

Note of Business Rates Retention Steering Group meeting

Title: Business Rates Retention Steering Group

Date: Thursday 1 December 2016, 2pm

Venue: CIPFA, 77 Mansell St, London E1 8AN

Attendance

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

Item Decisions and actions

1 Welcome

Matthew Style welcomed Steering Group members to the meeting.

2 Minutes of the previous meeting

Steering Group Members agreed the minutes of their meeting held on 3 October 2016.

3 Updates from Sub Groups

Written updates were provided by each of the sub groups.

- a. Responsibilities
- b. Needs and Redistribution
- c. Accounting and Accountability
- d. Business Interests
- e. System Design

Action

The Steering Group noted these updates.

4 Legislation

Stuart Hoggan (DCLG) introduced the paper, which provided an update on the legislative timetable.

The introduction of the enabling Bill is expected in early 2017 and will follow the style of the 2012 Act. This will be followed by a further discussion document and consultation.

It was confirmed that the review of central lists will be a ground up look at the list to streamline administration.

The Steering Group discussed:

- Tier splits and Combined Authorities
- The transition period
- The full reset at the point of introduction and the refreshed baseline
- The safety net
- Central share

Actions

DCLG colleagues asked the Steering Group for guidance on what information they would like to have first.

5 Summary of responses to the Consultation Document and Call for Evidence on Needs

Stuart Hoggan (DCLG), introduced the summary of responses to the consultation and call for evidence.

The paper set out the general themes of the responses.

In particular, the Steering Group discussed:

- The consensus building around the work on system design
- The lack of consensus on risk
- The need for a stress test of the system
- The consultation with fire services.

6 Needs

Stuart Hoggan (DCLG) introduced the paper which, provided an update on what came out of the call for evidence and suggested next steps.

Duncan Whitfield provided a verbal update from the ALATS sub group. The group is working on a sector-led proposal for estimating relative needs which is based on a small basket of key cost drivers.

The steering group confirmed that the work of the sub group is along the right lines.

In the discussion that following, Steering Group members discussed:

- The next round of consultation questions
- The need to exemplify the models under consideration
- The red lines that have been expressed on needs and distribution.
- Key cost drivers and second order cost drivers that add value.
- Service blocks that should be used
- The impact of social care pressures on the needs formulae including younger adults' social care.
- Integrating needs with the wider Business Rates Retention project
- The need for independent or external scrutiny and validation of the approach
- The implementation date
- The need for two timelines for this work

Action

DCLG colleagues agreed to draw up two alternative timelines / critical paths for the implementation of the assessment of need. One based on 2019/20 implementation and the other 2020/21.

7 Autumn Statement

Chris Jackson (HMT) provided a verbal update on the Autumn Statement given on 23 November 2016.

- The Government is no longer aiming for a surplus in 2019/20
- A new capital package was announced including funding for housing
- Additional borrowing power was announced for Combined Authorities
- Local growth fund allocations were announced
- There has been no change to spending envelopes

8 Multiplier Flexibilities

Stuart Hoggan (DCLG) introduced the paper, which provided an update on work on multiplier flexibilities.

In the discussion that followed, points were raised regarding:

- Fluctuating interest rates
- The arrangements in Mayoral Combined Authorities.
- Which authorities would be included
- The nature of the approval mechanism
- The need for the framework to be flexible

9 Self Sufficient Local Government: A joint Consultation response by London Councils and the GLA

Guy Ware (London Councils), introduced London Council's consultation response.

Members of the Steering Group discussed:

- Responsibilities in London
- The use of aggregate tariffs
- The number of appeals in London
- The impact of revaluation in London
- The impact of the London situation on the wider process.

Action

Steering Group members agreed it was helpful to be updated on this work in London

10 Media Lines

Steering Group members agreed the following media lines.

The Steering Group discussed:

- The likely approach to legislation; an enabling Bill is expected in early 2017.

- Responses to the Consultation documents, particularly the response from London.
- Local government work on needs and redistribution, alongside the work of the sub group.

The Steering Group also started to talk about cost drivers related to need and had a lively discussion about the timeline for that work.

11 AOB

Steering Group members agreed that future meetings should be timed around the publication of legislation and consultation documents. Future dates will be set in due course.

Appendix A - Attendance

Nominee	Organisation	Signature
Pete Moore	County Councils' Network (CCN)	Present
Sandra Dinneen	District Councils' Network (DCN)	Apologies
Frances Foster	Special Interest Group of Municipal Authorities (SIGOMA)	Present
Paul Martin	Society of Local Authority Chief Executives (SOLACE)	Present
Pat Ritchie	North East Combined Authority	Apologies
Tony Kirkham	North East Combined Authority (Sub)	Present
Alison Griffin	Society of London Treasurers (SLT) - ALATS	Present
Chris West	Society of Municipal Treasurers (SMT) - ALATS	Present
Sheila Little	Society of County Treasurers (SCT) - ALATS	Present
Norma Atlay	Society of District Council Treasurers (SDCT) - ALATS	Present
Nicole Jones	Society of Unitary Treasurers (SUT) - ALATS	Present
Jill Penn	Society of District Council Treasurers (SDCT)	Apologies
Sean Nolan	Chartered Institute of Public Finance and Accounting (CIPFA)	Present
Andrew Edwards	Valuation Office Agency (VOA)	Apologies
David Magor	Institute of Revenues Rating and Valuation (IRRV)	Present
Martin Clarke	Greater London Authority (GLA)	Apologies
Martin Mitchell	Greater London Authority (GLA)	Present
Guy Ware	London Councils	Present
Duncan Savage	Chief Fire Officers Association Finance Network	Present
Richard Paver	Greater Manchester Combined Authority	Present
Richard Flinton	Society of Local Authority Chief Executives (SOLACE)	Present

Chris Jackson	HM Treasury	Present
Julie Sorensen	HM Treasury	Apologies
DCLG		
Matthew Style	Department for Communities and Local Government (DCLG)	Present
Stuart Hoggan	Department for Communities and Local Government (DCLG)	Present
	Department for Communities and Local Government (DCLG)	
	Department for Communities and Local Government (DCLG)	
	Department for Communities and Local Government (DCLG)	
LGA		
Sarah Pickup	Local Government Association (LGA)	Present
Nicola Morton	Local Government Association (LGA)	Present
Aivaras Statkevicius	Local Government Association (LGA)	Present
Mike Heiser	Local Government Association (LGA)	Present
Patrick McDermott	Local Government Association (LGA)	Present