

**Summary Note – Meeting of Responsibilities Working Group**

Title: **Responsibilities Working Group- Meeting 10**

Date: **Tuesday 21 March 2017**

Venue**: DCLG, 2 Marsham Street, London SW1P 4DF**

**Attendance**

An attendance list is attached as **Annex A** to this note.

1. **Welcome and minutes of previous meeting**
	1. The Chair opened the meeting with introductions and welcomed attendees to the tenth Responsibilities Working Group meeting.
	2. The minutes of the previous meeting were agreed with no amendments.
2. **Update on LGA Employment and Skills Review**
	1. The LGA provided a progress update on their Employment and Skills Review. The review has two distinct aims; firstly the review will aim to set a local government vision for the re-design of employment and skills services in the UK and the services which could be devolved to local government as part of this re-design. Secondly the review will aim to determine which of the proposed devolved employment and skills responsibilities would be suitable to be funded through retained business rates.
	2. The working group highlighted that early engagement with Government departments would be crucial to the success of the review. The group agreed that a sensible approach would be for the LGA to officially write to relevant government departments to outline the aims of and seek their support for the review.
	3. Whilst it was acknowledged that the LGA have engaged extensively with specialists in employment and skills services from local government, the working group agreed that a more detailed engagement plan for local authorities is required. This would not only raise awareness of the review but also enable local authorities to show their support for it. The LGA agreed to provide a high- level summary of the reviews proposals for working group members to circulate amongst the local authorities they represent.
	4. The group acknowledged that further consideration would be required to ensure that the review does not cut across the wider devolution agenda. For example the Adult Education Budgets have been included as part of a number of agreed devolution deals; would proposing to devolve the budgets to all authorities undermine the work undertaken to agree devolution deals? Conversely, it was also noted that the LGA could take knowledge from devolution deal areas on their experiences of engaging and negotiating with central government on devolution related topics.
	5. The LGA propose to conclude and implement the outcomes of the review in 2020/21. The Government’s current intention is to implement the 100% business rates retention scheme in 2019/20. The differing timescales again highlighted the importance of the LGA engaging with Government departments the review at the earliest opportunity.
	6. Working Group members were invited to send any further feedback on the LGAs proposals for the employment and skills review by close on Friday 31 March 2017.
3. **Other potential candidates for devolution**
	1. DCLG presented a list of Section 31 grants valued over £1million which had been paid to local authorities in 2015/16 and 2016/17. A further list containing candidates for devolution identified by respondents to the July 2016 Business Rates Retention consultation was also presented to the group.
	2. The group agreed that the majority of responsibilities which they believed to be suitable candidates for devolution and business rates retention were within the scope of the LGAs employment and skills review.
	3. Other candidates discussed included the Discretionary Housing Payments (DHP) and the New Homes Bonus. Pros and cons were discussed against both candidates, for example the link between DHP and unemployment, and whether the payment has tangible links to economic growth. Also when discussing the New Homes Bonus, concerns were raised about its longevity and the complexity in 2 tiers areas whereby the percentage split remains contentious. The group agreed to explore DHP further.
4. **Consultation candidates: Improved Better Care Fund and grant funding for Early Years from DfE.**
	1. The group agreed further consideration should be given to the Improved Better Care Fund and grant funding for Early Years from DfE.
5. **Verbal updates on: Quantum & Reliefs, Local Government Finance Bill and the timeline for implementation of 100% Business Rates Retention.**
	1. Following the latest Office for Budget Responsibility forecast, DCLG will provide an update on the quantum at the next working group meeting. The quantum update will ensure all business rate reliefs have been taken into account, including the new reliefs contained within the Local Government Finance Bill.
	2. The Local Government Finance Bill successfully passed through the House of Commons Committee Stage. The Bill is due to enter the House of Commons Report Stage after the Queen’s speech which is expected to take place in early-mid May. It is anticipated that the Bill will achieve Royal Ascent by the end of 2017.
	3. The Government’s intention is for the 100% business rates retention to be implemented from April 2019, with the package of devolved responsibilities to be confirmed by spring 2018.
6. **AOB**
	1. A further consultation on 100% Business Rates Retention was published on 15 February 2017, with the deadline for responses being the 3 May 2017. The consultation is primarily focused on the more detailed aspects of system design. The LGA and DCLG are hosting a number of roadshow events across England to discuss the latest consultation and the Fair Funding Review.
	2. The next Steering Group meeting is scheduled for 24 April 2017. The next Responsibilities Working Group meeting is scheduled for 6 June 2017 at the LGA, Layden House.

**Annex A – Attendance List** (21 March 2017)

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| **Member** | **Organisation**  | **Attendance** |
| Bevis Ingram | Local Government Association (LGA) | Present |
| Mark Johnson | Local Government Association (LGA) | Apologies |
| Sally Burlington | Local Government Association (LGA) | Apologies |
| Eamon Lally | Local Government Association (LGA)  | Present |
| Anthony May | County Councils' Network (CCN) | Apologies |
| Nigel Stevenson | County Councils' Network (CCN) - sub | Apologies |
| Allen Graham | District Councils' Network (DCN) | Apologies |
| Barry Hastie | Special Interest Group of Municipal Authorities (SIGOMA) | Present  |
| Leigh Whitehouse | Association of Local Authority Treasurers' Societies (ALATS) - SLT | Present |
| Caroline Holland | Association of Local Authority Treasurers' Societies (ALATS) – SLT - sub | Apologies |
| Alison Greenhill | Association of Local Authority Treasurers' Societies (ALATS) - SMT | Present |
| Joanna Walker | Association of Local Authority Treasurers' Societies (ALATS) - SCT | Present (Phone) |
| Steve Richardson  | Association of Local Authority Treasurers' Societies (ALATS) - SDCT | Present(Phone) |
| Sean Clark | Association of Local Authority Treasurers' Societies (ALATS) - SUT | Present  |
| Joanne Pitt | Chartered Institute of Public Finance and Accounting (CIPFA) | Apologies |
| Alistair Townsend | Institute of Revenues Rating and Valuation (IRRV) | Apologies |
| Jeremy Skinner | Greater London Authority  | Apologies |
| Matthew Beals | Greater London Authority | Present |
| Souraya Ali | Greater London Authority | Present |
| Paul Honeyben | London Councils | Apologies  |
| Peter O’Connell | London Councils - sub | Present |
| Richard Enderby | Department for Communities and Local Government | Present |
| Jonathan Denning | Department for Communities and Local Government | Present |