

100% Business Rates Retention Programme

Draft Critical Path

LGA/DCLG Steering Group – 23 February 2017

Principles

- The reformed Business Rates Retention system to be implemented from April 2019;
- Local authorities should have as much notice as possible of specific reforms and of changes to funding levels resulting from those reforms;
- There will continue to be plenty of opportunities for co-design and consultation with local government as the reforms are designed – particularly through the Steering Group and Technical Working Groups; and
- Final policy decisions will be for Ministers. In reaching those decisions, our aim is for Ministers' consideration to be informed by engagement with and feedback from local government and other interested parties.

Draft high level milestones (also see attached critical path)

The timetable below reflects our current estimate of progress in the period between now and implementation of the system in April 2019. The timing of individual milestones may be subject to change and influenced by various factors, including the Parliamentary timetable and Ministerial decisions. Where possible, we will share with the Steering Group drafts of documents ahead of publication. Where this is not possible, our aim is that any published documents reflect discussions and engagement with the Steering Group and Technical Working Group on key issues.

Short-term (February 2017 – June 2017)

- Local Government Finance Bill passage through Commons
- Consultation documents on System Design and the Fair Funding Review
- Fair Funding Review technical papers on individual elements of potential formulas (adult social care, needs etc) and taking resources into account.
- Implementation of 2017/18 pilots and design of 2018/19 pilot process

Summer/Autumn 2017 (July 2017 – November 2017)

- Local Government Finance Bill passage through Lords
- Engagement on detailed proposals for loss payments, resets, reliefs and central list
- Further Fair Funding Review technical papers
- Engagement on technical elements of infrastructure supplement proposals (i.e. minimum rateable value)
- Finalising 2018/19 pilots, including in London and any extension of existing pilots

- LGA report on growth/skills responsibilities to conclude

Winter 2017/18 (December 2017 – March 2018)

- Local Government Finance Bill expected to achieve Royal Assent
- Fair Funding Review single model to bring together options
- Engagement on proposals for pooling and local growth zones
- Detailed arrangements for loss payments, infrastructure supplement and multiplier flexibility
- Expected decision on package of responsibilities to be devolved at the outset of the reformed system.

Spring/Summer 2018 (April 2018 – September 2018)

- Further work on detailed arrangements for resets, and, central list, pooling and local growth zones.
- Expected decision on tier splits and safety net
- Engagement on Fair Funding Review and System Design outcomes and impacts on individual local authorities
- Any statutory consultation required as local authorities decide to form pools
- Mayors to consult on any prospectus for infrastructure supplement in 2019/20
- Implementation of 2018/19 pilots

Autumn/Winter 2018/19 (October 2018 – February 2019)

- Continued further work on detailed arrangements on pooling, local growth zones as well as, tier splits and safety net
- Autumn Budget 2018
- Provisional Settlement
- LAs wishing to make use of multiplier flexibility to inform other affected authorities.
- Final Settlement and all final regulations laid

Draft timeline for Steering Group meetings

We envisage holding Steering Group meetings every two months, or as needed at particularly busy times. Technical Working Groups would be expected to meet more often and to have considered and discussed an issue in order to report to the Steering Group at the relevant meeting.

Steering Group members would be asked to share proposals widely with those they represent in order to feed back any comments. The aim will be for papers for Steering Group meetings to be provided a week in advance to support that consultation process.

On the basis of the expected timetable above, we have set out below our current expectation of the issues or topics that are likely to be covered by Steering Group discussions between now and April 2019. Again, this may be subject to change, for example should other issues be identified at a Technical Working Group or as a result of Ministerial decision. Steering Group members are also encouraged to suggest issues or topics for consideration and to present papers for discussion.

April 2017	Fair Funding Review – consultation document and next steps
June 2017	System Design – responses to consultation document and discussion of specific Loss Payments proposals Multiplier Flexibilities – policy discussion for infrastructure supplement
September 2017	Devolution of Responsibilities – LGA project on growth/skills responsibilities to report Pilots – feedback from 2017/18 pilots and approach to 2018/19 pilots, including London
October 2017	System Design – discussion of specific resets, reliefs and central list proposals
November 2017	Fair Funding Review – review of technical papers on possible elements of the formula and discussion of proposals for taking into account LA resources
January 2018	System Design – discussion of specific pooling and local growth zone proposals
February 2018	Multiplier Flexibilities – draft regulations for infrastructure supplement and flexibility to lower the multiplier
April 2018	Devolution of responsibilities – Decision on package of responsibilities to be devolved at the outset of the reformed system System design – tier splits and safety net
Summer 2018	Fair Funding Review/System Design – consultation on impact of reforms on individual authorities
Autumn 2018	Provisional Settlement
Spring 2019	Final Settlement

Questions for the Steering Group

- Are there any issues you can identify with the draft critical path outlined in this paper that DCLG may have missed? Would you suggest any amendments to the draft critical path?
- Are you content with the draft plan for when to bring issues to the Steering Group?
- Do you have suggestions for other issues that could be considered by the Steering Group?