

EAST SUSSEX FIRE AND RESCUE SERVICE

Meeting	Extraordinary Fire Authority
Date	25 October 2019
Title of Report	Business Rates Pooling
By	Duncan Savage, Assistant Director Resources/Treasurer
Lead Officer	Duncan Savage, Assistant Director Resources/Treasurer
Background Papers	Fire Authority 11 September 2014 – Item 805 – Business Rates Pooling Urgency Panel 24 October 2017 – Item 13 – Business Rates Pooling
Appendices	N/A

CORPORATE RISK	✓	LEGAL	
ENVIRONMENTAL		POLICY	
FINANCIAL	✓	POLITICAL	
HEALTH & SAFETY		OTHER (please specify)	
HUMAN RESOURCES		CORE BRIEF	

PURPOSE OF REPORT To seek Fire Authority approval to participate in a re-established East Sussex Business Rates Pool.

EXECUTIVE SUMMARY The County Council, the five Districts and Boroughs and the Fire Authority operated the East Sussex Business Rates Pool during 2015/16, 2016/17 and 2018/19. The same authorities were successful in establishing a 75% Business Rates Retention pilot for 2019/20.

Following the recent Spending Round for 2020/21 and the announcement that Business Rates reform will be delayed until 2021/22, Government has confirmed that 75% BRR pilots will not be extended for a further year, but has invited expressions of interest in Pooling for 2020/21.

The timescales are tight with expressions of interest due by 25 October 2019. Discussions through the East Sussex Finance Officers Association (ESFOA) have indicated interest in re-pooling and the expectation that this would be informed by analysis from LG Futures (who have supported previous pooling / pilot bids) and follow the model used previously the key features of which have included:

- Appointing a lead authority (Wealden District Council)
- Resources gained on the basis of the levy amount that was saved by individual authorities be split as follows: 40% to ESCC, 10% to the Fire Authority and the remaining 50% split amongst the District/Borough Councils
- Pool Members should be no worse off than if they were outside the Pool

The rationale for the Pool is to encourage economic growth therefore Pool Members are encouraged to use the additional resource to promote further economic growth.

The matter is due to be discussed at the ESFOA meeting on 22 October 2019, and a further update will be provided at the Fire Authority meeting.

The financial benefits to the Authority have totalled £639,000 over the three years the Pool has operated. The forecast for the 2019/20 BRR Pilot is £550,000.

Whilst the Districts and Boroughs have put in place measures to offset the risk of business rates yield reductions, there remains the risk that any pool could make a loss and the Authority needs to ensure it has sufficient provision in its reserves and balances to cover its share in this eventuality.

Authorities within a proposed Pool have in previous years had the option to withdraw from the Pool during the consultation period following the publication of the Provisional Local Government Finance Settlement. However, if exercised this would cause the whole Pool to fail.

RECOMMENDATION

The Fire Authority is recommended to:

- (i) approve the Authority's membership of a re-established East Sussex Business Rates Pool
- (ii) delegate the final decision on whether to participate in the Pool to the Assistant Director Resources/Treasurer after consultation with the Chairman and the Chief Fire Officer and
- (iii) authorise the Assistant Director Resources /Treasurer to take any steps necessary to give effect to the decision in (ii) above