

Date: 27 September 2019

Subject: Allocation of Resources to District Councils

Report of: Cllr David Molyneux, Portfolio Lead for Resources & Investment and
Richard Paver, Treasurer to GMCA

PURPOSE OF REPORT

The report seeks approval to reallocate resources relating to Retained Business Rates from the GMCA to District Councils. Although this proposal is being made several months prior to the GMCA formally considering its various budgets, it will aid District Councils in their work of formulating their own budget strategies.

A separate report on the Part B agenda covers proposed changes to the Waste Disposal levy for 2019/20.

RECOMMENDATIONS:

To note and approve the reallocation of £20m of retained Business Rates which were generated in 2018/19 to District Councils, as set out in paragraph 1.3 of the report.

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<u>BOLTON</u>	<u>MANCHESTER</u>	<u>ROCHDALE</u>	<u>STOCKPORT</u>	<u>TRAFFORD</u>
<u>BURY</u>	<u>OLDHAM</u>	<u>SALFORD</u>	<u>TAMESIDE</u>	<u>WIGAN</u>

Risk Management – N/A

Legal Considerations – N/A

Financial Consequences – Revenue consequences as described in the report.

Number of attachments included in the report: 0

BACKGROUND PAPERS:

Report to Greater Manchester Combined Authority: 'GMCA Revenue Update 2018/19' 15 February 2019.

TRACKING/PROCESS		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		No
EXEMPTION FROM CALL IN		
Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?		N/A
GM Transport Committee	Overview & Scrutiny Committee	
N/A	N/A	

1. BUSINESS RATES INCOME

- 1.1 As part of the 100% Business Rates Pilot which applies to the GMCA, the Authority receives a share of retained business rates to fund GM Strategic Priorities. As part of the review of the 2018/19 budget, and the commitments which then existed, the GMCA agreed that £25m of business rates be returned to districts on the basis of a formula which had £12.5m pro-rata the business rates growth generated in each area and £12.5m pro-rata population, thereby ensuring that the benefits of growth across GM were shared more widely than just where the growth arose.
- 1.2 The earlier report anticipated that a further £30m might become available to the GMCA from 2018/19 receipts and following closure of District accounts for the year, this has now been confirmed at £35m
- 1.3 Whilst a full assessment of GMCA commitments against this sum will be reported as part of the 2020/21 budgets, it is currently envisaged that a minimum of £20m will be available for reallocation, using the same basis applied for 2017/18 receipts. In order to help districts assess the resources available in setting their own budgets for the next year, it is proposed that, at this stage, the GMCA agree that the following distribution of monies be made:

	Pilot Proceeds to GMCA £000	% Split	£10m Business Rates return on Growth £000	£10m Business Rates return on Population £000	Total Return £000
Bolton	1,586	4.53%	453	1,015	1,468
Bury	2,248	6.42%	642	676	1,318
Manchester	9,785	27.95%	2,795	1,947	4,742
Oldham	1,619	4.62%	462	838	1,300
Rochdale	2,398	6.85%	685	782	1,467
Salford	5,391	15.40%	1,540	905	2,444
Stockport	2,313	6.61%	661	1,037	1,698
Tameside	1,278	3.65%	365	801	1,166
Trafford	4,601	13.14%	1,314	840	2,154
Wigan	3,796	10.84%	1,084	1,159	2,244
Total	35,015		10,000	10,000	20,000

