

1. **Business Rates Pool Arrangements 2026/27** (Pages 2 – 6)

BOROUGH COUNCIL OF KING'S LYNN AND WEST NORFOLK

RECORD OF DECISION TAKEN BY OFFICERS UNDER DELEGATED POWERS

This is a record of a decision taken by officers under delegated powers and where necessary taken in consultation with members and officers.

REPORT TITLE:	Business Rates Pool Arrangements for 2026/2027
OPEN/EXEMPT	Open
LEAD OFFICER	Michelle Drewery, Deputy Chief Executive and Section 151 Officer
IS DECISION SUBJECT TO CALL IN?:	Yes
DATE DECISION ADVERTISED:	09 December 2025
DATE OF DECISION:	16 December 2025
DEADLINE FOR CALL IN:	23 December 2025
PRE-SCREENING EQUALITY IMPACT ASSESSMENT COMPLETED:	YES

Delegated Power

Cabinet 1 October 2013. Record of Decision CAB80.

That subject to the approval of the detailed pooling and governance arrangements the Deputy Chief Executive, in consultation with the Chief Financial Officer and the Leader of the Council, be given delegated authority to enter the Borough Council into a business rates pooling arrangement for Norfolk.

Decision Taken

To not enter into a Business Rates Pool arrangement with other Norfolk authorities for 2026/2027 under the Business Rates Retention Scheme.

Reasons for the Decision

Under the business rates retention scheme, local authorities are able to voluntarily form a business rates retention pool. The main aim of the pool is to maximise the retention of locally generated business rates and to ensure that it further supports the economic regeneration across the Norfolk area. All 8 authorities across Norfolk are within an agreed pooling arrangement for 2025/2026.

On 9 October 2025, Ministry of Housing, Communities and Local Government (MHCLG) issued the invitation for expressions of interest with regards to pooling in 2026/2027.

Government have advised of significant changes to the operation of the Business Rates Retention System and Business Rates Pools in 2026/2027. These changes include:

- A full reset is expected to remove all of the growth local authorities have retained in business rates above the baseline levels up to 2025/2026. If retained business rates match the new baseline levels in 2026/2027, there is no financial incentive to pool business rates. At the time of writing, **details of the full impact of the reset, and the revised baselines for 2026/2027 have not yet been published by Government.**
- The previous scheme required an upper tier (top-up) authority (in the case of the Norfolk pool, Norfolk County Council) to participate in pooling for a pool to be financially viable. This is no longer necessarily the case under the revised arrangements.
- **All authorities will now be subject to a levy on growth, unless they are below baseline.**
- It appears that pool viability will depend on forming groups that balance high-growth and low-growth authorities to reduce (rather than remove) the overall levy payable.
- **The new system introduces a tapered levy for high-growth authorities, making it potentially more complex to determine “optimal” pool membership.**
- The government is increasing the level of the safety net to protect an authority's business rates income for 2026/2027 to 100% of their set Baseline Funding Level (BFL). **However, risks remain that pools may need to compensate members in a safety net position, increasing the importance of accurate forecasting.**
- At this stage it appears that the financial benefit of pooling in 2026/2027 will be very significantly less than that seen in 2025/2026 and prior years. As such it is anticipated that it will be prudent to suspend pooling to allow the reset system to “bed in”. In this case, pooling decisions can be revisited in 2027/2028.

The pooling invitation has been discussed by all Norfolk authorities at meetings of Norfolk s151 officers on 14 November 2025 and Norfolk Leaders on 6 November 2025. Since then, the Finance Policy Statement was also announced on 20 November 2025 which may have had further implications on the pooling decision for next year.

Reasons for the Decision cont'd

With the reset of the baselines and removal of growth from the business rates retention scheme, the potential growth increase is expected to be minimal. When considering this alongside the above risks (**specifically those in bold**), it is considered that the risks outweigh any benefit from a pooling arrangement based on the information currently available and therefore, the decision is not to enter a pool arrangement in 2026/2027

At the time of writing this notice, 7 of the 8 Norfolk authorities have declared their intention is not to enter into a pooling arrangement for 2026/2027 but all are open to review the decision again for the following year 2027/2028.

Details of alternative options, if any, considered and rejected.

The choice of entering the pool was discounted because of the reasons set out above.

Any declarations of interest and details of any dispensations granted in respect of interests (in relation to officers and any Members consulted).

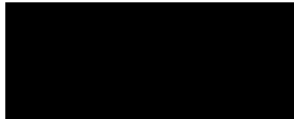
None known.

List of Background papers

Cabinet Report of 1 October 2013 Business Rates Pooling

Authorisation by Kate Blakemore, Chief Executive

Signature:



Date: 28 November 2025

Consultation with members/officers

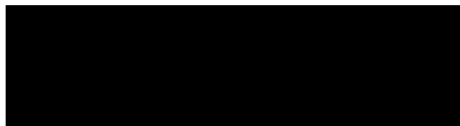
If the decision is taken following consultation with the members/officers, please give details:

Consultation with Deputy Chief Executive and Section 151 Officer, Michelle Drewery

Signed by Officer as consulted:

Michelle Drewery

Date 25 November 2025

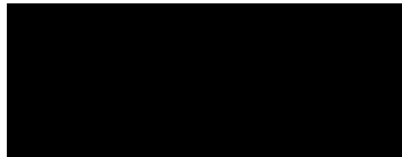


Consultation with Council Leader Cllr Alistair Beales

Signed by Member as consulted:

Councillor Alistair Beales

Date 1 December 2025



Stage 1 - Pre-Screening Equality Impact Assessment

For equalities profile information please visit [Norfolk Insight - Demographics and Statistics - Data Observatory](#)

For equalities profile information, please visit Norfolk Insight: Demographics and Statistics Data Observatory.		Business Rates Pool Arrangements for 2026/2027					
Is this a new or existing policy/service/function? <i>(tick as appropriate)</i>		New		Existing		✓	
Brief summary/description of the main aims of the policy/service/function being screened. Please state if this policy/service is rigidly constrained by statutory obligations, and identify relevant legislation.		By entering a pool arrangement with other Norfolk authorities, the council may benefit from access to additional funds retained from business rates revenue rather than pay it back to central government. However, due to the changes in the scheme from 2026/2027, the risks outweigh any minimal benefit expected from the scheme at this time.					
Who has been consulted as part of the development of the policy/service/function? – new only <i>(identify stakeholders consulted with)</i>							
Question		Answer					
1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service? Please tick the relevant box for each group. NB. Equality neutral means no negative impact on any group. <i>If potential adverse impacts are identified, then a full Equality Impact Assessment (Stage 2) will be required.</i> <i>*For more information on health inequalities please visit The King's Fund</i>				Positive	Negative	Neutral	Unsure
		Age				X	
		Disability				X	
		Sex				X	
		Gender Re-assignment				X	
		Marriage/civil partnership				X	
		Pregnancy & maternity				X	
		Race				X	
		Religion or belief				X	
		Sexual orientation				X	
		Armed forces community				X	
		Care leavers				X	
		Health inequalities*				X	
		Other (eg low income, caring responsibilities)				X	
Please provide a brief explanation of the answers above: Any financial benefit gained from being in a pool undergoes a separate decision making process on its intended spend.							

Question	Answer	Comments	
2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?	No	This decision is regarding entering a pool arrangement. Decisions on how any benefit is spent is undertaken separately as part of the budget setting process.	
3. Could this policy/service be perceived as impacting on communities differently?	No	As above	
If 'yes' to questions 2 - 3 a full impact assessment will be required unless comments are provided to explain why this is not felt necessary: Decision agreed by EWG member:			
4. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions? If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section	No	Actions: 	
		Actions agreed by EWG member:	
5. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?	No	Please provide brief summary: As above	
Assessment completed by: Name	Michelle Drewery		
Job title	Deputy Chief Executive and Section 151 Officer		
Date completed	25 November 2025		
Reviewed by EWG member		Date	

☐ Please tick to confirm completed EIA Pre-screening Form has been shared with Corporate Policy (corporate.policy@west-norfolk.gov.uk)