

## Record of Urgent Executive Decision

### 1. Subject of decision

Business Rate Pooling

### 2. Name and Title of Decision Maker

Norma Redfearn CBE Elected Mayor

### 3. Details of any Conflict of Interest and any Dispensation granted in respect of such Interest

None

### 4. Executive summary

On 24 July 2018, the Ministry of Housing, Communities and Local Government (MHCLG) invited pilot bids for 75% localisation of Business Rates in 2019/20.

In September 2018 the Authority submitted an expression of interest to MHCLG to be considered with Newcastle City Council and Northumberland County Council to become a Business Rate Pool and by doing so become a 75% Business Rate Retention pilot for the financial year 2019/20. The expression of interest was submitted with the knowledge that part of the requirement was that any bid was to support the aims and objective of a Combined Authority.

In order to further consider the expression of interest submission MHCLG have advised that a Memorandum of Understanding (MoU) between the three authorities must be submitted by the 30 November 2018.

The MoU acts as a statement of intent that will support the realisation of the benefits that will be gained from becoming a Business Rate Pool with 75% retention. It also looks to formalise the commitment to the becoming a Business Rate Pool and sets out the respective roles and responsibilities that will be in place from the 2019/20 financial year.

Any gain achieved by the 75% pilot will be allocated by the North of Tyne Combined Authority in line with its vision and investment priorities.

## 5. Alternative Options considered

### Option 1

Agree to the submission of the Memorandum of Understanding to the Ministry of Housing, Communities and Local Government (MHCLG), and agree to the Pooling of business rates should the submission to MHCLG be successful.

### Option 2

Not to agree the submission of the Memorandum of Understanding to the MHCLG

## 6. Decision(s)

- (1) Approve the Authority becoming a member of the Newcastle upon Tyne, North Tyneside and Northumberland Business Rate Pool 2019/20
- (2) Approve the delegation to the Head of Resources in consultation with the Cabinet Member for Finance, the Chief Executive and the Head of Law and Governance to agree the Memorandum of Understanding for the proposed Business Rate Pool.

## 7. Reasons for the Decision(s)

If the Memorandum of Understanding is not submitted, the opportunity to become a Business Rate pilot Scheme would be missed with the potential £5.5m of business rates being retained by Central Government rather than be secured for the North of Tyne region.

If taxation receipts grow faster than spending on additional responsibilities, a successful bid should result in a greater share of local taxation being retained in the area, for the benefit of residents and service users.

Supporting the submission of the Memorandum of Understanding would give further incentives to all the pooling authorities to work proactively together to drive economic growth within the North Tyneside, Newcastle and Northumberland areas. In North Tyneside this would ensure that we are working towards the priorities as set out in the 2018-2020 Our North Tyneside Plan.

**8. Is this decision subject to call-in and if so expiry date of call-in period**

This decision is not subject to call-in\*

**9. Date of Publication**

30 November 2018

**10. Implementation Date (if decision not called in)**

30 November 2018

\*This is an Urgent Decision, as agreed by the Chair of the Overview, Scrutiny and Policy Development Committee, and not subject to call-in, as agreed by the Chair of Council.

The reason for urgency is as follows:

On 21 November 2018 the Authority was advised by the Ministry of Housing, Communities and Local Government (MHCLG) that the Memorandum of Understanding must be signed and submitted by the three Authorities and forwarded to MHCLG by 30 November 2018.