

Delegated Decision

Notice – Finance and Democracy Committee

In preparing to make this decision, the lead officer confirms that they will be taking all reasonable steps to ensure that they are in full possession of relevant facts, have considered alternative options, and made every practical effort to discuss the matter under consideration with all members of the council who would have normally made this decision, the group leaders and the Mayor.

Decision Date:	27 th April 2020
Lead Officer:	Allan Oldfield, Chief Executive
Matter under consideration:	Retention of Business Rates from the Lancashire Pilot Scheme
Responsible Committee:	Finance and Democracy Committee
DECISION:	That the council retains its share of the business rates from the Lancashire Pilot that was originally allocated as a contribution towards the 25% of funds to be top sliced for Lancashire wide initiatives.

The council has been part of a Lancashire wide business rates pilot scheme for the 2019/20 financial year, whereby 75% of business rates are retained by local government. It was agreed that as part of the Lancashire wide pilot scheme that 25% of the additional retained business rates received across

Lancashire as a result of the pilot (Fylde's share estimated at approximately £137k) would be allocated to a Lancashire wide 'Strategic Economic Growth and Financial Sustainability Fund' (SEGFSF) for regional economic strategic initiatives and financial sustainability. Decisions relating to expenditure from this fund would be made through the Lancashire Leaders group. Fylde council agreed to these arrangements as part of the business rate pilot which has financially benefitted all participants.

As at March 31st, 2020 approximately only £50k of the Lancashire wide SEGFSF had been allocated, this is to support the Lancashire Greater Plan. The recent Coronavirus pandemic has led to several challenges resulting in changes to spending plans and forecasts in all local authorities. The consensus is that council budgets will be negatively affected by the loss of income and the additional initiatives required in response to the pandemic. Lancashire Leaders have held remote discussions and proposed unanimously that the remainder of the funds originally allocated for the Lancashire wide SEGFSF is now retained by each council in the pilot. This will equate to an estimated £132k for Fylde, the figure is currently an estimate because the final figure is based on business rate retention for the 2019/20 fiscal year, the final figures from which have yet to be confirmed.

A decision is required for the council to retain this proportion of the business rates in order to replace the previous council decision to allocate the funds to a Lancashire wide scheme.

SUMMARY OF PREVIOUS DECISIONS

At the meeting of 23rd September 2019 Finance and Democracy Committee considered participation by Fylde Council in a Lancashire-wide Business Rate Pool for 2020/21 and support for The Greater Lancashire Plan and determined:

1. Approve the continuation of Fylde Council participation in the current Lancashire Business Rates Pool for 2020/21 onwards, on the assumption that the pool remains in existence, along with participation in the '75% Business Rate Retention Pilot Scheme' should that be a further option available in future years;
2. Note that once the one-year settlement for 2020/21 is announced in the autumn of 2019, subsequent updates to the Financial Forecast of the Council will be amended to reflect the latest information and expectations in respect of future levels of business rate income to the Council; and
3. Approve a fully funded revenue budget increase in the sum of £20,261 for 2019/20, to be met from the Funding Volatility Reserve, to support the development of a Greater Lancashire Plan, subject to the unanimous approval by the relevant Lancashire Leaders (in their capacity as the Governing Body of the Lancashire Business Rates Pool) to the development of the plan from the release of monies held in the Lancashire Strategic Economic Growth and Financial Sustainability Fund.

At the meeting of 24th September 2018 Finance and Democracy Committee considered participation by Fylde Council in a Lancashire-wide Business Rate Pool for 2019/20 and determined:

1. To approve the continuation of Fylde Council participation in the current Lancashire Business Rates Pool for 2019/20 on the assumption that the pool remains in existence;
2. To agree the participation of Fylde Council in the submission of a bid by Lancashire authorities to form part of the '75% Business Rate Retention Pilot Scheme' arrangements for 2019/20 providing that a revised pooling arrangement, acceptable to all authorities, can be established;
3. To note that the next update to the Financial Forecast of the Council will be amended to reflect the latest information and expectations in respect of future levels of business rate income to the Council; and
4. To agree that participation in the Lancashire Business Rate Pool for future years beyond 2019/20 should be kept under review and should be the subject of a report to the committee for consideration during the next financial year.

IMPLICATIONS

Finance	Circa £132k of additional business rate income is retained by the council rather than being contributed to a Lancashire wide 'Strategic Economic Growth and Financial Sustainability Fund'. This additional retained income will be reflected in business rate income for the council in 2019/20 as part of the closure of accounts process. The additional retained amount will help mitigate the financial impact of the Coronavirus pandemic on the council.
Legal	None
Community Safety	None
Human Rights and Equalities	None

Sustainability and Environmental Impact	None
Health & Safety and Risk Management	The additional retained amount will help mitigate the financial impact of the Coronavirus pandemic.

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