



LEEDS CITY REGION BUSINESS RATES JOINT COMMITTEE

Meeting to be held on Friday, 29th March, 2019 at 1.15 pm
in Wellington House, 40-50 Wellington Street, Leeds, (Room 410)

MEMBERSHIP

Susan Hinchcliffe	-	City of Bradford MDC
Tim Swift (Chair)	-	Calderdale MBC
Richard Cooper	-	Harrogate Borough Council
Shabir Pandor	-	Kirklees Metropolitan Council
Judith Blake CBE	-	Leeds City Council
Peter Box CBE	-	City of Wakefield MDC
Ian Gillies	-	City of York Council

A G E N D A

Item No	Ward/Equal Opportunities	Item Not Open		Page No
1			<p>APPEAL AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</p> <p>To consider any appeals in accordance with Procedure Rule 15.2 of the Access to Information Rules (in the event of an Appeal the press and public will be excluded)</p>	
2			<p>LATE ITEMS</p> <p>To identify items which have been admitted to the agenda by the Chair for consideration</p> <p>(The special circumstances shall be specified in the minutes)</p>	
3			<p>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF PRESS AND PUBLIC</p> <p>To highlight reports or appendices which officers have identified as containing exempt information, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.</p> <p>2 To consider whether or not to accept the officers recommendation in respect of the above information.</p> <p>3 If so, to formally pass the following resolution:-</p> <p>RESOLVED – That the press and public be excluded from the meeting during consideration of the following parts of the agenda designated as containing exempt information on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information, as follows:-</p>	

4

APOLOGIES FOR ABSENCE

To receive apologies for absence (If any)

5

DECLARATIONS OF INTEREST

To disclose or draw attention to any disclosable pecuniary interests for the purposes of Section 31 of the Localism Act 2000 and paragraphs 13 -18 of the Members' Code of Conduct. Also to declare any other significant interests which the Member wishes to declare in the public interest, in accordance with paragraphs 19 - 20 of the Members' Code of Conduct.

6

MINUTES OF THE PREVIOUS MEETING

To approve as a correct record, the minutes of the previous meeting held on 13th July 2018.

(Copy attached)

1 - 6

7

MATTER ARISING FROM THE MINUTES

To consider any matters arising from the minutes (If any)

**LEEDS CITY REGION BUSINESS RATES POOL
PROGRESS REPORT**

To consider a report by the Chief Officer, Financial Services, Leeds City Council, which provides progress on the Leeds City Region Business Rates Pool, in particular:

- a) The current position of the LCR Pool, including an overview of the 2017/18 final financial position and the latest income projections for the LCR Pool 2018/19;
- b) the current spending commitments for 2018/19;
- c) an update on the financial arrangements with Welcome to Yorkshire (WTY), with confirmation that the third (and final) instalment of grant in 2018/19 has been paid;
- d) options to utilise the projected additional income in 2018/9;
- e) an update on the successful application by North and West Yorkshire Authorities to pilot 75% business rates retention, including actions required by LCR member authorities;
- f) and a request to approve an amended 2018/19 Governance Agreement, to allow the accountable body to continue to make payments after the Pool is revoked.

(Please note that Appendices C and E to this report are confidential and should not be shared with third parties)

(Report attached)

9

**LCR BUSINESS RATES POOL (BRP) -
MONITORING OF DELIVERY UPDATE**

43 -
52

To consider a report by the Head of European Structural and Investment Funds, and Future Funding Policy, West Yorkshire Combined Authority/ Leeds City Region Enterprise Partnership (the LEP) which provides an update on the delivery progress of the 27 projects approved by the Joint Committee at its last meeting on 13th July 2018.

(Report attached)

10

ANY OTHER BUSINESS

To consider any other business (If any)

2

a)

b)

Third Party Recording

Recording of this meeting is allowed to enable those not present to see or hear the proceedings either as they take place (or later) and to enable the reporting of those proceedings. A copy of the recording protocol is available from the contacts named on the front of this agenda.

Use of Recordings by Third Parties– code of practice

- a) Any published recording should be accompanied by a statement of when and where the recording was made, the context of the discussion that took place, and a clear identification of the main speakers and their role or title.
- b) Those making recordings must not edit the recording in a way that could lead to misinterpretation or misrepresentation of the proceedings or comments made by attendees. In particular there should be no internal editing of published extracts; recordings may start at any point and end at any point but the material between those points must be complete.

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LEEDS CITY REGION BUSINESS RATES JOINT COMMITTEE

FRIDAY, 13TH JULY, 2018

Present: Councillor T Swift (Calderdale MBC) - Chair
Councillor S Hinchcliffe (City of Bradford MDC), Councillor S Pandor (Kirklees MC), Councillor G Swift (Harrogate BC), Councillor J Blake (Leeds City Council) and Councillor I Gillies (City of York Council)

In Attendance: S Hartley (City of Bradford MDC), M McRae (City of Wakefield), I Floyd (City of York), B Still (WYCA), H Waddington (WYCA), D Haskins (WYCA), E Campbell (WYCA), T Riordan (LCC), D Meeson (LCC) C Jolly (LCC) and J Grieve (LCC)

1 APPEAL AGAINST REFUSAL OF INSPECTION OF DOCUMENTS

There were no appeals against the refusal of inspection of documents.

2 LATE ITEMS

Although there were no formal late items, the Chair did accept the inclusion of supplementary information in respect of Agenda Item No. 9, Appendix D which was not included at the time of agenda publication (Minute No 9 referred)

3 EXEMPT INFORMATION - POSSIBLE EXCLUSION OF PRESS AND PUBLIC

That, in accordance with Regulation 4 of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting during Consideration of the following parts of the agenda designated as exempt on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present there would be disclosure to them of exempt information so designated as follows:-

Appendix A, B, C & D to Agenda Item No.9, Business Rate Pool (BRP) Assessment of Bids was designated as exempt under Access to Information Procedure Rules 10.4 (3) because it contained information relating to the financial or business affairs of any particular person (including the authority holding that information) Minute No.9 Referred.

4 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors: R Cooper and P Box.

5 DECLARATIONS OF INTEREST

Although not a pecuniary interest Councillor T Swift required it to be recorded that he had a personal interest in Agenda Item No.9 - Business Rate Pool

Draft minutes to be approved at the meeting
to be held on Date Not Specified

(BRP) Assessment of Bids, as the Leader of Calderdale Council he was a Member the Piece Hall Trust, Halifax which was the subject of a bid application (Minute No.9 referred)

6 MINUTES OF THE PREVIOUS MEETING

RESOLVED – That the Minutes of the previous meeting held on 7th March 2018 were approved as a true and correct record.

7 MATTER ARISING FROM THE MINUTES

There were no issues raised under Matters Arising.

8 LEEDS CITY REGION BUSINESS RATES POOL PROGRESS REPORT

The Chief Officer, Financial Services, Leeds City Council submitted a report which provided an update on progress of the Leeds City Region Business Rates Pool, in particular:

- a) The latest income projections for the LCR Pool 2017-18: projected levies for 2017-18 are £4.17m, £560k higher than reported on 7th March 2018;
- b) The estimated Pool income retained by the region as a result of the 100% retention pilot 2018-19;
- c) The current spending commitments for 2018-19 and estimated funds available for further funding opportunities;
- d) An update on the financial arrangements with Welcome to Yorkshire (WTY), with confirmation that the first instalment of grant in 2018/19 is now payable;
- e) Confirmation that all Member authorities wish the current pooling arrangements to continue in 2018/19.

Responding to a query about the monitoring of Welcome to Yorkshire's financial position, the Chief Officer, Financial Services confirmed that WtY were on target to bring their finances back into balance.

RESOLVED –

- a) To note the final outturn levies (pre-audit) for 2017-18 as set out in paragraph 2.1 of the submitted report

- b) To note the initial estimate of pool income to be generated by the 2018-19 100% retention pilot and that the 2019/20 bid prospectus, are awaited, as discussed in paragraph 3 of the report
- c) To note the existing spending commitments for 2018-19 and the estimated funds available as a result of the business rates pilot in 2018-19 discussed in paragraphs 4 and 5 of the report
- d) To note the position in relation to funding for Welcome to Yorkshire as set out in paragraph 6 of the report
- e) To note that all Member authorities had confirmed that they wish the current pooling arrangements to continue in 2018/19, as discussed in paragraph 7 of the submitted report.

9 BUSINESS RATE POOL (BRP) ASSESSMENT OF BIDS

The Head of European Structural and Investment Funds and Future Funding Policy, West Yorkshire Combined Authority/ Leeds City Region Enterprise Partnership (the LEP) submitted a report which provided:

- a) The outcome of the assessments carried out on the bids received in response to the BRP Prospectus.
- b) The proposed recommendations regarding next steps for the proposals.

Members received an update on the progress to date and a review of the Business Rates Pool project submissions together with the outcome of the assessment process.

RESOLVED -

- a) To note the updated assessment of proposals submitted in response to the 2018 BRP Prospectus;
- b) To approve funding for the priority bids as outlined in para 4.6 of the submitted report to the value of £12,886,736.
- c) To note that schemes in appendix D, totalling £5,294,209 were also agreed, but it was noted that further work would be undertaken to refine the applications in respect to Leeds Bradford International Airport and Welcome to Yorkshire.

- d) It was agreed that should the actual funding available to the pool in 2018/19 be less than currently forecast then this Committee would be advised and a number of options could be considered by them to include:
 - i) Should the 100% pool continue in 2019/20, all or some future years requirements could be met from a 2019/20 100% (or even 75%) pool.
 - ii) Should the 100% fund not be agreed and assuming there is a fall back in the form of the levy based pool in 2019/20, some or all future year requirements could be met from a 2019/20 levy pool.
 - iii) That some or all scheme requirements in 2019/20 and 2020/21 could be scaled back.
- e) That the Chief Officer – Financial Management, Leeds City Council be requested to have further discussions with districts as to the cash flow requirements of the agreed applications.

10 BUSINESS RATE POOL (BRP) MONITORING OF DELIVERY

The Head of European Structural and Investment Funds and Future Funding Policy, West Yorkshire Combined Authority/ Leeds City Region Enterprise Partnership (the LEP) submitted a report which provided a suggested approach as to how to monitor and evaluate the delivery and impact of the Business Rate Pool projects selected in response to the April 2018 Prospectus.

RESOLVED –

- a) That the contents of the report be noted together with the progress made to date
- b) To support the proposed monitoring arrangements as set out in section 3 of the submitted report
- c) That a further report be prepared for the next meeting which would provide reassurance to the Committee that all bids were proceeding and were on track to be delivered.

11 Any Other Business

Preparation and submission of Future Bids – The Chief Executive, Leeds City Council highlighted the need for North Yorkshire Councils and the Business

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to be held on Date Not Specified

Rate Pool to be consistent in the preparation and submission of future bids and that appropriate Members of Parliament be informed accordingly.

12 Date and Time of Next Meeting

RESOLVED – To agree that a further meeting of the Joint Committee be arranged for October 2018, date, time and venue to be confirmed at a later date.

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Report to: LEEDS CITY REGION BUSINESS RATES JOINT COMMITTEE

Date: 29TH MARCH 2019

Subject: LEEDS CITY REGION BUSINESS RATES POOL PROGRESS REPORT

SUMMARY

This report sets out:

- a) The current position of the LCR Pool, including an overview of the 2017/18 final financial position and the latest income projections for the LCR Pool 2018/19;
- b) the current spending commitments for 2018/19;
- c) an update on the financial arrangements with Welcome to Yorkshire (WTY), with confirmation that the third (and final) instalment of grant in 2018/19 has been paid;
- d) options to utilise the projected additional income in 2018/9;
- e) an update on the successful application by North and West Yorkshire Authorities to pilot 75% business rates retention, including actions required by LCR member authorities;
- f) and a request to approve an amended 2018/19 Governance Agreement, to allow the accountable body to continue to make payments after the Pool is revoked.

1. INTRODUCTION

- 1.1 The Pool relies on the co-operation of both tariff and top-up authorities. Prior to this year's 100% retention pilot, it has generated income because it has been allowed to retain the levies on business rates growth that would otherwise have been paid over to Government by the three tariff authorities: Harrogate, Leeds and York. Without the Pool, the levies of these authorities would have been lost to the region and given to Government. To the end of 2017/18, the Pool had enabled almost £12m of business rates to be retained and invested in the region.
- 1.2 In September 2017, Government invited applications to pilot 100% Business Rates Retention in 2018/19 - an expansion of the existing 100% pilot programme, intended to help Government to explore options for the design of future increased business rate retention. The successful Leeds City Region Business Rates Pool bid is for one year only and allows the Pool to retain all additional growth in business rates above the business rate baselines determined by Government and associated Section 31 grants, whereas previously 50% of that growth was remitted to Government.
- 1.3 The potential downside of pooling is that if any member's income declined significantly the Pool would not receive a safety-net payment from Government and the shortfall would have to be made

up by the other Pool members. No Pool member is expected to require a safety-net payment for 2018/19.

- 1.4 In 2018 Government again invited applications to pilot Business Rates Retention, this time at 75% for the financial year 2019/20. An application was submitted by North and West Yorkshire Authorities. In December 2018, during the Provisional Financial Settlement, it was announced that the North and West Yorkshire application to pilot 75% Business Rates Retention was successful. As such the Secretary of State has revoked the designation of the Leeds City Region Pool.

2. POOL INCOME: 2017/18

- 2.1 The final Pool income in 2017/18 from levies is set out below:

Table 1: Final Levy Income 2017/18

<i>Reported in:</i>	November 2017	March 2018	July 2018	November 2018
	£m	£m	£m	£m
Harrogate	0.815	0.820	0.721	0.721
Leeds	0.910	0.946	1.172	1.172
York	1.823	1.848	2.280	2.277
Total	3.547	3.613	4.173	4.170

- 2.2 As can be seen, in 2017/18 the levy authorities out-turned at the level that was reported to the July 2018 Joint Committee. The final levy income for 2017/18 has now been confirmed following the submission of post-audit NNDR3 returns to Government at the end of July 2018.

3. ESTIMATED POOL INCOME: THE 2018/19 PILOT

- 3.1 The Joint Committee will recall that additional income retained by the region as a result of the 2018/19 pilot was estimated to be in the region of £41.4m, with the Pool retaining 50% (£20.7m) to continue to support and enable regional economic growth. The other 50% (£20.7m) will be allocated to the member authorities themselves to improve financial stability within their authorities. Of the 50% allocated to member authorities, half will be based on each authority's actual additional growth and half will be redistributed by population. A further gain for Leeds, Harrogate and York is that there will be no levy on growth during the pilot.
- 3.2 Members have agreed to undertake quarterly monitoring of income during 2018/19. Monitoring returns have now been completed for the first three quarters of the year. Monitoring to the end of December 2018 forecasts income of £22.551m in 2018/19 which compares with the initial budget income of £20.693m. The detail of this is shown in **Table 2** below:

Table 2: Estimated Pool Income 2018/19

Authority	Intial Budget	30-Jun-18	30-Sep-18	31-Dec-18
	£m	£m	£m	£m
Bradford	2.079	2.615	2.749	2.782
Calderdale	1.233	1.482	1.542	1.469
Harrogate	1.429	1.650	1.349	1.615
Kirklees	1.167	1.360	1.221	1.094
Leeds	8.535	6.433	7.541	8.746
Wakefield	4.044	4.611	4.653	4.739
York	2.206	1.974	1.853	2.104
TOTAL	20.693	20.125	20.908	22.551

3.3 Whilst the projected total additional income is to the benefit of the Pool and the Member Authorities, it should be noted that the contributions from individual authorities are expected to vary from the initial budget. This is a consequence of the pool calculation: the initial budget is based on the NNDR 1 returns of each authority; where projected incomes are lower than budgeted, this leads to an authority being required to contribute less than the budgeted value to the pooling mechanism; where the projected incomes are higher than the initial budget, the authority is required to contribute more. This causes either a budgetary surplus or pressure for the individual authority, albeit one that reverses itself the following year.

3.4 As Members will be aware, we were informed in late March 2018 of an error made by MHCLG in respect of the calculation of Section 31 grant allocations to pilot authorities. Although this change has no impact on the Pool income calculations, it has impacted materially on member authorities who share losses in the region of £3.6m. Leaders wrote to the then Secretary of State in April 2018, suggesting that, for 2018/19, any potential loss of funding should be met by using the contingency in the Departmental Expenditure Limit for local government, allowing pilot authorities time to plan how to build the effects of the error in methodology into their 2019/20 budgets, but to date we have not received a response.

4. INCOME AND EXISTING COMMITMENTS

4.1 Following the successful bid by Leeds City Region Business Rates Pool to pilot 100% business rates retention, the Joint Committee recognised that a revised approach to project selection was required and approved the Business Rates Pool Prospectus for 2018 at the Joint Committee meeting on 7th March 2018. The Committee agreed for the Prospectus to be designed around four, previously agreed, key strategic thematic areas: Culture, Sport and Major Events; Enabling Housing Growth; Business Support, Trade and Investment; and Inclusive Growth.

4.2 **Table 3** summarises the 2018/19 commitments of the Pool including the committed value for each strategic aim. The list of projects for each strategic aim is shown at **Appendix A**, for presentational purposes, projects agreed at the Joint Committee meeting in March 2018 have been included in these strategic aims. The table shows the final outturn figures for previous years and projected income for 2018/19 from the pilot.

Table 3: Summary of LCR Pool Income and Commitments 2015-16 to 2018-19

Income				
Balance b/f	2.544	1.689	3.189	2.816
2015/16 Levies (Final Outturn)	3.110			
2016/17 Levies (Final Outturn)		3.646		
2017/18 Levies (Final Outturn)			4.173	
<i>2018/19 100% Projected Pilot Income (at Q3)</i>				22.551
Balance available to fund 2015/16 activities	5.654			
Balance available to fund 2016/17 activities		5.335		
<i>Balance available to fund 2017/18 activities (pre-audit)</i>			7.362	
Estimated balance available to fund 2018/19 activities				25.367
<u>Paid and Committed 2018/19</u>				
Welcome to Yorkshire subscriptions	-0.167	-0.167	-0.167	-0.167
Screen Yorkshire			-0.200	-0.150
Leeds City Region Secretariat	-0.620	-0.620	-0.620	-0.620
Combined Authority Transport Fund	-0.696	-0.696	-0.696	-0.696
Tour de Yorkshire	-1.123		-0.200	-0.421
Tour de Yorkshire (additional costs incurred by York)	-0.012			
Welcome to Yorkshire grant funding	-0.663	-0.663	-0.663	-0.663
Contributions towards Economic Development	-0.684		-2.000	
<u>Strategic Aims of 2018/19 Pool</u>				
Business Support, Trade and Investment				-4.378
Culture, Sport and Major Events				-6.404
Enabling Housing Growth				-1.526
Inclusive Growth				-8.625
Balance c/f	1.689	3.189	2.816	1.717

4.3 The Committee agreed at the meeting on 13th July 2018 to commit the estimated pilot income based on the Assessment of Bids as presented by colleagues from the Combined Authority. As such the £22.551m of pilot income shown in the table above is mostly committed to projects. Nearly £12m of the schemes which have been approved by the Joint Committee are not scheduled to be spent until after the 31st March 2019. Given the demise of the Joint Committee on the 31st March 2019, Leeds City Council are proposing that this funding is transferred to the appropriate, sponsoring member authority in 2018/19, who would then be responsible for delivering the funding for the schemes in accordance with the original approval. **Appendix B** shows the amount outstanding by Authority for the future years' element of applications made to the Pool.

4.4 This leaves a projected year-end surplus of £1.72m, although it should be noted that there is still some risk that the at year end the position could vary from that now being reported based on 3rd

quarter monitoring. As Members will appreciate, because of the inherent volatility of business rates income and the as yet potential impact of the 2017 revaluation and changes to the appeals system, the 2018/19 projection remains tentative. These income streams will be monitored and finalised following the end of the financial year. Whilst it currently appears unlikely, should projected incomes fall below the level required to meet the commitments on **Table 3** the Joint Committee will be informed and options to bring the Business Rates Pool back into balance will be considered.

Commitments for 2018/19

4.5 As Table 3 shows, the Pool has some core subscription commitments: Leeds City Region Secretariat; Combined Authority Transport Fund; and Welcome to Yorkshire. In addition to these core commitments, and the strategic aim projects, the Joint Committee has agreed other bids listed in the table above and detailed here. Welcome to Yorkshire grant funding is discussed in more detail in **Paragraph 5**.

4.6 **Screen Yorkshire:** Members approved expenditure of £200k in 2017/18 to support Screen Yorkshire's running costs until March 2018 and a further £150k for 2018/19. In 2018/19 the funding from the LCR Pool is being used to finance the development and running of the Yorkshire Film Office. Established in early September 2018 with a formal launch to press and industry in November, the formation of the Film Office achieved extensive coverage in both the national and international trades, as well as local press. The 2018/19 payment has been made to Screen Yorkshire.

Screen Yorkshire have made an application for further funding, more detail on this is provided at **Paragraph 6.4**.

4.7 **Tour de Yorkshire 2018:** At the March 2018 meeting Members agreed to increase the funding allocation for this event to £421k, £300k of which has been allocated between the three starts/finishes hosted by member authorities and £121k as per bids for additional funding received at the March meeting. The 2018/19 payments have been made to the relevant authorities.

4.8 **Leeds Bradford Airport:** A confidential briefing note at **Appendix C** provides an update. The figures included in this report assume the agreed funding for this project. This appendix is confidential as it contains commercially sensitive information relating to a third party.

4.9 During the course of the financial year, Bradford have requested a change to the project "Bradford Literature Festival". The original proposal was for a year-round venue for the festival. However, the project scoping exercise revealed that this would exceed the available budget. Therefore a revised application has been submitted, in which a venue would be secured for six weeks, around the festival dates. The revised and original applications are at **Appendix D**.

4.10 Colleagues from the Combined Authority will be presenting a monitoring report on the progress of successful bids at **Agenda Item No.9**

5. WELCOME TO YORKSHIRE FUNDING

- 5.1 As members are aware, the Pool in 2018/19 committed to provide funding to WtY of £167,000 for members' subscriptions and £663,000 of grant funding for specific activities.
- 5.2 The monitoring of both WtY's financial position and their activities against the grant agreement has been delegated to a Steering Group of officers from the sub-region. In addition, because the North Yorkshire Business Rate Pool also contributes to the funding of Welcome to Yorkshire, the Corporate Director of Strategic Resources from North Yorkshire County Council is a member of the group.
- 5.3 Since the last meeting of the Joint Committee, the Steering Group have met twice, in September and December, to review the WtY Delivery Plan for 2018/19 and the latest reports on commissioned activities. The Steering Group have agreed that that these are broadly in line with the Financial Recovery Plan. As such all three instalments of the 2018/19 grant have now been made.
- 5.4 The existing grant agreement runs to the end of 2018/19. Leaders have met with WtY to discuss a more strategic financial relationship moving forward. WtY have drafted a three year business plan (2019/20 – 2021/22) and we anticipate a bid for future funding will be made to the North and West Yorkshire Business Rates Pool.

6. FUNDING AVAILABLE FOR NEW SPENDING PROPOSALS

- 6.1 The success of the North and West Yorkshire Business Rates Pool means that the Government have revoked the Leeds City Region Business Rates Pool from the 31st March 2019. At the point when the Pool ceases, any residual surpluses or deficits will be dealt with in accordance with the Pool's Governance Agreement:

Once such losses in income are resolved, any residual benefits or liabilities arising in regard to the Pool's 50% share of additional income will be shared amongst all the members of the Pool in proportion to their 50% share of the additional income received from the Pool. Any residual benefits or liabilities arising in regard to the 50% share of additional income apportioned to local authorities must be dealt with by the authorities themselves.

- 6.2 As set out in **Table 3** above, it is currently estimated that, with £2.82m carried forward from 2017-18 and £22.55m of estimated pilot income in 2018/19, the total funding available for distribution in 2018/19 is £25.37m. The spending commitments already approved, as outlined at paragraph 4, total slightly under £23.7m leaving just under £1.72m remaining.
- 6.3 The following options are available to utilise the additional £1.717 income received in 2018/19:

6.4 Screen Yorkshire

Members will be aware that the grant agreement between Screen Yorkshire and the LCR BRP runs out on the 31st March 2019. An application has been made for a new agreement from 1st April 2019 to 31st March 2022.

Members approved expenditure of £0.2m in 2017-18 to support Screen Yorkshire's running costs until March 2018 and a further £0.15m for 2018-19 to establish a new LCR/Yorkshire 'Film Office' and appoint a key member of staff. Screen Yorkshire would like to apply for further funding for the financial years 2019/20, 2020/21 and 2021/22 and have worked with colleagues in Leeds City Council's Economic Development Team to present the application attached at **Appendix E** which is confidential as it contains commercially sensitive information relating to a third party. In summary, the financial ask is funding of £0.175m each year for this three year period. A total request of £0.525m.

If successful the BRP funding will be used to pay for 50% of the project, which will include: staffing and office costs; costs for operating the film office, including marketing and travel costs for promotional activity etc.; strategic activities supporting Screen Yorkshire's work on skills including the Screen Skills Centre of Excellence; and longer term national skills initiatives. The BRP funding will be match funded by the British Film Institute (BFI). The BFI have confirmed that this investment is conditional on Screen Yorkshire securing a local match. Screen Yorkshire and Leeds City Council have brought this application forward at this time to help achieve funding certainty and stability for key staff on temporary contracts within the organisation.

At this time it is suggested that funding of one year only should be considered by the Joint Committee. If the decision is taken to only support the first year of funding, a further application for funding to the new North and West Yorkshire Pool is likely in 2019/20. At this stage, and until the new Joint Committee meet, we are unable to comment upon the nature of an application process.

6.5 WYCA China/India Desk (T&I)

Following recent communications from WYCA there has been a request that some of the surplus pool income be made available to support a 'China/Indian sub-continent' desk in the WYCA T&I team. Discussions between WYCA and Leeds City Council indicate that this funding could be used to support and strengthen the region's inward investment activity in China and also to expand into the Indian sub-continent. It is estimated that £0.15m is needed for a China /India desk. This could cover 1 FTE, plus operational budget, outbound mission and set up and running of a China group. It would also allow the necessary research to determine the approach for India, based on a review of sector strengths and key locations that would be complementary to our economic profile.

It should again be noted that if this request is accepted, a further application for funding to the new North and West Yorkshire Pool is likely in 2019/20. As mentioned above, until the new Joint Committee meet, we are unable to comment upon the nature of an application process.

Options available to utilise the remaining balance of funding include:

6.6 LCR to make additional commitments before the 31st March 2019

Given this approach, the LCR Joint Committee on the 29th March could agree further schemes up to the level of the estimated surplus. Whilst the Pool could invite new bids, a more simple option might be to forward fund a number of commitments which we would be looking to seek funding from the North and West Yorkshire Business Rates Pool in 2019/20. This would relieve the North and West Yorkshire Pool of potential claims in 2019/20, which is clearly helpful given that the North and West Yorkshire Pool in 2019/20, at just around £6m, is significantly smaller than the LCR Pool in 2018/19. It would also be helpful as some of these potential on-going or developing commitments might be seen as Leeds City Region or West Yorkshire schemes.

These schemes could include:

Welcome to Yorkshire

In the current year the LCR Pool has funded member subscriptions of £0.167, the final year of the WtY's deficit funding agreement of £0.662m and £0.256m towards their Back le Bid campaign. Without funding from the Pool, subscriptions would fall to the individual authorities.

We are aware that Welcome to Yorkshire are working on a three year business plan (2019/20 – 2021/22) but anticipate that a bid for future funding will be made to the North and West Yorkshire Business Rates Pool. Therefore, for the purpose of identifying commitments that could be funded from the LCR surplus, we would only include the Welcome to Yorkshire subscriptions of £0.17m (for the 7 LCR authorities).

Tour de Yorkshire

The Pool have contributed to member authorities that have hosted starts or finishes of the Tour de Yorkshire. In 2018/19 this was £100k for each of the three start/finish authorities, and an additional £121k funding for additional costs, in total £421k. For the 2019 Tour de Yorkshire there are 2 starts and finishes in LCR authorities, thus a potential commitment of £0.2m.

Transport Fund

There has been an ongoing commitment from the LCR Pool to reimburse the Member Authorities for their Transport Fund payments to the Combined Authority. The funding each year, since 2015/16, is £0.7m. However, given that WYCA is giving a £2m refund to authorities, there may be an option for authorities to pick up this cost.

LCR Secretariat

The Pool also makes a payment to the Combined Authority for the Leeds City Region Secretariat function on behalf of member authorities. The funding for this is £0.6m per year.

The total value of the options above is £2.008m. As the projected year-end balance is £1.72 it is clear that all of these options could not be accepted, but that some could be selected to best achieve the aims of Pool.

Summary of potential additional commitments (paragraph 6.4, 6.5 and 6.6):

	£m
Screen yorkshire (year 1)	0.175
WYCA China/India Desk	0.150
Welcome to Yorkshire subscriptions	0.167
Leeds City Region Secretariat	0.620
Combined Authority Transport Fund	0.696
Tour de Yorkshire	0.200
Total:	2.008

6.7 Hold surplus funds in contingency

A further option would be to hold surplus funds in a contingency for the financial year 2020/21 in case of a situation where there is no business rates retention available (or that the value is not significant) in 2020/21 and beyond. A mechanism could be utilised whereby the surplus funds are transferred back to individual authorities and held in a reserve for future commitments, perhaps beyond 2019/20.

6.8 Allow the Pool to close with a surplus

Bearing in mind that the LCR Pool will close on the 31st March 2019, in accordance with its constitution, any surplus funds could be re-distributed back to the member authorities. **Table 4** shows the effect of the calculation to split the projected year-end surplus balance across the Member Authorities in accordance with the Governance Agreement.

Table 4: 2018/19 Year-End Surplus Apportionment

Authority	Bradford £k	Calderdale £k	Harrogate £k	Kirklees £k	Leeds £k	Wakefield £k	York £k	TOTAL £k
50% by growth achieved	-108	-58	-61	-42	-333	-180	-80	-858
50% by population	-172	-68	-50	-141	-252	-109	-67	-858
TOTAL	-278	-124	-112	-182	-585	-289	-147	-1,717

7 GOVERNANCE

- 7.1 As a consequence of the successful bid North and West Yorkshire Business Rates application, the Secretary of State has revoked the designation of the Leeds City Region Pool and from the 31st March 2019 the LCR Pool will cease to exist. Each member authority will need to ensure they have put in place any formal arrangements made necessary by the revoking of the Leeds City Region Pool, and put in to place appropriate approval and governance arrangements to enter a North and West Yorkshire Business Rates Pool.
- 7.2 As a consequence of the revoking of the LCR Pool, an amendment is required to the 2018/19 LCR Governance Agreement. This amendment is to enable Leeds, as the accountable body, to fulfil any residual payments relating to bids from organisations. As such it is appended to this report for Joint Committee approval to be formally sought, **Appendix F, section 8.8-8.9.**

8. RECOMMENDATIONS

8.1 Members are recommended:

- a) to note the final outturn levies for 2017/18 as set out in paragraph 2;
- b) to note estimated pool income to be generated by the 2018/19 100% retention pilot at paragraph 3;
- c) to note the existing spending commitments for 2018-19 and the estimated funds available as a result of the business rates pilot in 2018-19, discussed in paragraph 4;
- d) in respect to agreed schemes which involve spending beyond the 31st March 2019, to agree the proposal that this funding is transferred to the appropriate, sponsoring member authority in 2018/19, who would then be responsible for delivering the funding for the schemes in accordance with the original approval.
- e) to note the update on funding provided to Leeds Bradford Airport and agree proposals at paragraph 4.8 and Appendix C;
- f) to agree the revised application from Bradford with respect to the Bradford Literature Festival scheme at paragraph 4.9 and Appendix D;
- g) to note the position in relation to funding for Welcome to Yorkshire as set out in paragraph 5;
- h) to agree one (or a combination) of the options in paragraph 6 to utilise the projected additional income;
- i) to note the success of the application to pilot 75% business rates retention in a North and West Yorkshire Business Rates Pool, and ensure that each authority puts in place appropriate approval and governance arrangements to move into this new Pool, as set out in paragraph 7;
- j) and approve an amended 2018/19 Governance Agreement, to allow the accountable body to make payments on behalf of the LCR Pool after the Pool is revoked, as set out in paragraph 7.2.

Breakdown of Spend In Strategic Areas By Project 2018/19

<i>Strategic Area</i>	<i>Project</i>	<i>2018/19 £m</i>	<i>2019/20 £m</i>	<i>2020/21 £m</i>	<i>Total Commitment £m</i>
Business Support, Trade and Investment	Ad:Venture Phase 2	0.19	0.19	0.19	0.56
	Business Support / Investment Readiness Programme	0.12	0.30	0.30	0.71
	Digital Enterprise (2.0)	0.10	0.10	0.06	0.25
	Investment Programme	0.35	0.00	0.00	0.35
	Leeds Bradford Airport Ltd LBA European Business Hub Connectivity Project	0.50	1.00	0.50	2.00
	West Yorkshire Fibre Infrastructure Support Fund	0.30	0.18	0.03	0.50
	Subtotal	1.55	1.76	1.07	4.38
Culture, Sport and Major Events	Back le Bid (Confidential)	0.26	0.00	0.00	0.26
	Castle Gateway masterplan and events programme	0.26	0.15	0.00	0.41
	Great Exhibition of the North Satellite	0.05			0.05
	Halifax and The Piece Hall Visitor Economy	0.38	0.12	0.00	0.50
	Kirklees - the Music District	0.30	0.00	0.00	0.30
	Leeds Capital of Culture Bid	0.35			0.35
	Major cultural and sporting events – building the bid for UK City of Culture 2025	0.54	0.00	0.00	0.54
	Maximising UNESCO City of Media Arts Designation	0.23			0.23
	Transforming Leeds Events	0.12	0.70	0.78	1.60
	UCI 2019 Road World Cycling Championships	0.67			0.67
	Wakefield Waterfront - Rutland Mills Multi Use Art Event Space	0.20	1.30	0.00	1.50
	Subtotal	3.35	2.27	0.78	6.40
	Enabling Housing Growth	Better by Design - York Housing delivery Programme	0.33	0.00	0.00
Dewsbury Housing		0.40	0.00	0.00	0.40
Enabling Housing Growth: Brokerage Support		0.25	0.00	0.00	0.25
Enabling quality of place & accelerating homes/jobs on council owned land		0.20	0.00	0.00	0.20
Stalled Housing Brokerage Service		0.25	0.05	0.05	0.35
Subtotal		1.42	0.05	0.05	1.53
Inclusive Growth	Bradford & Keighley CLLD	0.03	0.20	0.27	0.50
	Bradford District Health & Social Care ONE WORKFORCE	0.54	0.57	0.04	1.15
	City Brand and Inclusive Growth	0.44	0.22	0.00	0.66
	Delivering Inclusive Growth in Calderdale	0.23	0.39	0.38	1.00
	Expansion of digital engagement in Leeds	0.22	0.18	0.00	0.40
	Harrogate Digital Incubator	0.16	0.20	0.19	0.54
	Inclusive Growth in LCR - Skills, External Challenge and Connectivity	0.39	1.01	0.68	2.07
	Leeds City Region Growth Services	0.09			0.09
	Raising Aspirations	1.36			1.36
	Screen Skills Diversity Project	0.19	0.21	0.10	0.50
	Smart Harrogate	0.35	0.00	0.00	0.35
Subtotal	3.99	2.97	1.66	8.63	
Total	10.32	7.05	3.56	20.93	

Remaining Scheme Balances

	Total value of projects by Authority	Paid in 2018/19	Balance to Pay at 31st March 2019
	£	£	£
City of Bradford MDC	2,742,825	1,347,825	1,395,000
Calderdale Council	1,499,927	608,944	890,983
Harrogate Borough Council	1,763,000	805,000	958,000
Kirklees Council	1,399,692	1,296,152	103,540
Leeds City Council	5,663,001	1,272,667	4,390,334
Wakefield Council	1,500,000	200,000	1,300,000
City of York Council	1,625,000	1,205,000	420,000
West Yorkshire Combined Authority	4,482,500	2,207,084	2,275,416
Welcome to Yorkshire	256,000	256,000	0
Total	20,931,945	9,198,672	11,733,273

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Business Rates Pool - Monitoring Form

Project Name: Bradford Literature Festival 2019
Form Completed by: Georgina Lennon
The Project
<ul style="list-style-type: none"> • Are there any substantial changes to the project and/or the outputs and outcomes since the project was approved?
<p><i>The original proposal has been provided as an appendix for reference.</i></p> <p>There have been significant changes made to the project since the initial submission in 2018. Changes have been made for the following reasons:</p> <ul style="list-style-type: none"> • Detailed research and scoping of a year-round venue for the festival revealed that the original budget of £42.5k was far below the sum required to procure and maintain an appropriate space and provide year-round staffing and project management. • The original timeline submitted has now passed. <p>Our revised proposal is to secure a temporary venue space to be used for 6 weeks, between 1st June and 7th July, encompassing the 4 weeks leading up to the festival and the ten days of the festival itself (28th June – 7th July). The project will bring an otherwise empty city centre space to life. The funding would enable an additional 6 weekend events (taking place across 1st, 8th, 15th and 22nd June), and 16 events during festival dates, giving a total of 22 events over the course of the project. We have ensured that outcomes and audience numbers are comparable to the initial proposal, hitting the same social outcomes within this project, and an estimated audience of 2,550 vs an original estimated audience of 3,000.</p> <p>In the weeks leading up to the festival, BLF proposes to link with 4 different community organisations and take part in four existing large-scale events taking place in the centre of Bradford. BLF has approached all relevant organisations to discuss offering the venue space/ partnering to provide complimentary events and reciprocal marketing and hopes to link more closely with all involved over the course of the project. The identified events/ organisations are:</p> <ul style="list-style-type: none"> • 1st June – Bradford Pride (2 events) BLF will partner with Bradford Pride, linking with organisers of the event and attending planning meetings to ensure that the BLF offering is relevant and works alongside the main programme of events. The initial proposal is that BLF will open the venue for an open-mic event, hosted by a professional LGBT spoken word poet, and encouraging the involvement of local artists and performers. This event will be followed by a showcase of music and spoken word poetry featuring a line-up of 3 well-known LGBT poets/ artists. Both events will act as a celebration of LGBT literature and culture and offer a platform to both up-and-coming and established artists.

Events will be ticketed to ensure attendance and manage venue capacity. Ticket prices will be low in-line with BLF's ethical pricing policy.

- **8th June – BBC Music Day (2 events)**

BLF will host a pair of Lyric/ Rap Writing workshops linking with the theme of BBC Music Day, taking place in City Park that weekend. One of the workshops will be a private event working with a group of young people from Bradford's Through Care After Care Service. BLF will be working with the Through Care After Care Service throughout the 2019 festival, looking at ways of offering additional learning and development opportunities for Bradford's Looked After Children. The event will be a private event, which will enable BLF to provide additional support for the attendees, acknowledging the additional needs of these young people, many of whom may be vulnerable.

The second workshop will be open to the public and aimed at young people aged between 13 – 18. The event will be ticketed, but ticket prices will be low in line with BLF's ethical pricing policy.

The workshops will be led by an established artist, with experience of working with young people in this format.

- **15th June – Hope Not Hate (1 day-long event)**

BLF will work with Bradford refugee and asylum seekers support group BIASAN to host a day of family activities, linking with the Hope Not Hate event taking place in City Park that day. The event, which will be open to the public as a drop-in community event, will incorporate craft workshops for both children and adults, exploring traditional crafts from the South Asian and Syrian communities, both of which make up a large proportion of the BIASAN cohort. There will also be a bi-lingual storyteller performing at intervals throughout the day, and traditional music performed by BIASAN musicians.

- **22nd June – Windrush (1 day-long event)**

BLF will curate a Caribbean themed family fun day to link with the Windrush community event taking place in City Park. The event, which will be open to the public as a drop-in community event, will incorporate craft workshops for both children and adults, exploring traditional Caribbean crafts. There will also be a storyteller performing at intervals throughout the day, and traditional music performed by local musicians.

Over the course of the festival the project will fund BLF's early years and family activities taking place in the same venue space:

- **Weekdays** – Two early years events per day (Friday 28th & Monday 1st – Friday 5th) for children aged 0-3 and their caregivers. Each morning BLF will host either a Baby Rave, Baby Sign or Baby Yoga class, followed by an interactive storytelling session. The purpose of these events is to educate caregivers on the importance of speaking to and interacting with their baby. Each event, incorporating music, touch and other sensory stimulation, will work to strengthen baby's cognitive development and build confidence and new skills in the attending adults. The events will be free of charge.
- **Weekends** – As part of the BLF Free Family Fun Days which take place in city park each year, this project will fund the interactive, family craft workshops which are free and of a drop-in nature, held between 10am and 4pm each day. The craft workshops are a crucial part of the offering for

these days, being the primary source of whole-family participation and encouraging parents and caregivers to work with their children creatively. This year's themes are Superheroes (Saturday 29th), Where the Wild Things Are (Sunday 30th), Peter Rabbit & Friends (Saturday 6th) and Harry Potter (Sunday 7th).

Progress

- Is the project on track? What is the current stage?
- Are there any significant achievements that can be identified at this stage?

We are currently in the process of negotiating the venue space. The outlook is positive, and we aim to have contracts confirmed by the end of February.

For the events taking place in the 4 weeks leading up to the festival, we have now reached out to all organisations and look forward to working collaboratively with all involved. The events themselves are still in the planning stages, we will seek direct input from partner organisations to ensure that our initial ideas will fit with existing event plans and add value. We will work with these organisations to tweak events if necessary.

For events taking place during the festival, workshops leaders and facilitators are booked, prices have been agreed and the events are fully confirmed.

Outputs & Outcomes

- Record of the schemes outputs, outcomes and wider benefits.
- Does a profile exist against which outputs and outcomes will be delivered? Can this be incorporated / appended to your response.

Predicted audience numbers are as follows:

Saturday 1st June – Bradford Pride

- Open Mic – 100
- Showcase - 50

Saturday 8th June – BBC Music Day

- Workshop 1 – 20
- Workshop 2 - 20

Saturday 15th June – Hope Not Hate

- BIASAN Family Fun Day - 350

Saturday 22nd June – Windrush

- Family Fun Day – 350

Friday 28th June

- Baby Rave – 50
- Storytelling - 20

Saturday 29th June

- Craft Workshops - 350

Sunday 30th June

- Craft Workshops - 350

Monday 1st July

- Baby Sign - 20

- Storytelling - 20
- Tuesday 2nd July
- Baby Yoga – 10
 - Storytelling - 10
- Wednesday 3rd July
- Baby Sign – 20
 - Storytelling - 20
- Thursday 4th July
- Baby Yoga – 10
 - Storytelling - 10
- Friday 5th July
- Baby Rave – 50
 - Storytelling - 20
- Saturday 6th July
- Craft Workshops - 350
- Sunday 7th July
- Craft Workshops - 350

Total: 2,550

These estimations are based on previous BLF events of the same nature. For example, in 2018 our craft workshops pulled an average audience of 350, which is what has been used here as an estimated audience for the 2019 craft workshops.

Outputs, Outcomes and Wider Benefits

- Form closer links with local organisations.
- Catalyse partner organisations to increase their cultural offer.
- Focus on whole-family engagement - promote reading and creativity amongst children and families.
- Increase literacy attainment and aspiration levels amongst young people.
- Reach traditionally hard-to-reach communities.
- Extend the visibility of BLF, animating an otherwise empty space and therefore supporting the place-making agenda.

BLF will conduct a thorough evaluation of the project. For reference, our 2018 Evaluation has been added as an appendix.

Spend / Funding

- Is any required match funding now in place for the project?
- What spend has been incurred?
- Is the spend profile associated with the project as anticipated?

Required match funding is for the Bradford Literature Festival as a whole, all funding is confirmed and in place.

Risks and Issues

- Is there an ongoing assessments of risks associated with the project.
- Have there been any significant change since project approval?

BLF conducts a thorough risk assessment each year and at the outset of any project. Risks are measured on an on-going basis.

A full risk assessment has been completed for the 2019 Bradford Literature Festival. There have been no additional risks identified since the initial project approval.

Original Bid Submitted – 2018

Support the growth of the Bradford Literature Festival by creating an all year-round visible drop in space in Bradford city centre - focussing on encouraging reading among children and families and providing a vehicle and prominent visible space for the Festival to extend its brand and activities beyond the current two-week Festival period.

Currently the Festival does not have a public facing space, so drops out of sight for much of the year. This would contribute to the place-making agenda by reactivating an unused space for creative activity. A project co-ordinator would be employed to deliver creative writing and other workshops, poetry and other book readings, discussion groups and other themed activities based around literature, engaging an additional 3,000 people in 2019 in the Literature Festival's programme, many of them from hard to reach communities, with an ambition to increase activity further in the subsequent years. These themed activities; delivered as part of a year-round programme of literature and literacy related events. This activity would build both CYP and adult audiences, with events throughout the year, and keep the profile of the Festival high in the local consciousness, potentially drawing visitors from across the region and nationally.

Additional funding is sought to support this activity, which would allow for organic expansion of the Education Programme, which can reasonably be expected to further increase literacy attainment and aspiration levels amongst children and young people, from the levels seen through the work done during the existing Festival period (Schools Programme). There would also be the opportunity to form closer links with local organisations, who are delivering events year-round; given the wider window of co-programming opportunity, this would be equally applicable regionally and nationally, and would be expected to catalyse partner organisations to also increase their cultural offer.

There will be the potential for a diversified business plan (coffee shop, bookshop or similar), which would bolster the BLF brand, and offer the opportunity for further job creation and contribute to the regeneration of Bradford city centre, with a business that appeals to a socioeconomically diverse consumer base.

Specific outputs referred to in the bid documentation:

Bradford Literature Festival	Develop and grow new city centre Festival year-round space
Budget	£25k capital refurbishment £17.5k Project Manager
Timeline	Venue secured by December 2018

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**LEEDS CITY REGION BUSINESS RATES POOL
DRAFT GOVERNANCE AGREEMENT**

1 Title

1.1 The Leeds City Region Business Rates Pool.

2 Membership

2.1 City of Bradford Metropolitan District Council, Calderdale Council, Harrogate Borough Council, Kirklees Council, Leeds City Council, Wakefield Council and City of York Council.

3. Commencement

3.1 This governance agreement comes into force on 1st April 2019 and will continue until the Pool is dissolved, either by Government or because any one of the members formally leaves the Pool (see “Dissolving the Pool”, below).

4. Rationale and Objectives

4.1 The LCR Pool exists to benefit the individual members and to further the aims of the Leeds City Region as a whole. The Pool has two key objectives:

- To support regional economic growth by providing support to and working in collaboration with regional partners;
- To support the financial stability of the member authorities, both at an individual and a regional level.

4.2 The Pool will receive 50% of business rates income collected above the 100% business rates baseline income generated by the member authorities, the share which would previously have been paid to Central Government.

4.3 This Pool income will be shared out so that member authorities receive 50% of the additional income generated through 100% business rate retention, 25% in proportion to growth achieved and 25% in proportion to population, with 50% of that income being retained by the Pool. The only exceptions to this are set out in **Section 8**, below.

4.4 Any variation to the arrangements set out in 4.2 and 4.3, above, will require the formal agreement of the Leeds City Region Business Rates Pool Joint Committee.

5. Leadership and Accountability

- 5.1 The Pool will be led by a joint committee. The joint committee will comprise of the leaders of the councils making up the Pool. The joint committee shall be responsible for:
- Allocating any excess income arising from the 50% Pool share as set out in 4.3 above;
 - any changes to the purposes for which the income received by the pool should be used, but the principle that no authority should receive less than they would if treated individually, shall be maintained;
 - agreeing the expenses to be deducted by the lead authority administering the Pool;
 - considering any applications for other councils to join the Pool;
 - any variations to the membership of the joint committee; and
 - any other matters relating to the administration and governance of the Pool including replacement of the lead authority.
- 5.2 The members of the joint committee will elect a chairperson.
- 5.3 The joint committee will meet as and when required but no less than twice each year.
- 5.4 The quorum for the meetings will be no less than 5 members. Leaders will be able to nominate substitutes.
- 5.5 Members will have equal voting rights and voting will be by simple majority. In the event of a tie, the chair of the meeting will have a casting vote.
- 5.6 The joint committee will be supported by officers drawn from the lead authority.
- 5.7 The joint committee may establish any sub-groups or any officer forums that they believe to be appropriate.
- 5.8 Minutes of joint committee meetings will be published as required by law.

6. Lead Authority

- 6.1 The initial lead authority responsible for the administration of the Pool shall be Leeds City Council.
- 6.2 The lead authority will normally act as such for a full year and may only be replaced at the year end. A lead authority wishing to relinquish the role at the year end must give a minimum of four months' notice.

6.3 Each member of the Pool will be jointly and severally liable for any payments required to the Department for Communities and Local Government but, notwithstanding that, the lead authority will take responsibility for all matters in relation to the administration of the Pool including (but not limited to):

- all liaison with MHCLG and other government departments including the completion of all forms and returns associated with the Pool;
- administration of payments to and from the Pool and all calculations relating to the collection fund for the Pool;
- producing an annual report showing how income has been distributed and preparing periodic monitoring reports for Pool members;
- calculation of the costs of administering the Pool which are to be deducted from the rewards of the Pool. If the excess income generated by the Pool was insufficient to cover the administrative costs of the Pool in any year, then the shortfall would be shared between the Pool members in proportion to their spending baselines;
- The lead authority will ensure that the pooling arrangements, annual reports and other financial information is published and is freely available on the lead authority's website or elsewhere as appropriate.

7. Dissolving the Pool

7.1 This Pool may be revoked by Government after one year.

7.2 If any member decides to leave the Pool the regulations require that the Pool will be dissolved.

7.3 Any authority seeking to leave the Pool should inform MHCLG and all other members of the Pool as soon as possible. Once the Pool has been established, this must be by 30th September in any year, to allow the remaining members time to seek designation of new pool for the following year (see 7.4, below).

7.4 The lead authority will make the necessary calculations and submit the required returns associated with the dissolving of the Pool.

7.5 The remaining members of the Pool may choose to form a new Pool and, if they wish, include new members for the following year (subject to new designation by MHCLG).

8. Treatment of Potential Losses in Income and Residual Benefits or Liabilities

8.1 The Pool will have a single safety net threshold set at 95% of its baseline funding level. Authorities not participating in pooling arrangements who suffer reductions in business rates income exceeding the safety net threshold would be entitled to safety net payments. If an authority is a member of a business rates pool, the

safety net payment to that individual authority could be lost because the loss across the pool may not be as much as the 5% required to reach the safety net threshold.

- 8.2 Authority(s) that would otherwise have qualified for safety net(s) will have their share of pool proceeds calculated so as to include what they would have received as a safety net payment.
- 8.3 There is also a risk that authority(s) participating in the Pool will be worse off as a result of their participation when compared with what their financial position would have been under the 50% Business Rate Retention Scheme, including receipt of Revenue Support Grant and Rural Services Grant.
- 8.4 Authority(s) that would have been better off under the 50% retention scheme will have their share of pool proceeds calculated so as to include what they would have received in a 'no detriment' arrangement, i.e. under the 50% retention scheme.
- 8.5 Loss in income to Pool members in the circumstances set out above will be met proportionately from the Pool's 50% share of the additional income generated by the authorities within the Pool and the member authorities' 50% share of that income. If that income is insufficient then the net loss will be shared amongst all members of the Pool in proportion to their spending baselines for the year to which the safety net(s) would have applied.
- 8.6 Should losses incurred by the pool as a whole be sufficient to bring the Government's 'no detriment' guarantee into effect, any funds received from Government will be distributed to the member authorities in proportion to the extent of each authority's losses when compared with what their financial position would have been under the 50% Business Rate Retention Scheme.
- 8.7 Once such losses in income are resolved, any residual benefits or liabilities arising in regard to the Pool's 50% share of additional income will be shared amongst all the members of the Pool in proportion to their 50% share of the additional income received from the Pool. Any residual benefits or liabilities arising in regard to the 50% share of additional income apportioned to local authorities must be dealt with by the authorities themselves.
- 8.8 Any financial benefits committed in 2018/19 for future years' expenditure shall remain under the authority of the Joint Committee until expenditure is either incurred or the Joint Committee agree to treat as "residual benefit" (see 8.7 above).
- 8.9 At the point when the Joint Committee ceases to exist, they will authorise Leeds City Council as the lead authority to make any remaining payments on their behalf.

Report to: West Yorkshire, York and Harrogate Leaders

Date: 29 March 2019

Subject: LCR Business Rates Pool (BRP) – Monitoring of delivery update

1.0 Summary

1.1 This report provides a further update to committee members on the delivery progress of the 27 projects approved by the Joint Committee on 13 July 2018. The approach to this monitoring update is consistent with that agreed at the meeting and presents headline insights from the first bi-annual conversations with project sponsors.

2.0 Introduction and background

2.1 At the last meeting in July 2018 it was decided that 27 projects would be funded through the Business Rates Pool. 25 of these projects are led by a local authority whilst two are led by private sector organisations.

2.2 Each project lead received confirmation of their successful application from Leeds City Council on the 10 August. Following this the initial 2018/19 payments have been made as agreed (with the exception of the Leeds Bradford Airport (LBA) project which requires further due diligence). Please note an update on LBA will be covered in the report by Leeds City Council.

2.3 The monitoring and evaluation paper that was previously approved confirmed that the approach adopted would be a relatively light touch reporting framework with projects reviewed every six months.

2.4 The information contained within this report is based on returns provided by the respective project sponsor and builds upon the update from January 2019.

The original monitoring report sought to capture:

- any changes to the project since the initial application
- project progress
- outputs and outcomes achieved
- spend and funding
- risks and issues

2.5 The main findings emerging from the data gathering and discussions with each of the projects are summarised below. A detailed summary of all projects is presented in **Appendix A**.

3.0 Headline findings

3.1 **The vast majority of projects remain on-track**

Overall the majority of projects remain on track and are moving forward with staff now in place, in many instances matched funding is secured and projects are able to identify activity that has been undertaken.

All projects have a clearly defined sense of key delivery milestones and their dependencies, with some projects seeking changes to ensure the project is delivered in the best possible way. The risks to delivery are low as all these sponsors are clear on how these changes will be phased and accommodated within the Pool funding period.

3.2 Achievements to date

There are a number of projects where significant activity has already taken place, these include:

- Screen Skills Diversity Project, Bradford – the recruitment of the first cohort of 50 young people has begun.
- Kirklees Music District – the Alternative Accommodation campaign has already been delivered and evaluated.
- Transforming Leeds Events – Leeds has been confirmed as a 2021 Rugby League World Cup host city and Light Night 2018 was delivered using £50,000 of Business Rate Pool funding.
- Welcome to Yorkshire – Representatives attended La Vuelta in Spain in order to maintain Yorkshire's cycling profile and promote the region as a tourist location and potential location to host future events.
- Halifax and the Piece Hall Visitor Economy – the Blondin Gala took place in September 2018 and 'The Blanket' was launched in January 2019.
- Expansion of Digital Engagement in Leeds - The tablet lending scheme has doubled in size (£100K) to make it the biggest in the country. There are now 300 iPads and 29 organisations - including St Georges Crypt enabling the homeless to do benefit applications, apply for housing and connect with friends.

4.0 Recommendations

That the Committee;

- note the progress made with regard to project delivery and provide feedback on project progress

Project progress update

BRADFORD:

- **Bradford District Health & Social Care – One Workforce**
 - KPMG has been appointed as the development partner and have started the work stream to establish the formal arrangements (governance, accountability, structure) for the partnership.
 - A Programme Director has been successfully recruited and is anticipated to start work on 19th March 2019.
 - The Community Recruitment work stream started in January and is beginning with potential recruitment within the health and care sector. For example SkillsHouse are currently working with the Ambulance Service to support the recruitment to a range of vacancies.

- **Screen Skills Diversity Project**
 - A Programme Manager should be in place by the end of March 2019.
 - Recruitment of the first cohort of 50 young people (18-25 year old) has begun.
 - Young people will take part in the Screen Stars initiative which will allow them to select a bespoke package of training, mentoring and work experience.
 - Creative Skills Industrial Centre of Excellence (ICE) programme has been initiated, working with three secondary school (2 Bradford, 1 from Leeds).
 - The Creative ICE will work with a bespoke curriculum with young people (aged 14-18) to provide an understanding of the creative skills and screen industry sector.

- **Bradford and Keighley Community Led Local Development (CLLD)**
 - Funding agreements are in place with the project's delivery partners.
 - A programme manager and administrator have been appointed in each area.
 - Work is now underway to support local organisations to develop partnerships and progress local objectives.
 - A number of drop in session/sounding groups have now been undertaken.
 - Bradford CLLD hoped to advertise a call for project activity in early Jan 2019, but this has now slipped to April 2019.
 - Keighley CLLD have advertised two of their rounds of calls for their planned activity. It is hoped that project activity will be operational by June 2019.

- **Bradford Staging Cultural and Sporting Events**
 - The project is currently on track. In the main the outputs and outcomes from the funding will be met during 2018/19 calendar years.
 - The project is designed in three main blocks Culture Programme, Brand Development and Development Creative Infrastructure.
 - To date activity delivered includes support for the Sparkling Bradford 2018 Campaign, the Taste of Bradford 2018 food campaign and a pilot event for 'Make your Mela' day.
 - Delivery through 2019, will include: UCI World Championships, Yorkshire Games, Science festival, Bubble up, Make your Mela and a children's festival.
 - Work is at an advanced in establishing a new 'Cultural Place Partnership'; a Creative People and Place consortia; a Bradford Literature Festival and a Cultural Voice Network.

CALDERDALE:

- **Halifax and the Piece Hall Visitor Economy**

- Two officers will be recruited - one within CMBC for direct event support and an officer working on cultural destinations to further support the monitoring and evaluation activity.
- 'The Blanket' by David Murphy' launched on 25th January 2019, in partnership with Yorkshire Sculpture Park – with an aim of attracting people to the Piece Hall and the wider town in the quieter months of the year.
- Development of an awareness raising campaign of Shibden Hall on the back of 'Gentleman Jack' BBC/HBO co-production will air soon to encourage more and new visitors to the estate. This complements the wider heritage programme of Halifax and will support Halifax Heritage Festival in September 2019.
- Legal advice in relation to State Aid is currently being secured.

- **Calderdale Inclusive Growth Programme**

- The key aspects of the programme remain the same and the focus will be around engagement, employment and social value.
- The time scales for delivery and a delivery action plan are in development.
- The Change programme has started and will deliver the 50 paid traineeships which will be managed by ISCAL the Council's Support Employment factory.
- This commenced in October and has 18 applicants working through a 6 week training programme of in-depth employability skills and job search.
- It is anticipated that a total of 10 placements will be secured by April 2019.
- The recruitment of the Programme Lead will be completed by April 2019.

HARROGATE:

- **Smart Harrogate**

- No substantial changes to the project.
- Procurement of the wireless and pedestrian monitoring elements is ongoing – with contract award expected early May.
- Priority is being placed on delivering public Wi-Fi in Harrogate and Ripon by September 2019 (UCI World Championships).
- There may be a need to spend some of the Pool funding on revenue.

- **Harrogate Digital Incubator**

- Project delivery is underway and 9 jobs have been safeguarded already on the project through business relocation.
- Permission is sought to extend the project through to March 2022 - beyond the initial 3-year spending period.
- The amount of space available project available accommodation will be expanded to accommodate the closure of existing business space within Harrogate.
- This has affected 75 businesses and a number of these are in the digital/creative sector.
- The project will now be delivered internally and is now anticipated to be six months behind schedule with an anticipated opening in October 2019.
- An external consultant, Creative Space Management, has been appointed for 12-months to provide advice and guidance on project delivery.

- **Strategic Housing and Employment Sites Local Plan (Harrogate District)**
 - There are no substantial changes to the original project.
 - All the required matched funding is now in place.
 - The brief for the work has been drafted and the procurement procedure agreed.
 - A revised timescale will be drawn up and the tender process will begin once the outcome of the Local Plan Examination is known. The Examination hearing sessions have concluded and correspondence from the Inspector is awaited.

KIRKLEES:

- **Stalled Housing Site Brokerage Service**
 - The project started in August 2018 and is on track.
 - The project team has been established and a detailed project plan developed.
 - The project introduced at Kirklees Big Build event September 2018 which supports the councils' ambition to build 10,000 new homes in the next 5 years. The project team has contacted landowners and agents to better understand the blockages with specific sites and provide assistance where appropriate.
 - An initial list of potential target sites have been identified and the council are prioritising a shortlist of suitable sites.

- **Dewsbury Town Centre Strategic Acquisitions**
 - A draft development framework is in place which outlines the scale and nature of possible housing development within the area.
 - This 'Dewsbury Town Centre Strategic Acquisitions' project contributes towards achieving that vision.
 - The number of properties identified for acquisition within the Daisy Hill area has increased from the 5 originally identified, to 10.
 - One property is currently in the process of being acquired it is hoped that a second will be purchased imminently.

- **Kirklees Investment Programme**
 - A refresh of existing marketing collateral has been undertaken. These are being used to promote investment opportunities to developers, land and property agents at events and through direct marketing including MIPIM International which takes place w/c 15/3/19.
 - Consultants have been engaged to undertake work to create the story of Kirklees and establish a sustainable economic partnership/Place Board.
 - A dedicated Inward Investment has been recruited in March 2019 and the procurement of inward investment research is due to commence shortly. .
 - There will be challenges in realising the original profiled spend by the 31st March 2019 but this should not have any impact on the overall profiled outcomes and outputs for the project.

- **Kirklees - The Music District**
 - The Alternative Accommodation campaign has been delivered.
 - Marketing Consultants are appointed to deliver branding and consultation is underway – aiming for launch for the Autumn season
 - 3 x central posts are currently advertised.
 - Town Sounds – research to collate stories and sounds is underway, digital company has been commissioned to develop the online solution for the heritage trail. Launch is anticipated to be in May 2019.

- 'The Roots to Inspire' project is underway. Four musicians have been commissioned and are working with communities now.
- The call for curators will go out in September 2019, giving the Programme Coordinator the summer to build connections with less engaged communities.

LEEDS:

• **Transforming Leeds Events**

- Leeds has been confirmed as a 2021 Rugby League World Cup host city with 4 men's and 4 women's matches being held in the city. Kirkstall and Leeds Beckett University will both be deployed as training bases.
- The 'Victorious' campaign has been launched, celebrating the range and calibre of major international sporting events taking place in Leeds this year.-
- Planning is underway for an enhanced street festival to coincide with the World Triathlon Series in June.
- In terms of enhanced marketing agreements have been progressed with Ryanair and P&O Ferries in relation to city breaks and discussions continue with Jet2.
- The Chair of the Leeds Culture Trust has been appointed and it is hoped to appoint a Creative Director Spring 2019.

• **Expansion of Digital Engagement in Leeds**

- Working with the Communities team and focusing on priority neighbourhoods, we have identified 20 community venues/care homes for the installation of free Wi-Fi. Work will start from April 2019 (£100K).
- Grants scheme for community organisations will launch in Q2 2019 (£100K). Grants of £1,000 – £10,000 for organisations who are working to remove barriers to digital inclusion. Online application process and guidance notes agreed, many third sector organisations ready to bid and a high profile city centre event being planned to launch the scheme.
- The tablet lending scheme has doubled in size (£100K) to make it the biggest in the country. There are now 300 iPads and 29 organisations have already borrowed tablets to deliver innovative digital inclusion projects across Leeds. E.g. St Georges Crypt enabling the homeless to do Universal Credit applications, apply for housing and connect with friends. ITV Tonight show showcasing this.
- The Digital Inclusion team is working with over 50 community organisations to build a digital inclusion network of community and locality partners. Case studies and evidence of impact reported on www.digitalinclusionleeds.com/impact

• **Digital Enterprise 2.0**

- Project launch of phase 2 of the Digital Enterprise (DE) programme is dependent upon confirmation of ERDF/ESIF funding expected in March 2019. The £10m programme is due to commence in September 2019, the 2.0 programme extends existing DE activities delivered across the city region to 2022. The current DE programme is on track to provide intensive support to over 1,000 SMEs helping them to utilise digital technologies in their businesses.

• **AD: Venture**

- ESIF/ERDF funding for this project has been approved in principle by the ESIF managing authority. A funding contract for the project extension is due to be released in March 2019. Once approved this will extend existing Ad:Venture delivery to 2022.
- Since the approval of BRP funding in the summer of 2018 the project has delivered over 80 events, worked with an additional 336 businesses and 312

individuals across the city region. The programme has to date approved @ £1m in business grants to help over 100 new/young businesses in the city region to grow and create over 200 new jobs. The Ad:Venture extension continues these city region wide activities and adds new district focused activities in Leeds & Kirklees aimed at the creative and manufacturing sectors.

- These district opt-ins complement existing district focused activities in Bradford, Calderdale & Wakefield providing support to the digital health, creative and professional service sectors.

- **West Yorkshire Fibre Infrastructure Support Fund**

- West Yorkshire Authorities continue to work together with DDCMS to explore options around funding now there has been a change to the Local Full Fibre Network (LFFN) arrangements.
- Regional Network Solutions Ltd a specialist advisor for Local Full Fibre Network design and procurement have been appointed and to date have engaged with Leeds and Wakefield Councils to help them shape their local plans and approaches.
- The delivery of commercial investment programmes is progressing well. Discussions are continuing with Openreach and CityFibre regarding their investment plans and working on ways in which Local Authorities and make roll outs more seamless.
- The Social Finance team within DDCMS have expressed an interest in revisiting the previous regional LFFN bid on key route networks to explore whether it would be suitable.

WAKEFIELD

- **Wakefield Waterfront - Rutland Mills Multi Use Art Event Space**

- No significant changes to the project
- Planning permission for the scheme is already in place and negotiations are being finalised with the developer (City & Provincial).
- The application to secure LGF3 funding from WYCA is proceeding.

YORK:

- **Better by Design – York Housing Delivery Programme**

- To accelerate delivery the initial proposal has changed and the Housing Delivery Programme will now be funded through the councils Housing Revenue Account rather than through a separate development company.
- The tender has been issued to procure the architects and planning consultants for the proposed housing development at Burnholme. It is anticipated that the architects will be appointed by May.
- Work has begun developing healthy place making, environmental and digital standards for new developments.
- Homes England Accelerated Construction Funding of £1.5m secured in principle for Burnholme.

- **York's City Brand and Inclusive Growth**

- A place-based branding agency has been commissioned to deliver the stage 1 (research and design) of the narrative project.

- Project management services have been and recruitment is underway the recruitment panel will include partners.
 - The first City Narrative Strategic Group meeting was held in February 2019.
 - The Narrative Steering Group will take place in March 2019 aiming to prioritise outcomes and agree the engagement approach. The Narrative Steering Group includes representatives from across the city, partners, WYCA and NYER LEP.
 - The Mediale commission is now underway, shaping engagement events including a cultural event in 2020.
- **Castle Gateway Masterplan and Events Programme**
 - The project has made good progress to date.
 - A number of agreements are now in place including with York Museums Trust (YMT) regarding the terms for the transfer of funding, the York Mediale team for the delivery of an events programme and with Arts Barge for the delivery of the Festival of the Rivers.
 - YMT have now procured architects for the Castle Museum design work and have held an inception meeting with the council's master-planners (BDP) to coordinate design work.
 - BDP have already produced initial proposals for the land at the rear of the Castle Museum to open up the area for public access and to accommodate the new river Foss pedestrian cycle bridge.
 - Public engagement through the My Castle Gateway project has begun on shaping a brief for the new public realm in the Castle and Eye of York area.

WEST YORKSHIRE COMBINED AUTHORITY:

- **Investment Readiness Project**
 - The project has now secured match ERDF/ESIF funding.
 - Activity has commenced on procuring an external organisation(s) to deliver the core elements of the project.
 - The Project Manager and part-time Monitoring Officer are now in post.
 - Discussions are ongoing with two banks to provide 'in kind' support for the project, and to build the pipeline of potential clients.
- **Inclusive Growth in LCR - Skills, External Challenge and Connectivity**
 - ESF/ESIF funding for the Employment Hub has now been secured. The Employment Hub will now run from 1 January 2019 to 31 December 2021.
 - The Raising Aspirations pilot is nearing go-live and is currently progressing through the final stage of the Combined Authority's Programme assurance process.
 - Poverty-proofing the school day is currently being scoped as a commission for consultancy support to pilot in an IMD area of the City Region. Scoping and design of the commission is taking place with internal colleagues and in consultation with Local Authority partners.
 - Funding for superfast broadband is being used to support project development and ongoing revenue costs for the project team and has allowed Leeds City Council (as the project's delivery partners) to appoint technical consultants to assist with project development.
 - The Department for Environment, Food & Rural Affairs (DEFRA) funding bid for rural broadband infrastructure has been approved - £6,898,275 (Capital). A decision regarding ESIF is expected between March and May 2019.

Subject to the successful appointment of an infrastructure provider(s), the project's delivery phase will commence in Spring 2019. From this stage further BRP funding will be used to support the ongoing revenue costs of the project in 2019/20.

- **Enabling Housing Growth, Strategic Sites Brokerage Support**

- The project is currently on track.
- Procurement has been completed
- Approximate cost of commission 22k.
- Arcadis have now been appointed with the inception meeting taking place 1st February with the interim programme agreed.
- All districts have engaged on the project.
- First stage meetings with the districts start on the 14th of March 2019 (Bradford) with meetings also now been arranged with Calderdale and Wakefield
- Completion of first stage expected late April 2019 early May 2019

Non LA Projects

WELCOME TO YORKSHIRE:

- The applicant has submitted an outline of the approach they propose to use in monitoring the high level impact on perception and awareness metrics in the context of the funding award to support the marketing and engagement activity for attraction of La Vuelta – this approach has been agreed.
- The additional information on perception and awareness will be submitted 12 months from the date of the grant agreement.

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