



REPORT TO: Cabinet
LEAD OFFICER: Executive Director

29 May 2018

**Constituent Council Consent for Business Rates Supplement Order and
Devolution of Adult Education Powers for the Cambridgeshire and Peterborough
Combined Authority**

1. Purpose

- 1.1 The Cambridgeshire and Peterborough Combined Authority (CPCA) is required to obtain consent from constituent councils for various powers and duties. For the CPCA, the constituent councils are Cambridgeshire County Council and all the District Councils.
- 1.2 Consent is being sought in respect of the power to:
- Levy a Business Rates Supplement: and
 - The transfer the Adult Education Budget and associated powers for the delivery of adult education services.
- 1.3 Both these powers are allowed by statute for an elected Mayor and the CPCA but there are strict controls around their implementation. The relevant CPCA drafts reports and Statutory Instruments are attached at **Appendices 1 to 4**. It should be noted that by the Council giving the aforementioned consent does not in any way make the Council liable for any costs associated with these powers.
- 1.4 This is a key decision

2. Recommendation(s):

- 2.1. That the Cabinet consent to the making of the Cambridgeshire and Peterborough Combined Authority (Business Rate Supplements Functions) Order contained in Appendix 2, including acceptance to any minor changes which do not alter the substantial meaning.
- 2.2 That the Cabinet consent to the making of the Cambridgeshire and Peterborough Combined Authority (Adult Education Functions) Order contained in Appendix 4, including acceptance to any minor changes which do not alter the substantial meaning.

Reasons for Recommendations

To support the Mayor and the CPCA in the achievement of its corporate activities and new functions.

3. Background

- 3.1 Along with Cambridgeshire County Council and the other Cambridgeshire District Councils, South Cambridgeshire District Council (SCDC) is a constituent council of the Cambridgeshire and Peterborough Combined Authority (CPCA). As powers are devolved or transferred to the CPCA from other organisations, consent is required by the constituent councils. This report is to seek such consent in respect of the Business Rates Supplement Order (BR) and the devolution of powers in respect of Adult Education Budget (AEB).

4. Considerations

- 4.1. Appended to this report are the draft reports that are expected to be seen by the CPCA on 30 May 2018. By this time the constituent councils are expected to have given consent in respect of the granting of the BR and AEB in order to allow for the Parliamentary process to confirm the orders.

Business Rates Supplement Order

- 4.2 **Appendix 1** and **2** respectively show the CPCA draft report in respect of BR and the draft statutory instrument.
- 4.3 The reasons this order is being requested are as follows:
- The original CPCA devolution deal included a commitment to raise a business rate levy.
 - The above commitment should have been included in the LG Finance Bill 2017, but the Bill 'lost' its Parliamentary slot due to the 2017 general election.
 - The Ministry of Housing, Communities and Local Government (MHCLG) has now asked the Combined Authority and the constituent councils to agree to the making of the order. By letter dated 14th May 2018 to all Chief Executives of constituent authorities they set out the key features of the powers to be conferred. A copy of this letter is appended as **Appendix 5**.
- 4.4. With regard to the charging of a Business Rate Supplement, these are laid within statute (Business Rates Supplement Act 2009) which include some clear controls, these are summarised below:
- (i) Money raised cannot be used for day-to-day costs for services where it has existing obligations to provide.
 - (ii) The Mayor will be required to consult on and publish a prospectus of the proposal.
 - (iii) The supplement will be subject to a ballot of businesses affected. A majority of individual rate-payers and the aggregate rateable value of those businesses in favour must exceed those against.
 - (iv) The supplement will be levied on business properties with a rateable value of £50,000 or more.

Adult Education Budget

4.5 **Appendix 3** and **4** respectively show the CPCA draft report in respect of AEB and the draft statutory instrument.

4.6 The reasons for this order request are as follows:

- The original CPCA devolution deal included the transfer of adult education powers from the upper tier councils (and central government funding) but did not deal with the devolution of funding.
- The CPCA is required to meet a series of readiness conditions prior to final devolution.

4.7 The principal purpose of AEB is to engage adults in learning that supports wider economic priorities, including basic skills. Also, such devolution will only be within constituent council areas and the indicative budget is £12.1m from 2019.

4.8 The order will cover the following duties and powers:

- (i) Further education to learners aged 19 and over (including those who do not have a certain specified qualifications).
- (ii) Ensure provision is free for relevant learners who do not have certain specified qualifications.
- (iii) Encourage learner and employer participation in education and training of people aged 19 and over.

To run concurrently with the following powers of the Secretary of State:

- (iv) To consider/have regard to the needs of learners aged 19 and over with Special Education Needs.
- (v) To exchange information with providers to enable provision of further education to learners aged 19 and over.

However, the order will not cover:

- Apprenticeships,
- Adult offender learning, or
- Provision for people aged 16-18 years old.

5. Options

5.1. There are tight timescales for the achievement of consent for these orders; therefore consent is requested at the earliest opportunity and for the BRS no later than the 29th May 2018 by MHCLG.

6. Implications

6.1. These are no direct impacts or risks on the Council in respect of granting this consent to the CPCA. With regard to the:

- (i) **Business Rates Supplement Order**, the imposition of an order would have to follow a statutory approval process that would require extensive consultation with those businesses that may be subject to the order.

- (ii) **Adult Education Budget**, the order allows more local decision making on the delivery of further education to the constituent councils younger population.

7. **Timetable for Implementation**

7.1 Constituent Councils have to give consent for the:

- (i) BR by the end of May, with the Statutory Instrument being in place by June/July.
- (ii) AEB by July, and it is expected that the Statutory Instrument will be in place by November in time for the 2019/20 academic year.

8. **Call in and Urgency**

8.1 Scrutiny and Overview Procedure Rule 12.19 provides that the call-in procedure shall not apply where the decision being taken by the executive decision taker is urgent. A decision will be urgent if any delay likely to be caused by the call-in process would seriously prejudice the Council's or the public's interests. The record of the decision, and notice by which it is made public, shall state whether in the opinion of the decision-making person or body, the decision is an urgent one, and therefore not subject to call-in.

8.2 The Chairman of the Council and Chairman of the Scrutiny and Overview Committee are required to agree both that the decision proposed is reasonable in all the circumstances and to it being treated as a matter of urgency. As Cabinet has been requested to indicate whether it gives its consent before 30 May 2018, the decision is manifestly urgent and the consent of the Chairman of the Council and the Chairman of the Scrutiny and Overview Committee to an exemption from call in on the grounds of urgency will be sought following their election at the Annual Council meeting on 23 May 2018.

9. **Legal Implications**

9.1 There are no direct legal implications.

9.2. The decision is an executive function and is therefore before Cabinet.

10. **Resource Implications**

10.1 There are no direct resource implications arising from this report.

10.2 If the Mayor proposes a Business Rate Supplement (BRS) that covers the Council's area, it is expected that the Council will be responsible for the collection of the Supplement from local businesses as it does for Business Rates. The draft Order, however, is silent on the cost of collecting the BRS on behalf of the Mayor. Elsewhere, the body raising the supplement do make contributions to these costs e.g. the Huntingdon BID and the London Mayor in relation to the Crossrail BRS. It is expected, therefore, that if the Council is approached in the future to support a BRS that covers its area, the Council would seek recovery of those costs.

List of Appendices

•	Appendix 1: CPCA 'Draft' Covering Report – Consent to Business Rates Supplement Order.
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•	Appendix 2A: 'Draft' Statutory Instrument: The Cambridgeshire and Peterborough Combined Authority (Business Rate Supplements Functions) Order 2018 and Appendix 2B explanatory memorandum.
•	Appendix 3: CPCA 'Draft' Covering Report – AEB Devolution of Powers to Combined Authority.
•	Appendix 4: 'Draft' Statutory Instrument: The Cambridgeshire and Peterborough Combined Authority (Adult Education Functions) Order 2018.
•	Appendix 5: Letter dated 14 th May 2018 from P Rowsell at MHCLG.

Background Papers

Where [the Local Authorities \(Executive Arrangements\) \(Meetings and Access to Information\) \(England\) Regulations 2012](#) require documents to be open to inspection by members of the public, they must be available for inspection: -

- (a) at all reasonable hours at the offices of South Cambridgeshire District Council;
- (b) on the Council's website; and
- (c) in the case of documents to be available for inspection pursuant to regulation 15, on payment of a reasonable fee required by the Council by the person seeking to inspect the documents at the offices of South Cambridgeshire District Council.

None

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