

<b>Committee(s)</b>	<b>Dated:</b>
Finance Committee	24 <sup>th</sup> January 2023
<b>Subject: Report of (public) Action taken under DA or Urgency procedures since the last meeting of the Committee</b>	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>N/A</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>¥/N</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N/A</b>
<b>Report of: Town Clerk</b>	<b>For Information</b>
<b>Report author:</b> John Cater, Committee Clerk, Finance Committee	

## Summary

This report advises Members of urgent and/or delegated public action taken by the Town Clerk since the publication of the agenda pack of the last meeting of this Committee, in consultation with the Chairman and Deputy Chairman, in accordance with Standing Orders No. 41(a) and 41(b).

## Recommendation

Members are asked to note the report.

## Main report

### **Subject: Eight Authority Pool (13<sup>th</sup> January 2023)**

#### **Background**

From 2018/19, the 32 London Boroughs, Greater London Authority (GLA) and the City of London Corporation were part of the London Business Rates Pool. Significant financial benefits (£609m) were gained from this arrangement until the pandemic, which had a significant impact on the collection of business rates, resulting in an estimated £14.2m loss being shared by pool participants.

Further modelling for 2021/22 and 2022/23 showed a mix of risks across London. The comparatively low level of financial return resulted in a decision not to continue with a London Pool 2021/22 and 2022/23. However, the opportunity was still available for authorities to form their own pool groupings.

To enable the retention of more business rate growth within London, a business rate pool comprising eight neighbouring local authorities was formed for the 2022/23 financial year. The partners include the City of London alongside Brent, Barnet,

Enfield, Hackney, Haringey, Tower Hamlets and Waltham Forest – the “Eight Authority Pool”.

The Chamberlain seeks an urgent decision on whether to retain this pool for the 2023/24 financial year. The deadline for this decision to be approved is 28 days after the publication of the Local Government Finance Settlement on 19 December (deadline is 15 January) as this is the final opportunity to withdraw from the pool. London Councils have now confirmed that a London wide Pool will not be operated in 2023/24; and Leaders have been given the opportunity to form their own pools if they wish.

There are two key questions for the Corporation to consider:

1. Will the Eight Authority Pool make money in 2023/24 (i.e. will there be a projected increase in business rate growth, to be retained by councils)?
2. Will the other authorities seek to continue the pool?

Based on forecasts for business rate growth for the 2022/23 and 2023/24 financial years, agreed by Chief Finance Officers for all eight authorities, it appears that the pool will enable authorities to retain additional business rates income for the next financial year, with the Corporation expecting an additional £8m.

**REASON FOR URGENCY:**

All authorities have until 15<sup>th</sup> January 2022 (28 days after the Local Government Settlement) to pull out of the pooling arrangement, although it should be noted that if one authority pulls out, the whole pool falls.

**RESOLVED** – that the Town Clerk, in consultation with the Chairman and the Deputy Chairman of the Finance Committee:

- Approve the continuation of the Eight Authority Pool
- Approve the Memorandum of Understanding.
- Approve that the City Corporation continues to hosts the Pool, as it did for the pan-London pool, with costs to be covered from the Pool.
- Authorise the Chamberlain and the Town Clerk to put in place any further administrative arrangements needed for the Pool.

**Contact:**

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