding Level shall receive a safety net payment to restore their income to 92.5% of their Baseline Funding Level.
- 8.2. If such an authority is a member of a business rates pool, the safety net payment could be lost because the *loss across the pool* may not be as much as the 7.5% threshold. Indeed, if growth across the rest of the pool was weak, it could be that the loss of safety net payments could be greater than the amounts gained from paying reduced levies and the pool could be in deficit for the year.
- 8.3. Authority(s) that would otherwise have qualified for safety net(s) will have their share of pool proceeds calculated in such a way as to include what they would have received as a safety net payment.
- 8.4. The loss in income to the Pool from the safety net(s) foregone in any year will be met from the income generated from other authorities within the pool not having to pay levies in that year. If that levy income is insufficient, then the net loss from the safety net foregone will be shared amongst all the members of the Pool

(including those that would have otherwise qualified for a safety net payment) in proportion to their spending baselines for the year to which the safety net(s) would have applied.

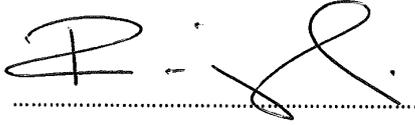
## **9. Treatment of residual benefits or liabilities**

- 9.1. Any residual benefits or liabilities arising in regard to the Pool's additional income will be shared amongst all the members of the Pool in proportion to their share of the income received from the Pool.
- 9.2. Any financial benefits committed in 2019/20 for future years' expenditure shall remain under the authority of the Joint Committee until expenditure is either incurred or the Joint Committee agree to treat as "residual benefit" (see 9.1 above).

## **10. Authority following the dissolution of the Pool**

- 10.1. At the point when the Joint Committee ceases to exist, they will authorise the lead authority to make any remaining payments on their behalf.
- 10.2. Any financial benefit committed to future years shall be transferred to the appropriate, sponsoring member authority who would then be responsible for delivering the funding for the schemes in accordance with the original approval. Should the value of funds transferred be greater than the actual cost, the member authority will ensure spend is consistent with the Pool's strategic aims.
- 10.3. Where the financial benefit committed to future years cannot be allocated to a single member authority, the funds shall be transferred to the lead authority who would then be responsible for delivering the funding for the schemes in accordance with the original approval. Should the value of the funds transferred be greater than the actual costs, the lead authority will treat as "residual benefit" (see Paragraph 9 above).
- 10.4. At the point when the Joint Committee is dissolved, their authority as a decision making group is no longer binding. Any decisions made after this point would be made by the Leaders representing their authority and will be subject to that authority's internal governance processes.

## 11. Evidence of authorisation

Authority name	Name of s.151 officer	Signature
City of Bradford Metropolitan District Council	Chris Chapman Director of Finance	
The Metropolitan Borough Council of Calderdale	Nigel Broadbent Head of Finance	<i>N. Broadbent</i>
Craven District Council	Richard Weigh Chief Finance Officer and Section 151 Officer	
Hambleton District Council	Louise Branford White Director of Finance	
Harrogate Borough Council	Paul Foster Head of Finance	<i>PA Foster</i>
Kirklees Council	Eamonn Croston Service Director, Finance and s151 Officer	
Leeds City Council	Victoria Bradshaw Chief Officer Financial Services	<u>V. f. Bradshaw</u>
North Yorkshire County Council	Gary Fielding Corporate Director Strategic Resources (Section 151 Officer)	
Richmondshire District Council	Sian Moore Corporate Director (Resources) and Section 151 Officer	<i>Sian Moore</i>
Ryedale District Council	Anton Hodge Chief Finance Officer (s151)	

<b>Scarborough Borough Council</b>	<b>Nicholas Edwards</b> <b>Director of Business Support &amp; S151 Officer</b>	<i>Nicholas Edwards</i>
<b>The Council of the City of Wakefield</b>	<b>Neil Warren</b> <b>Chief Finance Officer</b>	
<b>City of York Council</b>	<b>Debbie Mitchell</b> <b>Corporate Finance and Procurement</b> <b>(Section 151 Officer)</b>	<i>Debbie Mitchell</i>

## **NORTH AND WEST YORKSHIRE BUSINESS RATES POOL JOINT COMMITTEE TERMS OF REFERENCE TO BE AGREED**

The North and West Yorkshire Business Rates Pool Joint Committee is authorised to:

- Allocate any excess income arising from levy payments that would otherwise have to be paid by member authorities to the Secretary of State in accordance with the North and West Yorkshire Business Rates Pool governance agreement;
- Determine any changes to the purposes for which any such excess income should be applied, subject to the principle that no authority should receive less than they would if not a member of the 50%% Retention Pool;
- Determine the expenses to be deducted by the lead authority administering the Pool;
- Consider any applications for other authorities to join the Pool;
- Determine any variations to the membership of the Joint Committee; and
- Determine any other matters relating to the administration and governance of the Pool including replacement of the lead authority.

The Joint Committee will elect a chairperson.

The Joint Committee will meet as and when required but no less than twice each year.

The quorum for meetings of the Joint Committee will be no less than 5 members. Members will be able to nominate substitutes either from their own authority or from a different member authority that is not a “representative” listed in the Governance Agreement.

Member voting rights will be one vote for each member of the Joint Committee. Voting will be by simple majority. In the event of a tie, the chair of the meeting will have a casting vote.