

## **BERKSHIRE LOCAL TRANSPORT BODY (BLTB)**

**REPORT TO:** BLTB

**DATE:** 19 July 2018

**CONTACT OFFICER:** Joe Carter, Director of Regeneration, Lead Officer to the BLTB

### **PART I**

#### **Item 9: Business Rates Retention Pilot – Revenue Support for Scheme Development**

##### ***Purpose of Report***

1. In March 2018 you agreed to issue calls for bids for funding via the Business Rates Retention Pilot (BRRP) Scheme and the associated re-prioritisation of schemes in the Growth Deal 3 list.
2. Those bids have been received and scored; there are full reports on the outcome elsewhere on this agenda.
3. This report proposes “top-slicing” some of the £25m BRRP allocation in order to establish a scheme for providing revenue support to Local Authorities for the development of a strong pipeline of future infrastructure schemes.

##### ***Recommendation***

4. You are recommended to approve the process set out in paragraphs 17 and 18 of this report.

##### ***Other Implications***

##### ***Financial***

5. The lead authority for the Pilot and the process of operating the Business Rates element (agreeing baseline amounts, managing the pool of retained funds) is Bracknell Forest Council.
6. The lead authority for the control of Local Growth Funds allocated to infrastructure or regeneration projects is the Royal Borough of Windsor & Maidenhead, the LEP’s Accountable Body.
7. The Pilot has been approved for a single financial year (2018-19) and the arrangements may be renewed if the Pilot is allowed to continue to operate into 2019-20. Each authority will be able to leave the Pilot at that point.
8. The planning figure of £25m is based on current estimates of business rates collection in 2018-19. This figure may go up or down during the year but has a sufficient level of confidence to be used as the planning figure for this scheme.

The scheme allows local flexibility to designate BRRP funds as revenue or capital.

### Risk Management

9. The risks associated with large scale infrastructure investments are well known, and the BLTB has established risk management arrangements for the Local Growth Fund transport capital programme (£111m over 6 years), referred to as the [Assurance Framework](#)<sup>i</sup>.
10. As part of the Growth Fund oversight, government officials have recently reviewed this Assurance Framework and found it fit for purpose.
11. The Business Rates Retention Pilot has identified the LEP and its associated processes as an appropriate framework for managing the sums available; in this instance this means the Berkshire Local Transport Body. The LEP Executive Board ratified this approach on 20 February 2018.
12. The implication is that promoters of infrastructure projects seeking funding from the Business Rates Retention Pilot will need to follow the same Assurance Framework as for Growth Deal funding. This means acceptance at “programme entry” stage, followed by submission and independent assessment of a WebTAG compliant Full Business Case before being considered for financial approval.

### Human Rights Act and Other Legal Implications

13. Slough Borough Council will provide legal support for the BLTB should any questions arise on the application of the Business Rates Retention Pilot.

### **Supporting Information**

14. One conclusion of the recent bidding exercise is that the “pipeline” of suitable large infrastructure schemes is not strong; none of the Berkshire Unitary Authorities has been able to identify the revenue resources to invest in researching and developing a future supply of schemes.
15. The reasons for this are that revenue budgets in all councils are under severe pressure, and priorities have been made in favour of “must-do” activities and against “at-risk” investment in developing schemes that have no immediate prospect of capital funding.
16. At the same time, each of the councils is bringing forward new Borough Plans which include a significant commitment to new housing and other developments; alongside this infrastructure delivery plans are listing future investment needs.
17. This report recommends that the £25m BRRP allocation for major capital schemes should be “top-sliced” by £600,000, which should then be allocated to the six Berkshire Authorities. This would be a contribution to the development

costs associated with major infrastructure projects identified in each of the emerging Local Plans.

18. The proposal has the following details:
  - a. £100,000 of BRRP funds in 2018/19 be allocated to each of the six Berkshire Unitary Authorities for the purpose of developing major infrastructure projects identified in the emerging Local Plans, subject to:
  - b. The money being spent on the development outline business cases for transport infrastructure projects which support or enable the development of housing, employment, leisure or retail projects
  - c. BLTB approving the timetable and list of projects before the money is released

### ***Conclusion***

19. There is an opportunity to invest some of the BRRP £25m in the development of a pipeline of major infrastructure or regeneration schemes which will support emerging local plans and be eligible for funding in future years.

### ***Background Papers***

20. The Business Rates Retention Pilot bid and approval letters.

---

<http://www.thamesvalleyberkshire.co.uk/berkshire-strategic-transport-forum>