

## Pooling in the region

### 1. Leeds City Region Business Rates Pool

The Leeds City Region Pool commenced in 2013/14 and was dissolved on 31<sup>st</sup> March 2019.

Membership was as follows:

Bradford	Calderdale	Harrogate	Kirklees
Leeds	Wakefield	York	

Over these six years the Pool received £14.432m in levy payments and £23.080m from the 100% retention pilot in 2018/19. The total balance received being £37.512m. This is shown in summary on the table below and in more detail at **Annex A**:

Summary LCR Pool Income and Expenditure 2013/14 - 2018/19	2013/14 Final Outturn £m	2014/15 Final Outturn £m	2015/16 Final Outturn £m	2016/17 Final Outturn £m	2017/18 Final Outturn £m	2018/19 Final Outturn £m	Total £m
<b>Income</b>							
Balance b/f	0.000	0.532	2.544	1.693	3.193	2.775	
Pool income received	1.532	2.012	3.114	3.646	4.128	23.080	<b>37.512</b>
Balance available to fund activities	<b>1.532</b>	<b>2.544</b>	<b>5.658</b>	<b>5.339</b>	<b>7.321</b>	<b>25.855</b>	<b>37.512</b>
Total Payments and Commitments	-1.000	0.000	-3.965	-2.146	-4.546	-25.292	<b>-36.949</b>
<b>Remaining Balance (rolled forward, then allocated to member authorities after 2018/19)</b>	<b>0.532</b>	<b>2.544</b>	<b>1.693</b>	<b>3.193</b>	<b>2.775</b>	<b>0.563</b>	<b>0.563</b>

Expenditure from the Pool was varied: subscriptions; grants to other organisations; and contributions to costs incurred by members. Over the six years the total cost of commitments of this nature was £16.016m.

Looking at 2018/19 in particular, the LCR Pool funded the following commitments, choosing to forward fund £1.642m of 2019/20 costs out of the 2018/19 LCR Pool:

	2018/19 £m	2019/20 £m
Welcome to Yorkshire subscriptions	0.167	
Leeds City Region Secretariat	0.620	0.621
Combined Authority Transport Fund	0.696	0.696
Tour de Yorkshire contribution to hosting fees	0.421	
Welcome to Yorkshire grant funding	0.663	
Screen Yorkshire grant funding	0.150	0.175
WYCA China/India Desk funding		0.150
	<hr/> 2.717	1.642

Also, in the final year, funding from the 100% retention pilot was used to fund a call for projects totalling £20.933m (not included in the expenditure noted above). This included projects submitted by member authorities, WYCA, and Leeds Bradford Airport.

The table at **Annex A** gives the year-by-year expenditure for the LCR Pool, with further detail on the Strategic Aims at **Annex B**.

After meeting all commitments, the remaining balance allocated to member authorities was £0.563m.

## **2. North and West Yorkshire 2019/20 Business Rates Pool**

The North and West Yorkshire Pool commenced on 1<sup>st</sup> April 2019, and was dissolved on 31<sup>st</sup> March 2020, following the successful application to pool 75% retention in North and West Yorkshire.

The 2019/20 NWY Pool membership was as follows:

Bradford	Calderdale	Craven	Hambleton
Harrogate	Kirklees	Leeds	North Yorkshire CC
Richmondshire	Ryedale	Scarborough	Selby
	Wakefield	York	

The NWY Pool generated additional £26.7m in the region, £19.2m of which was reallocated back to member authorities in line with the Pool's governance agreement. The Pool retained £7.501m and committed funding of £5.775m expenditure.

This included forward funding areas of expenditure that would otherwise fall to member authorities, or to the new 2020/21 Pool, with its reduced income. The detail of this forward funding is included below:

	2019/20 £m	2020/21 £m	2021/22 £m
Welcome to Yorkshire subscriptions	0.323	0.323	
Tour de Yorkshire hosting fee	0.650	0.700	
UCI Cycle Race	0.600		
Secretariat Functions	0.204	0.820	
Lead Authority Administration Costs	0.030		
Low Carbon Project (WYCA)	0.100		
Combined Authority Transport Fund		0.700	
Welcome to Yorkshire draft business plan	1.000		
Screen Yorkshire		0.175	0.175
	<u>2.907</u>	<u>2.718</u>	<u>0.175</u>

After meeting these commitments, the balance remaining was £1.726m, this has been provisionally allocated back to member authorities pending audited NNDR3s later in the year. In 2019/20 member authorities submitted applications to demonstrate that their share of this remaining balance would be used to meet the Pool's aims. However, more recently, some member authorities individually made the decision to use part of their share of the allocated surplus to fund Welcome to Yorkshire in 2020/21. This decision was taken outside of the Pool arrangements.

## **3. North and West Yorkshire 2020/21 Business Rates Pool**

The new North and West Yorkshire Pool commenced on 1st April 2020. The membership of the Pool is as follows:

Bradford	Calderdale	Craven	Hambleton
Harrogate	Kirklees	Leeds	North Yorkshire CC
Richmondshire	Ryedale	Scarborough	
	Wakefield	York	

The Pool was estimated to generate £10.8m in retained levies based on authorities' NNDR1 estimates. This funding would otherwise be returned to Central Government. However, since the onset of COVID-19, and the resultant impact on the economy, the projected income to the region has reduced to £9.7 million.

Although Business Rates income will reduce, the levy calculation is adjusted for the S31 reliefs that have been increased due to coronavirus, the net result to the levy calculation is therefore zero for these reliefs. However the levy calculation does not adjust for other factors for which there is no compensation. Such as increased bad debts, increased empty rates relief and a reduction in growth.

The lower projected Pool income is due to the reduced estimates of growth in Leeds. Following the NNDR1 return, the Leeds estimated levy was £2.181m, this has been reduced to £0.030m due to the Authority's latest projections.

During the application process the prospective Pool members agreed that funds would be allocated to member authorities using the approach previously used for the two predecessor pools (The Leeds City Region Pool and the North Yorkshire Pool) to distribute the funding generated in their own areas, within their own region, using the methodologies they each had applied in 2018/19.

In summary:

- Bradford, Calderdale, Harrogate, Kirklees, Leeds, Wakefield, York:
  - 50% by growth above the baseline and 50% population
- Craven, Hambleton, Richmondshire, Ryedale, Scarborough, North Yorkshire County Council:
  - 50% by growth above the baseline and 50% by baseline funding level

As such, the table below shows the current projected income allocated to member authorities using the methodologies referred to above.

Authority	Redistributed levy payments
	£m
Bradford	1.305
Calderdale	0.240
Craven	0.446
Hambleton	0.636
Harrogate	0.253
Kirklees	0.661
Leeds	0.691
North Yorkshire County Council	2.035
Richmondshire	0.395
Ryedale	0.397
Scarborough	1.180
Wakefield	0.934
York	0.514
<b>TOTAL</b>	<b>9.686</b>

No projected commitments have been made against projected income at this point.

**Summary of LCR Pool Income and Commitments 2013/14 to 2018/19 Pool Close**

Annex A

	2013/14 Final Outturn £m	2014/15 Final Outturn £m	2015/16 Final Outturn £m	2016/17 Final Outturn £m	2017/18 Final Outturn £m	2018/19 Final Outturn £m	Total £m
<b><u>Income</u></b>							
Balance b/f	0.000	0.532	2.544	1.693	3.193	2.775	
2013/14 Levies (Final Outturn)	1.532						
2014/15 Levies (Final Outturn)		2.012					
2015/16 Levies (Final Outturn)			3.114				
2016/17 Levies (Final Outturn)				3.646			
2017/18 Levies (Final Outturn)					4.128		
2018/19 100% Pool Pilot Income (Final Outturn)						23.080	<b>37.512</b>
Balance available to fund activities	<b>1.532</b>	<b>2.544</b>	<b>5.658</b>	<b>5.339</b>	<b>7.321</b>	<b>25.855</b>	<b>37.512</b>
<b><u>Paid</u></b>							
Welcome to Yorkshire subscriptions			-0.167	-0.167	-0.167	-0.167	<b>-0.668</b>
Screen Yorkshire					-0.200	-0.150	<b>-0.350</b>
Leeds City Region Secretariat			-0.620	-0.620	-0.620	-0.620	<b>-2.480</b>
Combined Authority Transport Fund			-0.696	-0.696	-0.696	-0.696	<b>-2.784</b>
Tour de Yorkshire	-1.000		-1.123		-0.200	-0.421	<b>-2.744</b>
Tour de Yorkshire (additional costs incurred by York)			-0.012				<b>-0.012</b>
Welcome to Yorkshire grant funding			-0.663	-0.663	-0.663	-0.663	<b>-2.652</b>
Contributions towards Economic Development			-0.684		-2.000		<b>-2.684</b>
<b><u>Committed (held by LCC)</u></b>							
Screen Yorkshire 2019/20 (forward funding)						-0.175	<b>-0.175</b>
<b><u>2018/19 LCR Pool Call for Projects*</u></b>							
Business Support, Trade and Investment						-4.378	
Culture, Sport and Major Events						-6.404	
Enabling Housing Growth						-1.526	
Inclusive Growth						-8.625	<b>-20.933</b>
<b><u>Expenditure Committed by Leaders after Pool disbanded</u></b>							
Transport Fund 2019/20 (forward funding)						-0.696	
WYCA Secretariat 2019/20 (forward funding)						-0.621	
WYCA China/India Desk 2019/20 (forward funding)						-0.150	<b>-1.467</b>
<b>Remaining balance allocated to member authorities</b>	<b>0.532</b>	<b>2.544</b>	<b>1.693</b>	<b>3.193</b>	<b>2.775</b>	<b>0.563</b>	<b>0.563</b>

**\*2018/19 LCR Pool Call for Projects:**Further detail on **LCR Pool Strategic Aim Projects** worksheet.

Includes:

Payments to member authorities for projects

Payments/commitments to WYCA for projects

Commitment to Leeds Bradford Airport pending resolution of State Aid (expected this month)

## Breakdown of Spend In Strategic Areas By Project 2018/19

Annex B

<i>Strategic Area</i>	<i>Project</i>	<i>2018/19 Total Project Cost</i>
<b>Business Support, Trade and Investment</b>	Ad:Venture Phase 2	-0.563
	Business Support / Investment Readiness Programme	-0.715
	Digital Enterprise (2.0)	-0.250
	Investment Programme	-0.350
	Leeds Bradford Airport Ltd LBA European Business Hub Connectivity Project	-2.000
	West Yorkshire Fibre Infrastructure Support Fund	-0.500
	<b>Subtotal</b>	<b>-4.378</b>
<b>Culture, Sport and Major Events</b>	Back le Bid (Confidential)	-0.256
	Castle Gateway masterplan and events programme	-0.410
	Great Exhibition of the North Satellite	-0.050
	Halifax and The Piece Hall Visitor Economy	-0.496
	Kirklees - the Music District	-0.299
	Leeds Capital of Culture Bid	-0.350
	Major cultural and sporting events – building the bid for UK City of Culture 2025	-0.539
	Maximising UNESCO City of Media Arts Designation	-0.230
	Transforming Leeds Events	-1.600
	UCI 2019 Road World Cycling Championships	-0.673
	Wakefield Waterfront - Rutland Mills Multi Use Art Event Space	-1.500
	<b>Subtotal</b>	<b>-6.404</b>
	<b>Enabling Housing Growth</b>	Better by Design - York Housing delivery Programme
Dewsbury Housing		-0.400
Enabling Housing Growth: Brokerage Support		-0.250
Enabling quality of place & accelerating homes/jobs on council owned land		-0.200
Stalled Housing Brokerage Service		-0.351
<b>Subtotal</b>	<b>-1.526</b>	
<b>Inclusive Growth</b>	Bradford & Keighley CLLD	-0.500
	Bradford District Health & Social Care ONE WORKFORCE	-1.151
	City Brand and Inclusive Growth	-0.660
	Delivering Inclusive Growth in Calderdale	-1.004
	Expansion of digital engagement in Leeds	-0.400
	Harrogate Digital Incubator	-0.540
	Inclusive Growth in LCR - Skills, External Challenge and Connectivity	-2.070
	Leeds City Region Growth Services	-0.088
	Raising Aspirations	-1.360
	Screen Skills Diversity Project	-0.503
Smart Harrogate	-0.350	
<b>Subtotal</b>	<b>-8.625</b>	
<b>Total</b>	<b>-20.933</b>	