

## APPENDIX A

### PILOTING EARLY IMPLEMENTATION OF 100% RATES RETENTION

Following recent discussions about piloting approaches to 100% rates retention in Sheffield City Region, I can confirm that we have held a number of discussions with officials in DCLG and would be happy to participate.

This will include the constituent and non-constituent members of north Nottinghamshire (Bassetlaw) and north Derbyshire (Chesterfield, Derbyshire Dales, North-East Derbyshire and Bolsover) as well as the four South Yorkshire authorities (Barnsley, Doncaster, Rotherham and Sheffield).

As agreed, the precise details of the approaches to be piloted are to be worked-up between SCR authorities and DCLG over the coming months and may include the development of mechanisms to manage risk and reward under 100% rates retention; and to finance from additional business rates new responsibilities and/or existing funding streams, including those that support economic growth at individual authority or combined authority level. The piloted approaches are to be:

- Without detriment to the resources that would have been available to Sheffield City Region authorities under the current local government finance regime, over the four year settlement period, including the resources that would have been available under the business rates retention scheme, including the current pooling arrangements and additional growth retention pilot.

To the extent that the pilot arrangements result in fewer resources being available to Sheffield City Region authorities than would have been the case under the existing local government finance regime, the Government will make good the difference, as measured at the level of Sheffield City Region.

To the extent that the pilot arrangements result in more resource being available in the period before full 100% rates retention is generally implemented, any additional funding will, as necessary, be used to make good losses to any individual local authority and then invested in projects designed to secure further economic growth.

In developing the details of the approaches to be piloted, Sheffield City Region [Greater Manchester] and DCLG will have regard to the wider objectives the Government is seeking to achieve from 100% rates retention, namely:

- Giving authorities an incentive to grow local tax bases by ensuring they see long-term rewards from growth;

- Maintaining a predictable income stream against which authorities can take long term investment decisions; and
- Ensuring that local authorities can continue to provide a full range of local services, whilst recognising that decisions about spending priorities should be made locally by locally-elected representatives accountable to local taxpayers

Signatories?