



## Pooling Proposal

## Northamptonshire

## Memorandum of Understanding

### 1. Pool Membership

Corby Borough Council  
Daventry District Council  
East Northamptonshire Council  
Kettering Borough Council  
Northampton Borough Council  
Northamptonshire County Council  
South Northamptonshire Council  
Borough Council of Wellingborough

### 2. Introduction

This pooling proposal has been agreed by all pool members.

The proposal considers 5 key principles and addresses the key governance areas which are needed to ensure that a robust framework is in place for the effective management of the pool.

Governance arrangements will stay in place until the pool is fully dissolved.

Each time a new member joins or an existing member leaves the pool the governance arrangements will need to be renewed and agreed.

### 3. Key principles of the pool

- The pool will be open to all authorities within Northamptonshire.
- No individual authority is to receive less funding than if they had not pooled (see section 10).
- The additional benefits of pooling will be distributed based on where the growth has taken place (see section 11).
- Processes will be in place to deal with failure to agree on any issue / grievance resolution (see section 6).
- Individual authorities will retain their decision making powers.

4. Definition of Pooled Funds

Pooled funds will be defined as only the monies distributed through the Government's Business Rates Retention Scheme. It will not cover any RSG payments, specific grants, council tax or any other funding sources.

In accordance with guidance from DCLG business rates growth arising from the following will also be excluded from the pool:

- Enterprise zones (e.g. Waterside Enterprise Zone in Northampton)
- Renewable energy projects

5. Governance

The pool relationship will be defined through this Memorandum of Understanding (MoU) which will set out the way in which the pool is run. The key elements of the MoU are outlined below. The agreement will seek to be flexible enough to operate within the general pooling rules to allow for changing circumstances. However, the section in relation to dissolution (see below) will be more rigid to ensure that the process for the closure of the pool is known and agreed by all parties in advance

It is expected that in future years the governance arrangements will be further developed.

6. Governance Structure

The governance structure will consist of 2 levels:

- The Chief Executives of the councils in the pool will be responsible for determining its strategic management and resource allocation in accordance with these governance arrangements.
- The Northamptonshire Finance Officers will support and advise the Chief Executives, in accordance with their statutory responsibilities. In addition they will be responsible for managing the operational day to day running of the pool.

Note: if the principle of a strategic pot is adopted in the future, the allocation of this will be approved through Chief Executives in consultation with their respective Leaders and s151 Officers.

The Chief Executives of the pool will meet quarterly as part of the Joint Chief Executives meeting with urgent monthly meetings if required.

The pool will operate on a one member, one vote principle. All decisions will be taken on a majority decision basis. If the decisions are of a financial nature they will be made in conjunction with the respective s151 Officers of pool members.

A schedule of meetings will be agreed annually in advance of each financial year and will be hosted and chaired in turn by each authority.



7. Duration of the pooling agreement

The pool is voluntary and members will be able to leave the pool in accordance with the agreed timelines set out below.

In the first instance the pooling agreement will be for 1 year only owing to the uncertainty relating to the scheme and the impact on individual pool members. Over time, the aim will be to move to a medium term commitment with annual reviews.

The pooled funds will be ring-fenced on an annual basis to those members of the pool relating to that financial year.

8. Lead Authority

The Lead Authority will be Kettering Borough Council.

The Lead Authority will be supported, as appropriate, by other pool members.

The key responsibilities for the Lead Authority and individual pool members are outlined in Appendix 1.

9. Pool Administration Costs

Pool administration costs should be estimated for the year and agreed by the s151 Officers of councils in the pool. Once agreed these will be reported to the Chief Executives of the pool and top-sliced from the pool dividend (see below).

10. The Pool 'Dividend'

The pool will operate on the principle that wherever possible no authority will be worse off than if they had not pooled, subject to sufficient funds being available.

The pool dividend is defined as the additional money the pool will receive over and above what each council would have received if there had not been a pool.

If any authority would have been eligible for a safety net payment if they had not pooled, they will be compensated for this (wherever possible, subject to sufficient funding being available) to ensure that the "no worse off" principle is maintained (see safety net payment section 13 below).

The dividend will therefore be the 'benefit' from pooling, less any safety net payment compensation and any pool administration costs.

11. Allocation of the Pool Dividend

In the first year of the pool the dividend will be allocated proportionate to the location of business rate growth and shared 80:20 between the district and county council.

In future years the pool will consider the creation of a Strategic Fund to be allocated on an annual basis in accordance with agreed economic growth priorities in order to provide a strategic advantage for the pool area.

12. The Strategic Fund.

This will be dependent on the decision made on the allocation of the pool dividend (11 above).

The cash balances in the Strategic Fund will be held by the Lead Authority under the direction of the Chief Executives of the pool in consultation with their respective s151 Officers.

Investment of the Strategic Fund will be in accordance with the Lead Authority's Treasury Management policy and in accordance with relevant regulations. Interest earned on cash balances held by the Lead Authority will be credited to the Strategic Fund for distribution to pool members in accordance with the allocation of the Strategic Fund.

13. Safety Net Payments

Safety net payments will be the first call on any pool dividend.

The council who would have triggered the safety net payment receives this as a top-slice from the dividend.

14. Insufficient dividend to support safety net payments.

Consideration will be given to the future of the pool, including dissolution, should there be insufficient dividends to support safety net payments.

15. Dissolution

The pooling arrangement will remain in place until an authority advises that they wish to leave the pool. Pool members should consider the impact on remaining members when making this decision.

Pool membership will be reviewed on an annual basis to determine whether a significant contraction in business rates is expected and consequently whether the pool is still financially viable.

Authorities will be required to notify pool members of their decision to leave the pool in accordance with the notice period outlined below.

DCLG will be notified of any decision to dissolve the pool in accordance with their agreed process and deadlines.

Any subsequent decision to re-form a pool (i.e. if one member wishes to leave and the other authorities wish to continue in a new pool) will be made in a timely manner to ensure that a formal pooling proposal is submitted to the DCLG in line with their process and timetable.

16. Notice Period to Dissolve the Pool

Authorities will be required to advise the pool of their intention to leave and consequently dissolve the pool giving a minimum of 3 months notice in advance of the agreed DCLG deadline. This will allow remaining pool members to consider whether they wish to submit a new pooling application.

17. Requests to join the pool

If a new authority wishes to join the pool it will be required to provide 3 months notice prior to the DCLG deadline. This will allow time for existing pool members to consider their continuing membership of the pool.

Note: if the DCLG change the deadline and the 3 month notice period set out in sections 16 and 17 above is not practical, the pool will need to consider an appropriate deadline which balances the needs of authorities seeking to join/leave the pool and those seeking to remain in the pool.

18. Distribution of Pool Assets on Dissolution

Pool assets will be allocated proportionately to growth in business rates during the period of pool operation.



## **Key Roles and Responsibilities**

The Lead Authority will be responsible for the following:

- All finances in relation to the pool including payments to and from central government, and to major preceptors such as the Police Authority.
- Forecasting and scenario planning.
- Calculating the funding position if all councils had not been part of the pooling arrangement.
- The maintenance and distribution of the 'strategic fund' (subject to allocation of the pool dividend).
- All communications with the DCLG including year end reconciliations.
- The collation and submission of information required for planning and monitoring purposes by the governance structure (Chief Executives, Northamptonshire Finance Officers, etc), the DCLG or any other party.
- All audit requirements in relation to the pool.
- All reporting requirements for the pool.
- The administration of the dissolution of the pool.
- An estimate for consideration of the budget for administering the pool to the Northants Finance Officers Group and the Governance Board.




Pool members will be responsible for:

- The collection of business rates.
- The transfer of relevant funds to the Lead Authority for the payment of the central share, levy etc.
- The implementation of their own collection funds.
- The submission of NNDR forms to the CLG.
- The provision of any information in relation to their own authority required for planning and monitoring purposes as requested by the Chief Executives, the Northamptonshire Finance Officers Group, the DCLG or any other party including for audit purposes.




### Corby Borough Council

		
Cllr Tom Beattie Leader	Norman Stronach (Acting) Chief Executive	Adrian Sibley S.151 Officer




### Daventry District Council

		
pp Cllr Chris Millar Leader	Ian Vincent Chief Executive	Audra Statham S.151 Officer


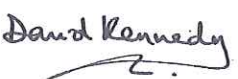

### East Northamptonshire Council

		
Cllr Steven North Leader	David Oliver Chief Executive	Glenn Hammons S.151 Officer

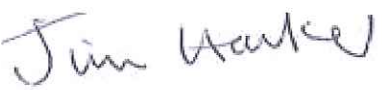

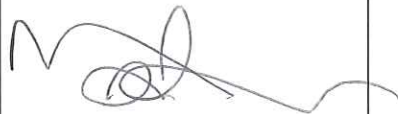
### Kettering Borough Council

		
Cllr Russell Roberts Leader	David Cook Chief Executive	Graham Soulsby S.151 Officer


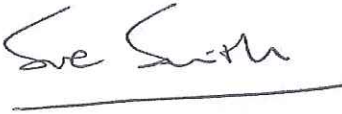

### Northampton Borough Council

		
Cllr David Mackintosh Leader	David Kennedy Chief Executive	Isabell Proctor S.151 Officer


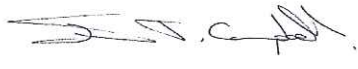

### Northamptonshire County Council

 Cllr Jim Harker OBE Leader	 Paul Blantern Chief Executive	 Matt Bowmer S.151 Officer
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### South Northamptonshire Council

 Cllr Mary Clarke Leader	 Sue Smith Chief Executive	 Martin Henry S.151 Officer
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### Borough Council of Wellingborough

 Cllr Paul Bell Leader	 John Campbell Chief Executive	 Richard Micklewright S.151 Officer
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