



Item

CONSTITUENT COUNCIL CONSENT FOR BUSINESS RATES SUPPLEMENT ORDER AND DEVOLUTION OF ADULT EDUCATION POWERS FOR THE CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY

To:

Councillor Lewis Herbert, Leader and Executive Councillor for Strategy and External Partnerships

Strategy & Resources Scrutiny Committee [24/05/2018]

Report by:

Tom Lewis, Head of Legal Practice

Tel: 01223 - 457401 Email: Tom.Lewis@3csharedservices.com

Wards affected:

Abbey, Arbury, Castle, Cherry Hinton, Coleridge, East Chesterton, King's Hedges, Market, Newnham, Petersfield, Queen Edith's, Romsey,

Key Decision

1. Executive Summary

- 1.1 The Cambridgeshire and Peterborough Combined Authority (CPCA) is required to acquire consent from constituent councils for various powers and duties. For the CPCA, the constituent councils are Cambridgeshire County Council and all the District Councils.
- 1.2 Consent is being sought in respect of the power to:
 - i. Levy a Business Rates Supplement, and the
 - ii. Transfer the Adult Education Budget and associated powers for the delivery of adult education services.

- 1.3 Both these powers are allowed by statute for an elected Mayor and the CPCA but there are strict controls around their implementation. The relevant CPCA drafts reports and Statutory Instruments are attached at Appendices 1 to 4. It should be noted that by the Council giving the aforementioned consent does not in any way make the Council liable for any costs associated with these powers.

2. Recommendations

- 2.1 The Executive Councillor is recommended to:
- to give consent on behalf of the Council to the making of regulations under the Local Government Act 2003 Part 1 contained in the two 'Draft' Statutory Instruments attached (Appendix 2 and Appendix 4),

3. Background

- 3.1. Along with Cambridgeshire County Council and the other Cambridgeshire District Councils, Cambridge City Council (CCC) is a constituent council of the Cambridgeshire and Peterborough Combined Authority (CPCA). As powers are devolved or transferred to the CPCA from other organisations, consent is required by the constituent councils. This report is to garner such consent in respect of the Business Rates Supplement Order (BR) and the devolution of powers in respect of Adult Education Budget (AEB).
- 3.2 Appended to this report are the draft reports that are expected to be seen by the CPCA by the end of May 2018. By this time the constituent councils are expected to have given consent in respect of the granting of the BR and AEB in order to allow for the Parliamentary process to confirm the orders.

Business Rates Supplement Order

- 3.3 **Appendix 1 and 2** respectively show the CPCA draft report in respect of BR and the draft statutory instrument.
- 3.4 The reasons this order is being requested are as follows:
- i. The original CPCA devolution deal included a commitment to raise a business rate levy.

- ii. The above commitment should have been included in the LG Finance Bill 2017, but the Bill 'lost' its Parliamentary slot due to the 2017 general election.
 - iii. The Ministry of Housing, Communities and Local Government (MHCLG) has now asked the Combined Authority and the constituent councils to agree to the making of the order.
- 3.5 With regard to the charging of a Business Rate Supplement, these are laid within statute (Business Rates Supplement Act 2009) which include some clear controls, these are summarised below:
- i. Money raised cannot be used for day-to-day costs for services where it has existing obligations to provide.
 - ii. Mayor will be required to consult on and publish a prospectus of the proposal.
 - iii. The supplement will be subject to a ballot of businesses affected. A majority of individual rate-payers and the aggregate rateable value of those businesses in favour must exceed those against.
 - iv. The supplement will be levied on business properties with a rateable value of £50,000 or more.

Adult Education Budget

- 3.6 **Appendix 3 and 4** respectively show the CPCA draft report in respect of BR and the draft statutory instrument.
- 3.7 The reasons for this order request are as follows:
- i. The original CPCA devolution deal included the transfer of adult education powers from the upper tier councils (and central government funding) but did not deal with the devolution of funding.
 - ii. The CPCA is required to meet a series of readiness conditions prior to final devolution.
- 3.8 The principal purpose of AEB is to engage adults in learning that supports wider economic priorities, including basic skills. Also, such devolution will only be within constituent council areas and the indicative budget is £12.1m from 2019.
- 3.9 The order will cover the following duties and powers:
- i. Further education to learners aged 19 and over (including those who do not have a certain specified qualifications).

- ii. Ensure provision is free for relevant learners who do not have certain specified qualifications.
- iii. Encourage learner and employer participation in education and training of people aged 19 and over.

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

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

However, the order will not cover:

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

4. Implications

(a) Financial Implications

None. Any cost of collecting additional business rates for the CPCA can be charged back.

(b) Staffing Implications

None

(c) Equality and Poverty Implications

None

(d) Environmental Implications

The proposals in this report have a “nil” climate change impact.

(e) Procurement Implications

None

(f) Community Safety Implications

None

5. Consultation and communication considerations

None.

6. Background papers

None

7. Appendices

- Appendix 1: CPCA 'Draft' Covering Report – Consent to Business Rates Supplement Order.
- Appendix 2: 'Draft' Statutory Instrument: The Cambridgeshire and Peterborough Combined Authority (Business Rate Supplements Functions) Order 2018.
- Appendix 3: CPCA 'Draft' Covering Report – AEB Devolution of Powers to Combined Authority.
- Appendix 4: 'Draft' Statutory Instrument: The Cambridgeshire and Peterborough Combined Authority (Adult Education Functions) Order 2018.

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Tom Lewis, Head of Legal Practice, tel: 01223 - 457401, email: tom.lewis@3csharedservices.com.