

This Memorandum of Understanding (MoU) sets out the Governance Arrangements that are voluntarily entered into by members of the Lancashire Business Rates Pilot Pool.

1. PURPOSE OF PILOT POOL

- 1.1 It is the intention of Pool Members to improve the well-being of the communities they serve. By forming a Pool they can retain a greater proportion of business rate growth within the geographic area therefore providing opportunities to promote further economic growth as well as building financial resilience.
- 1.2 The Pool is entirely voluntary and builds on the strong and well established partnership between the Lancashire authorities. The Lancashire Business Rates Pilot Pool is a natural Pooling arrangement given our geography.
- 1.3 It is the purpose of this MoU to act as a statement of intent that will support the realisation of the above benefits.

2. GLOSSARY OF KEY TERMS

Lead Authority

- 2.1 The Pool member who will act as the lead in managing the Pool's resources and being the key contact between central government and the Pool

Schedule of Payments

- 2.2 The Lead Authority will prepare an annual schedule that reflects the payments to be processed through the pool, clearly indicating the amount and timings of each payment.

Additional Growth

- 2.3 The amount of business rates growth which is over and above the amount that a member would have received if they had not joined this Pilot Pool.

Pilot Pool Governing Body

- 2.4 The Pilot Pool Governing Body will consist of the Leaders of the local authorities in the Pilot Pool and Chairman of the Lancashire Fire and Rescue Authority.

Pilot Pool Executive Body

- 2.5 An Executive Body will consist of the S151 Officers of the Pool Members.

3. POOL MEMBERSHIP:

- Blackburn with Darwen Council
- Blackpool Council
- Burnley Borough Council
- Chorley Borough Council
- Fylde Borough Council

- Hyndburn Borough Council
- Lancashire County Council
- Lancashire Combined Fire Authority
- Pendle Borough Council
- Preston City Council
- Ribble Valley Borough Council
- Rossendale Borough Council
- South Ribble Borough Council
- West Lancashire Borough Council
- Wyre Borough Council

4. TERM OF AGREEMENT

- 4.1 This Agreement shall continue to be in place unless terminated in accordance with these terms.
- 4.2 Any Pool Member can leave the Pool from 1 April of the following financial year providing:
- Written notice is given to other Pool Members and MHCLG in at least sufficient time for the Pool to apply to continue for the remaining Pool Members, should they wish it to continue. Sufficient time is taken to be at least the time specified by MHCLG regulations and/or guidance.
 - All liabilities to and from the Pool are paid.

5. GOVERNANCE

- 5.1 The Pilot Pool Governing Body will consist of the Leaders of the local authorities in the Pilot Pool and Chairman of the Lancashire Combined Fire Authority or their nominated representatives.
- 5.2 Meetings of the Governing Body will be arranged when required and hosted by the Lead Authority.
- 5.3 Each member will have one vote in relation to decisions to be taken by the Governing Body.
- 5.4 The Governing Body will receive monitoring reports during the year which will forecast growth/losses for pilot members.
- 5.5 The Governing Body will make decisions regarding how the strategic growth and resilience fund will be allocated. Any decision must be unanimous with each member authority being present and voting for the decision to be effective.

5.6 An Executive Body will consist of the S151 Officers of the Pool Members or their nominated representatives. The Executive Body will make recommendations, when required, on operational matters to the Governing Body.

6. LEAD AUTHORITY

6.1 Ribble Valley Borough Council will act as Lead Authority for the Pilot Pool.

6.2 The responsibilities of the Lead Authority are:

- To make payments on behalf of the Pool to central government and Pool Members on time and in accordance with the schedule of payments.
- To prepare an annual forecast on the projected Pool outturn based on NNDR1's.
- To prepare an annual report on the Pool outturn and supply information required by Pool Members in preparing their Statement of Accounts.
- To liaise with and complete all formal Pool returns to central government on behalf of Pool Members.
- To keep Pool Members informed of all communications with central government.
- To manage the resources of the Pool in accordance with this MoU.

6.3 The Lead Authority is responsible for all accounting requirements as set out in legislation.

6.4 The Lead Authority will be paid £2,000 per annum by each pool member. This will be payable on 1 April each year.

7. RESPONSIBILITIES OF POOL MEMBERS

7.1 To assist the Lead Authority in fulfilling their role, the responsibilities on individual Pool Members are:

- To make payments on time and in accordance with the schedule of payments.
- To pay amounts due to the Lead Authority in respect of contributions to the risk reserve and the strategic growth and resilience fund.
- To provide accurate and timely information to the Lead Authority to enable all formal Pool returns to central government to be completed.
- To inform the Lead Authority, as soon as is practical, of any intelligence that may impact on the resources of the Pool either in the current year or in future years.
- To provide such information as the Chief Finance Officers agree is reasonable and necessary to monitor/forecast the Pool's resources within the timescales agreed.
- To provide such information as the Chief Finance Officers agree is reasonable and necessary for inclusion in the Pool's annual outturn report.

- To provide accurate and timely information on the end of year financial performance of the business rates collection fund to enable the Lead Authority to calculate the end of year accounting entries needed.

8. KEY PRINCIPLES OF THE POOL

8.1 The collection of business rates will continue to be the responsibility of each billing authority.

8.2 The tier splits for the Pilot Pool will be as follows:

Districts	56%
County Council	17.5%
Unitaries	73.5%
Fire	1.5%

8.3 Each Pool member will retain 70% of their additional growth in order to promote local economic growth and to build resilience to improve their financial sustainability.

8.4 At the end of the financial year, each Pool member also undertakes to pay to the Lead Authority a proportion of their additional growth as follows:

- 5% to be set aside in a risk resilience reserve to mitigate against losses in business rate income.
- A further 25% to be set aside in a Lancashire wide fund to be used to target strategic economic growth and improve financial sustainability

8.5 If a Pool member experiences a loss which is over and above the amount that they would have lost if they had not joined this Pilot Pool, then this loss will be claimable against the resilience reserve.

Risk Resilience Reserve

8.6 Claims against the resilience reserve will be aggregated by the Lead Authority and settled pro-rata to the amount available.

8.7 Any balance on the reserve will be returned to the contributing Pool members pro-rata to their contributions.

8.8 If there are no claims against the risk resilience reserve the contributions will be returned to the contributing Pool members.

Strategic Economic Growth and Financial Sustainability Fund

8.9 At the end of the financial year the Lead Authority will inform both the Governing Body and the Executive Body of the funds available in the Strategic Economic Growth and Financial Sustainability fund.

8.10 The Executive body will invite and collate bids against this fund from Pool Members for submission to the Governing Body.

8.11 Following this the Governing Body will make decisions on the allocation of the funds available.

9. STATUS OF THIS MOU

9.1 The Pool Members agree that this shall be a binding contractual relationship and mutual commitment between them created by this MoU and shall from the date hereof be construed accordingly.

10. SIGNATORIES ON BEHALF OF THE POOL MEMBERS

Signed by S151 Officer for and on behalf of

Blackburn with Darwen Council

Signature

Name

Position

Date

Signed by S151 Officer for and on behalf of

Blackpool Council

Signature

Name

Position

Date

Signed by S151 Officer for and on behalf of

Burnley Borough Council

Signature

Name

Position

Date

Lancashire Business Rates Pilot Pool
Memorandum of Understanding

Appendix 1

Signed by S151 Officer for and on behalf of

Chorley Borough Council

Signature

Name

Position

Date

Signed by S151 Officer for and on behalf of

Fylde Borough Council

Signature

Name

Position

Date

Signed by S151 Officer for and on behalf of

Hyndburn Borough Council

Signature

Name

Position

Date

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Signed by S151 Officer for and on behalf of

Lancashire County Council

Signature

Name

Position

Date

Signed by S151 Officer for and on behalf of

Lancashire Combined Fire Authority

Signature

Name

Position

Date

Signed by S151 Officer for and on behalf of

Pendle Borough Council

Signature

Name

Position

Date

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Signed by S151 Officer for and on behalf of

Preston City Council

Signature

Name

Position

Date

Signed by S151 Officer for and on behalf of

Ribble Valley Borough Council

Signature

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Position

Date

Signed by S151 Officer for and on behalf of

Rossendale Borough Council

Signature

Name

Position

Date

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South Ribble Borough Council

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Signed by S151 Officer for and on behalf of

West Lancashire Borough Council

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Position

Date

Signed by S151 Officer for and on behalf of

Wyre Borough Council

Signature

Name

Position

Date