

Oxfordshire application for 100% Business Rates Pilot Scheme

Report Purpose

- 1) This report presents to the Board the application from the six councils of Oxfordshire to be considered as a pilot for the 100% Business Rates Retention Scheme for 2018-19 and asks the Board to formally record its support for the application.
- 2) The application, submitted to Government on 27th October is attached as an appendix to this report

Recommendation

- (i) *That the Growth Board supports the application for the 6 councils of Oxfordshire to be considered as a pilot for the 100% Business Rates Retention Scheme for 2018-19*

Background

- 3) The Government recently released a prospectus inviting all local authorities to apply to be a pilot for 100% Business Rates Retention in 2018-19. The prospectus highlights that bids from two-tier areas are of particular interest.
- 4) As supporters of the concept of 100% business rates retention as the primary source of local government funding all Oxfordshire authorities have therefore worked together to prepare and submit this bid.
- 5) Historically, Oxfordshire has been very successful at generating business rate growth since the inception of the Business Rate Retention Scheme(BRRS) in 2013-14. Income has increased by 12.5% (£33m) and all districts have growth.
- 6) The Oxfordshire authorities have used the incentives from BRRS to support and encourage both existing and new businesses in the area. This has had both significant benefits for economic growth in the county and has contributed to the positive improvements seen in our town centres and rural areas.
- 7) The authorities also recognise that Economic Growth drives Financial Sustainability and are keen to build upon a strong track record of delivering sustainable business growth through this application. There is also a willingness to work collaboratively, demonstrated by the intention to use the greatest share of the benefit from pooling to support economic growth across the County with the remainder being used to support agreed shared priorities agreed through the Board.

Benefits and Financial Business Case

- 8) The pilot scheme provides an opportunity for councils to think differently about how the funding is used countywide and discussions held during the application process have led to agreement of two priorities, these are:
 - That the biggest pressures in terms of financial sustainability rest with the County Council largely caused by Social Care, both adults and children;
 - That the best way to maximise the additional funding is collaborate and fund schemes that have mutual benefits.
- 9) It is therefore proposed that the additional benefit from the pilot would all be pooled and used to fund the following:

- 70% Economic Growth – to be linked to funding the ambitions articulated in the place based Growth Package Deal which.
- 30% Sustainable Finances – applying the funds to commonly agreed projects and shared priorities agreed through the Growth Board.

10) The detail of how the pooled business rates will be allocated and the positive implications of the application for the partner councils are detailed in the application.

11) The Board are asked to note the submission of the application and offer its support.