



Ministry of Housing,
Communities &
Local Government

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Local Government

2 Marsham Street
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Dear colleagues in local government,

In light of the publication of the *Invitation to Local Authorities in England* prospectus, we are writing to you to ensure that all pools of local authorities (LAs) and all individual (non-pooling) authorities in England are aware of any implications the 2019/20 pilot programme may have on your current or future pooling arrangements.

We urge you to consider this letter carefully, and read it in conjunction with the *Invitation to Local Authorities in England* prospectus and the standard business rates pooling procedure.

The annual BR pooling procedure will be taking place as per usual. There is an opportunity for all authorities, whether thinking of applying to be a 75% pilot authority, or not, to advise us if they would like to create a new business rates pool, revoke a pool or continue with their existing pooling arrangements. Please see attached appendix for details.

Applying to become a pilot

As set out in the *Invitation to Local Authorities in England* prospectus, the department is inviting pools of authorities – whether based on existing pools or on new pools – to pilot 75% rates retention in 2019/20. Outlined below are various scenarios which may arise during the negotiations local authorities undertake before applying to become a 75% business rates retention pilot in 2019/20.

Please note that the deadline for an application to become a pilot to be received by the Ministry of Housing, Communities and Local Government is 25 September 2018. Applications for pilots should be submitted by a ‘lead’

authority, who has applied on behalf of the pilot's pooling authorities. All constituent authorities should be copied into that same application submission.

It is expected that the pooling arrangements under which pilots will operate will be clearly detailed in every application we receive. In addition, applications should include details of;

- What pooling arrangements (if any) authorities would like to pursue in the event that their pilot bid is unsuccessful.
- Where pooling arrangements are to apply in the event of an unsuccessful bid and where these are different from those that would apply were the bid successful, the application should provide assurance that there is agreement to those arrangements from all local authorities involved in the proposed pool.

If authorities in existing BR pools are applying to become a pilot as part of a different pool, they should ensure that the lead authority of their existing BR pool is informed of their intention and should agree with their former pool, the 2019/20 pooling arrangements that will apply should their pilot application be unsuccessful. This should be done as soon as possible and certainly before the pilot application is made – both because these arrangements will need to be detailed in the application (see above), but also because there will not be time for local authorities or the department to deal sequentially with pilot and non-pilot pooling arrangements. Therefore, we will need to know by the time that pilot applications are made on 25 September 2018, what pools will need to be designated in the event of both successful and unsuccessful pilot applications.

If authorities, or pools of authorities, do not intend to apply for pilot status, they should indicate by 25 September 2018, what pooling arrangements, if any, they want to apply in 2019/20 – i.e. whether they want existing pools to continue, or to be revoked, or re-configured; and whether they want to create new pools. In doing so, they should take account of any individual pool members that have applied (outside the pool) for pilot status and ensure that we know what options they want to implement in the event that a pilot application is successful, or unsuccessful. Please submit information regarding your pooling arrangements to BRPooling2019-20@communities.gsi.gov.uk.

We may need to discuss pooling preferences with authorities immediately after 25 September 2018.

SCENARIO

RESULT OF PILOT BID

POOLING OUTCOME

You are in an existing pool which is applying to become a pilot...

If your pilot bid is successful...

1. The existing pool would be revoked in line with standard business rates pooling procedure.

2. All LAs within your current BR Pool will be redesignated as a pilot.

If your pilot bid is unsuccessful...

1. We will follow the instructions we have been given in your application.

2. If the application states all LAs wish to remain a pool, we will make no change.

3. If the application states some LAs wish to leave the current BR pool, we will alter pool membership.

4. If the application states no LAs wish to continue pooling if the pilot bid is unsuccessful, we will revoke the current BR pool.

SCENARIO

RESULT OF PILOT BID

POOLING OUTCOME

You are in an existing BR pool but are applying to become a pilot as part of a different pool...

If your pilot bid is successful...

1. The existing BR pool would be revoked and we would follow the instructions given by the remaining LAs in that pool.

2. You would be set up as a pilot with the new Pilot pool.

If your pilot bid is unsuccessful...

1. We will follow the instructions we have been given in your application.

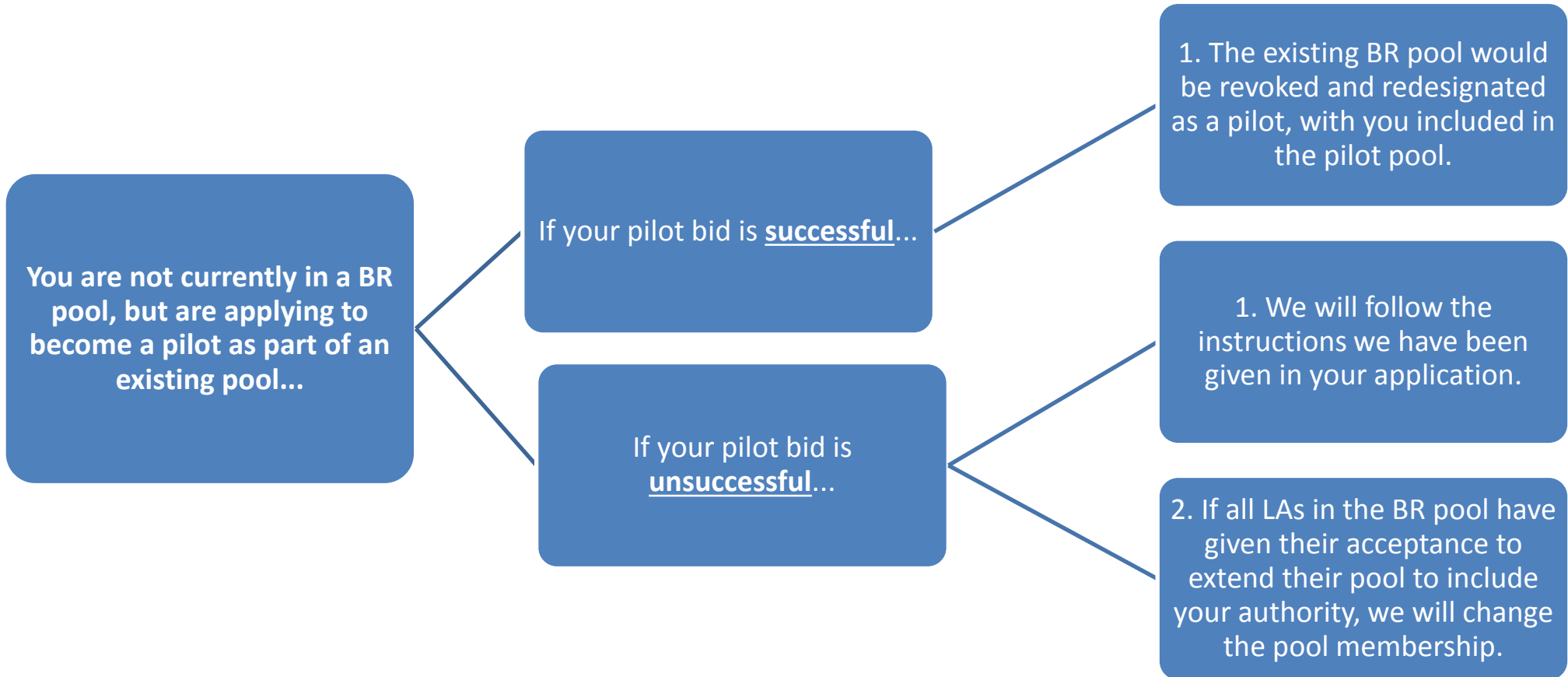
2. If the application states you would like to change BR pools, we will change membership of each pool.

3. If the application states you wish to remain part of your current BR pool, we will leave the pool as it stands.

SCENARIO

RESULT OF PILOT BID

POOLING OUTCOME



SCENARIO

RESULT OF PILOT BID

POOLING OUTCOME

