

# Cabinet Report



Report of Acting Deputy Chief Executive - Partnerships

Author: Susan Harbour

Telephone: 07717 346920

Textphone: 18001 01235 422 422

E-mail: [susan.harbour@southandvale.gov.uk](mailto:susan.harbour@southandvale.gov.uk)

Wards affected: Sutton Courtenay, Drayton and Blewbury & Harwell

Cabinet member responsible: Neil Fawcett

Tel: 01235 422 422

E-mail: [neil.fawcett@whitehorsedc.gov.uk](mailto:neil.fawcett@whitehorsedc.gov.uk)

To: CABINET

Date: 1 October 2021

## **Revision of Science Vale Enterprise Zone accountable body memorandum of understanding**

### **Recommendations**

That cabinet agrees:

1. that the Vale council should enter into a revised memorandum of understanding (MOU) with Oxfordshire Local Enterprise Partnership and Oxfordshire County Council for the retention and distribution of business rates growth income from the Science Vale Enterprise Zone.
2. that authority to finalise terms of the revised MOU and to enter into it, is delegated to the Deputy Chief Executive - Partnerships in consultation with the Cabinet Member for Strategic Partnerships and Place.

### **Purpose of Report**

1. To request that cabinet notes that the existing Science Vale Enterprise Zone accountable body memorandum of understanding (MOU) with Oxfordshire Local Enterprise Partnership Ltd (OxLEP) and Oxfordshire County Council (OCC) for the retention and distribution of business rates growth income from the Science Vale Enterprise Zone (also known as EZ1), requires updating.
2. To request that the cabinet agrees that the Vale council should enter into a revised memorandum of understanding (MOU) with OxLEP and Oxfordshire County Council for

the retention and distribution of business rates growth income from the Science Vale Enterprise Zone.

## **Corporate Objectives**

3. Entering into a revised MOU supports the Vale of White Horse District Council's corporate objective: 'Work in partnership to influence and shape regional and national agendas to maximise opportunities for our communities and businesses'.

## **Background**

4. In 2011, following a competitive process, government named Science Vale as an enterprise zone, based on sites at Milton Park and Harwell Campus. OxLEP with the support of the Vale council, made the bid for enterprise zone status, and has overall responsibility for the delivery of the zone. Enterprise zone status brought a number of advantages for businesses locating to the zone, such as business rate discounts.
5. Government legislation and policy allows all business rate growth within the Science Vale Enterprise Zone to be retained locally to 2038, for reinvestment in the local area, in accordance with OxLEP's economic priorities. A local authority must be nominated to be the accountable body for the retained business rates for audit and accounting purposes. The accountable body is also expected to undertake the following tasks:
  - Prepare and revise estimates of additional business rates income generated in the enterprise zone for OxLEP;
  - Report actual additional business rates income retained to the LEP;
  - Agree with OxLEP, and Oxfordshire County Council (OCC) as OxLEP's accountable body, mechanisms to disburse the retained business rates income to OxLEP.
6. In 2013 cabinet agreed that the Vale council should act as accountable body and in 2014, the council entered into an accountable body MOU with OxLEP and Oxfordshire County Council for the retention and distribution of business rates growth income from the Science Vale Enterprise Zone.
7. Since 2014 there have been a number of changes to the governance and corporate structure of the Oxfordshire Local Enterprise Partnership, which are relevant to the MOU.
8. Therefore, there is a need to revise and update the MOU. Officers, in consultation with OxLEP and Oxfordshire County Council have drafted a proposed revised MOU. A copy of the proposed revised MOU is attached as appendix A.

## **Options**

9. Not to enter into a revised MOU – the existing MOU could continue but its wording would not accurately record the way in which the council now works with OxLEP and Oxfordshire County Council in respect of the retention and distribution of business rates growth income from the Science Vale Enterprise Zone.

10. To no longer be the accountable body - the enterprise zone is wholly within the council's area, and the council manages and promotes the enterprise zone. As billing authority, the council will in any event have to account for the retained business rates, and it is well placed to forecast future receipts.

## **Financial Implications**

11. The existing MOU and the proposed revised MOU sets out those costs that can reasonably be recharged to OxLEP. Any other costs incurred by the council, we will meet from existing resources. This is in line with OxLEP's and government's expectation that all Oxfordshire local authorities will support OxLEP in delivering its objectives.

## **Legal Implications**

12. The Non-Domestic Rating (Designated Areas) Regulations 2013 provide Vale council, as billing authority, with the power to retain additional business rates generated in the enterprise zone area over and above a baseline quoted in those regulations for use by OxLEP.

13. If the Vale council acts as the accountable body an MOU is needed between Vale council, OxLEP and Oxfordshire County Council that determines the arrangements for managing the retained business rates collected in the enterprise zone area. The council is required to act properly in the expenditure of such funds and in accordance with statute and the principles of democratic and financial accountability.

14. A memorandum of understanding provides this accountability and also provides clarity for all parties about how they can work together effectively. It can be terminated by one or all the parties without legal consequences.

## **Risks**

15. There is a risk that OxLEP will commit retained business rates income that does not materialise. This will be managed through ensuring that estimates of retained business rates income are robust and prudent.

## **Conclusion**

16. Cabinet is asked to agree that the Vale council should enter into a revised memorandum of understanding (MOU) with Oxfordshire Local Enterprise Partnership and Oxfordshire County Council for the retention and distribution of business rates growth income from the Science Vale Enterprise Zone.

## **Appendix A**

Proposed revised memorandum of understanding (MOU) with Oxfordshire Local Enterprise Partnership and Oxfordshire County Council for the retention and distribution of business rates growth income from the Science Vale Enterprise Zone.

## **Background Papers**

- Cabinet report, 6<sup>th</sup> December 2013