

# TONBRIDGE & MALLING BOROUGH COUNCIL

## CABINET

11 October 2017

### Report of the Director of Finance and Transformation

#### Part 1- Public

#### Executive Non Key Decisions

#### **1 100% BUSINESS RATES RETENTION PILOTS**

**Members are advised of the DCLG's prospectus in respect of 100% business rates retention pilots; and are asked to note that any bid would need to be made in conjunction with other Kent authorities. Cabinet is asked to delegate authority to the Director of Finance & Transformation and the Chief Executive in liaison with the Leader and Cabinet Member for Finance, Innovation & Property to progress this matter as appropriate.**

#### **1.1 Introduction**

- 1.1.1 Members may recall that prior to the 2015 General Election there was a commitment made by central government to introduce a 100% Business Rates Retention Scheme. The recent Queen's Speech, however, omitted any reference to local government finance and the status of the '100% business rates model' seemed in doubt.
- 1.1.2 Nevertheless, the Department for Communities and Local Government has now invited local authorities to submit bids to participate in pilots of 100% Business Rates Retention in 2018/19 with a closing date of 27 October.
- 1.1.3 The prospective issued by the Department for Communities and Local Government (DCLG) can be found at:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/641555/Pilots\\_1819\\_Prospectus.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/641555/Pilots_1819_Prospectus.pdf)

#### **1.2 The Bid Process**

- 1.2.1 The DCLG's prospectus encourages local authorities to apply as pools, and it states that the Government is particularly interested in piloting two-tier areas. The advice received from the specialist public sector finance consultants LG Futures, commissioned via the Kent Finance Officers group, is that a bid is likely to be more successful if all district councils, the County Council and the Unitary are party to the bid.

- 1.2.2 As Members are aware, TMBC is currently the only council in Kent below its business rates baseline due to the collapse of Aylesford Newsprint (then our largest ratepayer). We are, therefore, in a different position to the other partners; although depending upon the objectives and parameters specified within the bid to DCLG, TMBC could see some benefit.
- 1.2.3 Discussions have been held at Kent Finance Officers and the Kent Leaders groups, but there is still some way to go in finalising whether a bid will be submitted and, if so, what the objectives and parameters might be.
- 1.2.4 Kent Leaders and Chief Executives are not due to meet again until later in October, so the position will not be known prior to the meeting of Cabinet.
- 1.2.5 In order that this matter can be progressed (should that be shown to be the right way forward), it is suggested that delegated authority be granted to myself and the Chief Executive in liaison with the Leader and Cabinet Member for Finance, Innovation and Property to progress this matter.

### **1.3 Legal Implications**

- 1.3.1 None

### **1.4 Financial and Value for Money Considerations**

- 1.4.1 There are potential gains for Kent as a whole were a bid to be successful. Any gains would be for the duration of the pilot (currently one year).

### **1.5 Risk Assessment**

- 1.5.1 It could be argued that there is a risk in not applying to become a pilot. Local government has argued for greater autonomy and for more local control of resources. If Kent foregoes the opportunity to apply to become a pilot, Kent authorities' commitment to these objectives could be questioned.

### **1.6 Equality Impact Assessment**

- 1.6.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

## 1.7 Recommendations

1.7.1 Cabinet is **RECOMMENDED** to grant delegated authority to the Chief Executive and Director of Finance and Transformation, in liaison with the Leader and Cabinet Member for Finance, Innovation and Property, to determine:

- 1) whether this Council joins other Kent authorities in a bid for pilot status under the 100% Business Rate Retention Prospectus; and
- 2) if a bid is submitted from Kent as a whole, the detailed objectives and parameters of the bid.

Background papers:

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Nil

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