



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](mailto: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.*

<b>a. Name of lead pilot authority</b>	Bracknell Forest Council
<b>b. Name of lead official</b>	Stuart McKellar
<b>c. Lead official job title</b>	Finance Director
<b>d. Lead official email address</b>	Stuart.mckellar@bracknell-forest.gov.uk
<b>e. Lead official contact phone number</b>	01344 352180

## 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
<b>Bracknell Forest Council</b>	Unitary Authority
<b>Reading Borough Council</b>	Unitary Authority
<b>Slough Borough Council</b>	Unitary Authority
<b>West Berkshire Council</b>	Unitary Authority
<b>Royal Borough of Windsor &amp; Maidenhead</b>	Unitary Authority
<b>Wokingham Borough Council</b>	Unitary Authority
<b>Royal Berkshire Fire &amp; Rescue Service</b>	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><b>a. Have all members included in the pilot area endorsed all parts of this application?</b></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:</p> <p>(1) Yes;</p>
<p><b>b. Do any members of the proposed pool belong to any other current pool?</b></p> <p><i>(If 'no', please move to question 3.d.)</i></p>	<p>Select one:</p> <p>(1) No</p>

<p><b>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?</b></p>	<p><i>Select one:</i></p> <p>(1) N/A</p>
<p><b>d. Are there any precepting authorities that are not part of the proposed pilot area?</b></p> <p><i>(If 'yes', please move to question 3.e.)</i></p>	<p><i>Select one:</i></p> <p>(1) No</p>
<p><b>e. If there are any precepting authorities that are not part of the proposed pilot area, are these precepting authorities aware of this proposal?</b></p>	<p><i>Select one:</i></p> <p>(1) N/A</p>
<p><b>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?</b></p>	<p><i>Select one:</i></p> <p>(1) Yes</p>
<p><b>g. How does the pilot pool propose to split non-domestic rating income in two-tier areas?*</b></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>Not applicable – Berkshire is not a 2 tier area.</i></p>

<p><b>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?</b></p> <p><i>(If 'no', please move to question 3.j.)</i></p>	<p><i>Select one:</i></p> <p>(1) Yes</p> <p><i>The authorities have agreed to create an investment pot using 50% of anticipated additional retained business rates to fund strategic infrastructure improvements. The process to agree the priorities for investment would be managed by the Thames Valley Berkshire LEP, adopting the approach used in the current year's Pilot. The funding will be allocated to individual priority projects early in 2019/20 with the intention that as much as possible is spent during the year.</i></p>
<p><b>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?</b></p>	<p><i>The priority projects have already been identified. Any money not spent on these during 2019/20 will be rolled forward to 2020/21 to complete the agreed projects.</i></p>
<p><b>j. What is the anticipated income above baseline funding level for the pilot pool over 2019/20 (in £)?</b></p>	<p><i>Based on the current year, it is estimated that, overall, the pool will collect and retain in the order of £36m income above baseline funding in 2019/20. This would be an additional £22m above the position the authorities would be in if they were not in a Pilot, 50% of this gain being the removal of Levy payments alone.</i></p>

<p><b>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?</b></p> <p><i>(F.ex. you could describe the size and types of hereditaments in the area, business sectors relevant to the area, or the size of your business rates base in relation to baseline funding levels.)</i></p>	<p><i>Berkshire is a recognised and strong economic area within the Thames Valley. Together, the 6 unitary authorities expect to collect £562m in business rates in 2018/19. However, all councils are tariff authorities, with the overall tariff level being £354m. This means that Berkshire authorities receive as baseline funding only 37% of the business rates we collect, the remainder being used to support other areas.</i></p> <p><i>Within Berkshire there is significant diversity and variety in the tax base. The county covers both rural and urban areas, each with distinctive characteristics. It has very high-growth areas and provides access to and resources for Greater London and Heathrow airport, both of which are on the eastern boundary of the County. At the other end of the County, much of West Berkshire sits within the North Wessex Downs Area of Natural Beauty.</i></p> <p><i>The range of businesses within the area is equally diverse. Berkshire has the highest concentration of foreign-owned companies among the 38 LEP areas. Slough has many businesses that support the operation of the adjacent Heathrow Airport as well as Europe's largest trading estate under single ownership, the home of Mars and the iconic Horlicks factory. The County is also home to many national headquarters, such as the Waitrose HQ in Bracknell and Vodafone in Newbury. However, it is also recognised that in parts of the County, especially further to the west, there are many rural businesses which face economic challenges of a very different nature.</i></p>
<p><b>l. What pooling arrangements would the members of the pilot like to see if their application to become a pilot is unsuccessful?</b></p>	<p><i>None. With all councils being Tariff authorities, there is no advantage from a pooling arrangement under the current system.</i></p>
<p><b>m. How would the pilot area deal with residual benefits/liabilities once the pilot ends?</b></p>	<p><i>On completion of the pilot, any residual receipts directed into the LEP-driven Strategic Investment Fund will remain available for allocation by the LEP. Any further residual benefits or liabilities will be allocated pro rata to individual authority gains during the pilot.</i></p>

## 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?

Thames Valley Berkshire is one of the most productive sub-regions in the UK and strong economic growth across the County has translated into growth in the business rate tax base. A 75% business rates pilot in 2019/20 will continue to give the Berkshire unitaries the financial incentives to pool their business rates gains in a strategic and integrated way.

Our plans for investment from the pilot have been developed using evidence about the strategic needs of the County overall, including the anticipated significantly increased pressure on local infrastructure arising from the future Heathrow expansion. They are part of the Strategic Economic Plan for Berkshire, against which the LEP has already secured £142m of Local Growth Funds, supplemented by £25m from the current year Pilot. The Plan will make a strategic impact on the entire sub-regional economy, rather than simply re-distributing money to the six unitary authorities.

The investment identified in our programme will deliver some of the infrastructure that is required to maintain and enhance current growth in a sub-region that, given the nature of its business ownership, is arguably more exposed than any other to the possible medium-term impact of Brexit. It is growth that is important locally and also to the health and confidence of the wider UK economy.

Importantly, these are schemes for which plans are already in place. They can realistically be delivered within a short timescale. Investment will be phased, with the first instalments released during the 2019/20 financial year, as the benefit of actual business rates growth is secured. Funding from the pilot will be delegated to the Thames Valley Berkshire LEP, who will have full authority to determine how it is allocated, within the objectives of this submission. Local authority representatives on the LEP will help ensure that the funding is released quickly in order to accelerate the economic gains to the sub region.

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

We will invest 50% (£11m) of the additional gain from being a pilot area through a Strategic Investment Fund, managed by the Thames Valley Berkshire LEP. This will provide additional funding for infrastructure investment, helping deliver at pace identified high priority highways, transport and digital schemes in different parts of the county.

The prioritization process will be managed by the LEP against objective criteria developed for the current year's Pilot, rather than notionally allocated to individual authority areas. Through this process, £24.4m of funding has already been awarded to major transport improvements in Slough, South Reading and Wokingham as well as £0.6m being awarded to the unitary authorities to develop future scheme proposals. This approach helps ensure that the maximum possible benefit is secured for the whole economic area and means that any future funding can be quickly released and spent on the agreed priorities.

Using the agreed process used to prioritize use of the 2018/19 Business Rates Retention monies, the Thames Valley Berkshire LEP has identified the following agreed priority order and outline costs for allocating any additional transport infrastructure funds:

	<b>Scheme</b>	<b>£m</b>
1	Slough Mass Rapid Transport (Phase 2)	3.1
2	Maidenhead Housing Sites Enabling Works (Phase 1)	1.1
3	East Reading Mass Rapid Transport (Phases 1 and 2) *	5.0
4	South Wokingham Distributor Road – Eastern Gateway	5.0

\*subject to planning consent being obtained

The remainder of the gains will be distributed to the individual authorities. 1% will be allocated to the Fire Authority, with the remaining 49% being available to the unitary authorities, in proportion to their local gains. Within this, we propose that each Unitary Authority should receive a gain of at least £0.75m and £0.2m for the Fire Authority. Each authority's use of the gains will be developed in accordance with local priorities, but will typically be used to fund local infrastructure improvements or invested in key front line services in order to help ensure on-going financial sustainability.

**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?**

This proposal has the support of the Leaders of all the Berkshire Unitary Authorities, the Chairman of the Fire Authority [Conor can you please confirm this is the case] and has been developed by their Chief Executives and Chief Financial Officers.

Decisions about the strategic investment fund will be made by the LEP, in the context of the objectives of this proposal and the identified priorities in the Berkshire Strategic Economic Plan.

Thereafter, the governance structure will consist of three levels:

- Leaders – Strategic direction and oversight, ensuring focus on collectively agreed outcomes.
- Chief Executives - Strategic management and resource allocation in accordance with governance arrangements which will include agreeing key decisions with Leaders.
- Chief Finance Officers - Advise Chief Executives in line with strategic duties, as well as managing the day-to-day running of the pilot and monthly cashflows.

Leaders and Chief Executives will meet at least every quarter, more frequently if necessary. The pilot will operate on the basis of one-member, one-vote.

Pooled funds will only include monies distributed through the Business Rate Retention System, and will not include RSG, other grants or council tax.

Governance arrangements will remain in place until the pilot is fully dissolved.

## 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](mailto:businessratespilots@communities.gsi.gov.uk)

or

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



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## Annex A – Evidence of authorisation

<b>a. Name of lead pilot authority</b>	Bracknell Forest Council
<b>b. Name of lead official</b>	Stuart McKellar
<b>c. Lead official job title</b>	Finance Director
<b>d. Lead official email address</b>	<a href="mailto:Stuart.mckellar@bracknell-forest.gov.uk">Stuart.mckellar@bracknell-forest.gov.uk</a>
<b>e. Lead official contact phone number</b>	01344 352180

*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.*

<b>Authority name</b>	<b>Name of s.151 officer</b>	<b>Signature</b>
Bracknell Forest Council	Stuart McKellar	
Reading Borough Council	Jackie Yates	
Slough Borough Council	Neil Wilcox	
West Berkshire Council	Andy Walker	
Royal Borough of Windsor & Maidenhead	Rob Stubbs	
Wokingham Borough Council	Graham Ebers	
Royal Berkshire Fire & Rescue Service	Conor Byrne	