



Ministry of Housing,
Communities &
Local Government

Business Rates Pilot Scheme 2019/20

Application Form

This application form will be used to assess your application to pilot 75% business rates retention in 2019/20. Where relevant, further evidence to support points raised in this form may be included as an annex. Please note that authorities cannot apply to pilot 75% business rates retention as part of more than one application.

Information provided in response to this application may be published or disclosed in accordance with the access to information regimes – these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 2018 (DPA), the EU General Data Protection Regulation, and the Environmental Information Regulations 2004).

The personal data you provide as part of this application will be held on a secure government system in line with the department's [personal data charter](#). Contact details will only be used for contacting you about your application or to update you on our work relating to local government finance reforms.

For any questions relating to the application process, please email:
Businessratespilots@communities.gsi.gov.uk.

FAQs relating to applications will be published on the Government publications website at <https://www.gov.uk/government/publications/75-business-rates-retention-pilots-2019-to-2020-prospectus>

1. Application Contact Details

Please include details of the lead pilot authority and lead official responsible for responding to any departmental queries relating to the pilot application.

a. Name of lead pilot authority	Ribble Valley Borough Council
b. Name of lead official	Jane Pearson
c. Lead official job title	Director of Resources
d. Lead official email address	jane.pearson@ribblevalley.gov.uk
e. Lead official contact phone number	01200 414430

2. Membership of the Proposed Pool

Please list all authorities belonging to the proposed pilot pool below. The application cannot be considered valid unless all of the listed members have endorsed all parts of the application (see Annex A). You can insert/delete lines as needed.

For the authority type box, please write down one of the following options for each participating authority: (1) Fire; (2) London Borough; (3) Metropolitan district; (4) County; (5) Shire District; (6) Greater London Authority; (7) Unitary Authority.

Authority name	Authority Type
Burnley Borough Council	Shire District
Chorley Borough Council	Shire District
Fylde Borough Council	Shire District
Hyndburn Borough Council	Shire District
Pendle Borough Council	Shire District
Preston City Council	Shire District
Lancaster City Council	Shire District
Ribble Valley Borough Council	Shire District
Rosendale Borough Council	Shire District
South Ribble Borough Council	Shire District
West Lancashire Borough Council	Shire District
Wyre Borough Council	Shire District
Lancashire County Council	County
Blackpool	Unitary Authority
Blackburn with Darwen	Unitary Authority
Lancashire Fire and Rescue	Fire

3. Membership details and pooling arrangements

Please answer all of the questions below using short and concise answers. Section 4 will allow you to outline your pilot proposal in more detail.

<p>a. Have all members included in the pilot area endorsed all parts of this application?</p> <p><i>(Please ensure that Annex A is signed by s.151 officer of each area and returned as part of the application to evidence this.)</i></p>	<p>Select one: (1) Yes</p> <p>(1) Yes; (2) No</p>
<p>b. Do any members of the proposed pool belong to any other current pool?</p> <p><i>(If 'no', please move to question 3.d.)</i></p>	<p>Select one: (1) Yes</p> <p>(1) Yes (2) No</p>
<p>c. If any members of the proposed pool belong to any other current pool, have other members of such pool been informed that the authority is applying to become a pilot as part of a different pool?</p>	<p>Select one: (1) Yes – all members of the existing Lancashire BR Pool are included in this pilot application</p> <p>(1) Yes (2) No (3) N/A</p>
<p>d. Are there any precepting authorities that are not part of the proposed pilot area?</p> <p><i>(If 'yes', please move to question 3.e.)</i></p>	<p>Select one: (2) No</p> <p>(1) Yes (2) No</p>
<p>e. If there are any precepting authorities that are not part of the proposed pilot area, are these precepting authorities aware of this proposal?</p>	<p>Select one: (2) No</p> <p>(1) Yes (2) No (3) N/A</p>
<p>f. Are all members of the proposed pilot area willing to collaborate with MHCLG officials on system design of the new business rates retention system, sharing additional data and information, as required?</p>	<p>Select one: (1) Yes</p> <p>(1) Yes (2) No</p>

<p>g. How does the pilot pool propose to split non-domestic rating income in two-tier areas?*</p> <p><i>(F.ex. the pilot pool could propose to split the shares as in the current 50% business rates retention, or propose to test different kinds of tier split arrangements as part of the pilot.)</i></p> <p><i>(*The department will use this information in regulations to designate a tier split for the pooled pilot area. In practice, the pilot pool will be given one overall tariff or top-up, and the members of the pool can agree to change the headline tier split.)</i></p>	<p><i>We agree to split business rate income as follows:</i></p> <p><i>Districts: 56%</i> <i>County Council: 17.5%</i> <i>Unitaries: 73.5%</i> <i>Fire: 1.5%</i></p>
<p>h. Do you propose to retain any of the additional 25% of retained business rates in an investment pot or similar and distribute this after 2019/20?</p> <p><i>(If 'no', please move to question 3.j.)</i></p>	<p><i>Select one: (1) Yes</i></p> <p><i>(1) Yes</i> <i>(2) No</i></p>
<p>i. If any of the additional 25% of retained business rates are kept in an investment pot or similar, how will this be distributed after 2019/20?</p>	<p><i>5% of the additional growth will be set aside to create a new resilience reserve to mitigate against any losses in business rate income below baseline funding levels.</i></p> <p><i>A further 25% of the additional growth will be set aside to create a Lancashire wide fund to be used to target strategic economic growth, improve financial sustainability and allocated based on decisions of the Lancashire Leaders Business Rates Pilot Group.</i></p> <p><i>The remaining retained growth will be apportioned according to the tier splits . ie districts 56%; county council 17.5%; unitaries 73.5%; fire 1.5% to promote economic growth at a local level and to enable the financial sustainability of pool members in particular district costs of recycling and waste collection and for the upper tier authorities both adult and children's social care pressures.</i></p>
<p>j. What is the anticipated income above baseline funding level for the pilot pool over 2019/20 (in £)?</p>	<p><i>We anticipate the total income above the baseline funding level for the pilot pool will be c £40m based on our 2018/19 NNDR1's before the allocation of the Government's 25% share. ie the pilot anticipates £30m above the baseline funding level for the new pool</i></p>
<p>k. What is the business rates base of the proposed pilot area like and what is its relevance to the economic geography of the area?</p> <p><i>(F.ex. you could describe the size and types of</i></p>	<p><i>Business rate data:</i> <i>based on latest data released by the Valuation Office Agency published on 11th June 2018.</i></p> <p><i>The table below shows that 10 of Lancashire's 14 borough areas have seen a % decrease in rateable value since 2010 with Blackburn with Darwen and Preston having the largest % decrease at -8.2% and -10.6% respectively. Only Fylde, Lancaster and Ribble Valley have seen a % increase. The Lancashire 12 district councils have collectively seen a decrease of -3.8%, a larger decrease than the regional average and significantly different than the England average.</i></p>

hereditaments in the area, business sectors relevant to the area, or the size of your business rates base in relation to baseline funding levels.)

In comparison areas such as the East Midlands has seen an increase of 6.9% with Leicester unitary authority seeing the highest increase of 15.6% but still significantly lower than the London and Inner London statistics. However, the number of enterprises has increased by 17.1% in the Lancashire-14 area between 2011 to 2017, although this is at a lower %change than the UK average of 28.3%.

Local authority	Rateable properties	Rateable value	% change since
North West	266,120	£6,702,194	-0.4
BwD	6570	£118,260	-8.2
Blackpool	6780	£128,330	-1.8
Lancashire-12	43,160	£928,708	-3.8
Burnley	3,910	£71,699	-4.3
Chorley	3,430	£66,308	-6.7
Fylde	2,870	£65,724	2.4
Hyndburn	3,320	£55,728	-6.5
Lancaster	5,180	£155,653	1.1
Pendle	3,610	£52,076	-2.0
Preston	5,540	£151,912	-10.6
Ribble Valley	2,360	£40,274	3.7
Rossendale	2,700	£35,694	-4.1
South Ribble	3,020	£85,960	-6.3
West	3,240	£78,665	-3.6
Wyre	3,990	£69,015	0.0
Total	56,510	£1,175,298	

However, the number of enterprises has increased by 17.1% in the Lancashire-14 area between 2011 to 2017, although this is at a lower %change than the UK average of 28.3%.

Enterprise:

Lancashire has one of the largest economies in the Northern Powerhouse with 52,350 businesses generating £29bn per year. It is home to the world's 4th largest global aerospace cluster with 500 aerospace supply chain companies.

Lancashire local authorities and the Lancashire Enterprise Partnership (LEP) are making significant investment in the area to promote business growth and expansion over recent years the LEP has secured a £1bn growth programme across the County.

Preston, Blackburn with Darwen and Lancaster has the highest number of enterprise in Lancashire.

More than half of Lancashire's enterprises fall in the £50k to £249k turnover bands. Lancashire has a greater proportion of its enterprises in the higher turnover bands (£250k or more) than the UK average.

Industry and employers:

The table below shows the enterprises by industry for the whole of Lancashire. Manufacturing; construction; retail; professional and technical; administrative and support services are the industries with the largest number of enterprises.

Industry	lep: Lancashire
<i>A : Agriculture, forestry and fishing</i>	3,275
<i>B : Mining and quarrying</i>	15
<i>C : Manufacturing</i>	3,560
<i>D : Electricity, gas, steam and air conditioning supply</i>	55
<i>E : Water supply; sewerage, waste management and remediation activities</i>	185
<i>F : Construction</i>	6,385
<i>G : Wholesale and retail trade; repair of motor vehicles and motorcycles</i>	9,460
<i>H : Transportation and storage</i>	2,350
<i>I : Accommodation and food service activities</i>	3,510
<i>J : Information and communication</i>	2,540
<i>K : Financial and insurance activities</i>	1,070
<i>L : Real estate activities</i>	1,770
<i>M : Professional, scientific and technical activities</i>	7,035
<i>N : Administrative and support service activities</i>	3,975
<i>O : Public administration and defence; compulsory social security</i>	140
<i>P : Education</i>	865
<i>Q : Human health and social work activities</i>	2,600
<i>R : Arts, entertainment and recreation</i>	960
<i>S : Other service activities</i>	2,325
<i>T : Activities of households as employers;undifferentiated goods-and services-producing activities of households for own use</i>	0
<i>U : Activities of extraterritorial organisations and bodies</i>	0
Total	52,070

i. What pooling arrangements would the members of the pilot like to see if their application to become a pilot is unsuccessful?

Members of the proposed pilot have confirmed they would support continuation of the current Lancashire Business Rate Pool in the event this pilot application is unsuccessful

m. How would the pilot area deal with residual benefits/liabilities once the pilot ends?

In the unlikely event that there are residual monies/liabilities at the end of the pilot any balances will be apportioned to pool members based on the splits agreed.

4. Details of the pilot proposal

Please explain how your proposal fulfills each of the below criteria for becoming a 75% business rates retention pilot in 2019/20 (as outlined in 3.2 of the 'Invitation to Local Authorities in England to pilot 75% Business Rates Retention in 2019/20'). If relevant, you may reference answers provided in section 3 of this application form and use this section to provide more detail on the responses. Although there is no formal word limit for answers provided in this section, please be as concise as possible.

a. How does the proposed pilot operate across a functional economic area?

The proposed pilot will be a place based model incorporating the county council, two unitaries, the fire and rescue authority and 12 shire districts across an economically diverse geographical area.

The functional economic area is a large part of north west England above the geographical areas of Merseyside and Manchester with a population of circa 1.5m. It encompasses both sparse rural areas and densely urban areas some of which are challenged with high levels of deprivation.

Key economic activity across this diverse area includes both significant amounts of traditional manufacturing industries as well as advanced engineering and aerospace with considerable levels of export activity. There is also a significantly growing leisure and tourism offer.

b. How does the pilot area propose to distribute and use the additional 25% of retained business rates growth across the pilot area?

The first call on any additional growth will be to create a new resilience reserve to mitigate against any losses in business rate income. This will equate to 5% of the additional growth.

A further 25% of the additional growth will be set aside to create a Lancashire wide fund to be used to target strategic economic growth, improve financial sustainability and allocated based on decisions of the Lancashire Leaders Business Rates Pilot Group.

Remaining retained growth will be apportioned according to the tier splits. ie districts 56%; county council 17.5%; unitarities 73.5%; fire 1.5% to promote local economic growth and to enable the financial sustainability of pool members in particular district costs of recycling and waste collection and for the upper tier authorities both adult and children social care pressures.

c. How does the pilot area propose to arrange its governance for strategic decision-making around the management of risk and reward? How do the governance arrangements support proposed pooling arrangements?

The councils in Lancashire have a well established Leaders group that meet on a regular basis to discuss strategic issues affecting the whole of Lancashire. This includes the two unitary authorities, all 12 districts and the county council. This pilot pool is a natural extension of the work of this group in growing the Lancashire wide economy. The Pool Pilot Governing body will therefore consist of Leaders of all the local authorities in the pool.

They will receive monitoring reports during the year which will forecast growth/losses for pilot members, and also play a crucial role in deciding how the strategic growth and financial resilience fund will be invested. It has been agreed that all decisions must be unanimous.

The Lancashire Pilot Pool governance agreement sets out how risk and reward will be managed.

5. Submitting your application

Please return this form and Annex A with signatures of all s.151 officers from proposed pilot pool's member areas by the deadline of 25 September 2018. Where relevant, further evidence of points raised in this form may be included as an annex.

Please submit your completed application to:

businessratespilots@communities.gsi.gov.uk

or

Business Rates Reform; Local Government Finance; Fry Building, 2 Marsham St, Westminster, London SW1P 4DF.



Annex A – Evidence of authorisation

a. Name of lead pilot authority	
b. Name of lead official	
c. Lead official job title	
d. Lead official email address	
e. Lead official contact phone number	

Please include the signatures of each member area's s.151 officer to evidence that all parts of your application have been fully endorsed by authorities listed in section 2 of the pilot application form. You can insert/delete lines as needed.

Authority name	Name of s.151 officer	Signature