**Note of Business Rates Retention Steering Group meeting**

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| **Title:** | Business Rates Retention Steering Group |
| **Date:** | Thursday 23 February 2017, 11:00-13:00 |
| **Venue:** | CIPFA, 77 Mansell St, London E1 8AN |
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**Attendance**

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

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| **Item** | **Decisions and actions** |  |

**PLEASE NOTE THAT THIS MEETING TOOK PLACE AHEAD OF THE 2017 GENERAL ELECTION**

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|  | **Welcome**  Sarah Pickup welcomed Steering Group members to the meeting. |  |
| **2** | **Minutes of the previous meeting**  Steering Group Members requested changes to the previous minutes to reflect that comments on page 8 item 9 were about infrastructure levy (since renamed the infrastructure supplement) and that the lists of costs which could change were wider than those minuted. It was also requested that the word ‘current’ be inserted before spending envelope on the previous minutes.  It is no longer necessary to have two critical paths since a date for implementation has been announced.  Action  Business Rates Retention pilots to be a standing item on future agendas of the Steering Group. |  |

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| **3** | **Updates from Sub Groups**  Written updates were provided by each of the sub groups.  **Responsibilities**  **Systems design**  **Needs redistribution**  **The Steering Group discussed:**   * The need to continue to look at skills and employment * The need to address current cost pressures from the additional business rates. * ALATS work being brought into the mainstream programme. The need for * DCLG to be adequately resourced to undertake appropriate modelling. |  |

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| **4** | **Business Rates Retention Critical Path** |  |
|  | Sophie Broadfield introduced the Critical Path as a draft plan, which would require further granularity, towards implementation in 2019/20. Throughout the path to implementation there will be engagement with the sector through the Steering and Working Groups and a further formal consultation in Summer 2018.  The needs funding consultation is currently under revision and is expected shortly.  DCLG and the LGA are holding a series of regional events in March and April on the current BRR consultation and, subject to the timing of the publication, the needs consultation.  The Steering Group:   * Welcomed the paper and asked for further detail * Discussed critically interconnected events and need for ministerial direction * Sought assurance on the year 2019/20 settlement * Discussed the need to learn from the current and future pilots * Highlighted mmayoral areas need for infrastructure levy powers prior to April 2019 * Highlighted the need to have the fair funding review as a regular item on the steering group agenda   **Actions**  DCLG to provide further granularity on the critical path and to build in more regular reports to the Steering Group on the Fair Funding Review.  LGA and DCLG to organise two Steering and Working Group Away days for Spring and Autumn. Spring event, to take place after Easter, and focus on the Fair Funding Review.  DCLG colleagues asked to work with Home Office on the funding of fire authorities.  Local authority representatives on the group to forward details of the regional events to their contacts <http://www.local.gov.uk/business-rates>.  Further meetings of the Steering Group to be set up and put in the diary as soon as possible |  |

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| **5** | **The Local Government Finance Bill** |  |
|  | Sophie Broadfield (DCLG) introduced this item. The bill will not create a new system, but provides the powers to make the necessary decisions. DCLG have been pushed for more detail, but feel this would be premature. It will likely be complete by November 2017.  The Steering Group discussed:   * The perception that this will provide extra funding for local government amongst MPs, Councillors and the media. |  |
| **6** | **Consultation on Business Rates Retention** |  |
|  | 1. Summary of the consultation and the Government’s response   Responses were consistent around the need to fund needs before new responsibilities. Attendance allowance will now not be part of new responsibilities.   1. Further consultation on the Design of the System   Lucy Rigler introduced the DCLG Consultation on 100% Business Rates Retention: Further consultation on the design of the reformed system. In particular DCLG is seeking views on the practicalities of 5 year resets, how to measure growth, how a centralised approach to risk could work, pooling and local growth zone, tier splits and safety nets and the central list.  The Steering Group members discussed:   * The review of the central lists * The flexibility of local growth zones i.e. business areas rather than geographic areas * The need for decisions on other elements of the system before making decisions on tier splits. * Dealing with appeals in pilots areas   **Action**  Local authority colleagues to recommend representatives to discuss with DCLG the data issues around a national system for dealing with appeals.  Centralised list to be split into smaller sections for the design group to consider. |  |
| **7** | **2017/18 LGF Settlement – verbal update** |  |
|  | Stuart Hoggan introduced this item. Information will be provided in due course, on the opportunities for new pilots by DCLG. Although recent ones have been bespoke, they may not be in the future and single council areas will may be considered. Councils not in a pilot area will not be financially affected.  The Steering Group Members reported:   * they were not aware the settlement was going to be published on 20 December. DCLG colleagues confirmed they sent an email to authorities. * Responses to the consultation on the provisional settlement have not been taken into account. DCLG stated that a summary of responses to the consultation will come out today. * The settlement being too late for councils’ budget meetings and causing practical difficulties, particularly in future mayoral combined authorities where the four step process is quite rigid * Transparency around pilot finances and devolution |  |
| **8** | **Media Lines** |
|  | The Steering group discussed the critical path and planin light of the announcement of implementation in 2019/20. There is more work to be done on the outline, building on previous good joint work and this will be discussed at a future meeting. This will include the recognition of the criticality of work, discussion on current and potential pilots criteria and transparency. |
| **9** | **AOB** |
|  | * Local authorities expressed concerned about billing for 2017/18 business rates, and any potential subsequent changes to business rates or transitional relief that may be subsequently announced, rendering the bills invalid and the need for re-billing. Matthew Style offered to speak to authorities concerned about this.   **Action**  Authorities to speak to Matthew Style if they have concerns over business rates billing.  Sarah Pickup and Matthew Style to discuss this issue as soon as possible.  At a future meeting of the Steering Group there will be an item on the interaction between business rates revaluation and business rates retention.  DCLG and LGA to set up future meetings of the Steering Group. |

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**Appendix A - Attendance**

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| **Nominee** | **Organisation** | **Signature** |
| Pete Moore | County Councils' Network (CCN) | Present |
| Sandra Dinneen, substitute Graham Soulsby | District Councils' Network (DCN) | Present |
| Frances Foster | Special Interest Group of Municipal Authorities (SIGOMA) | Apologies |
| Paul Martin | Society of Local Authority Chief Executives (SOLACE) | Apologies |
| Pat Ritchie | North East Combined Authority | Apologies |
| Tony Kirkham | North East Combined Authority (Sub) | Present |
| Alison Griffin | Society of London Treasurers (SLT) - ALATS | Present |
| Sheila Little | Society of County Treasurers (SCT) - ALATS | Present |
| Norma Atlay | Society of District Council Treasurers (SDCT) - ALATS | Apologies |
| Nicole Jones | Society of Unitary Treasurers (SUT) - ALATS | Present |
| Jill Penn | Society of District Council Treasurers (SDCT) | Apologies |
| Cliff Dalton substitute | Chartered Institute of Public Finance and Accounting (CIPFA) | Apologies |
| David Magor | Institute of Revenues Rating and Valuation (IRRV) | Present |
| Martin Clarke | Greater London Authority (GLA) | Present |
| Paul Honeyben | London Councils | Apologies |
| 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 |
| Sarah Taylor | Valuation Office Agency | Dialled in |
| **DCLG** |  |  |
| Matthew Style | Department for Communities and Local Government (DCLG) | Present |
| Stuart Hoggan | Department for Communities and Local Government (DCLG) | Present |
| Lucy Rigler | Department for Communities and Local Government (DCLG) | Present |
| Sophie Broadfield | Department for Communities and Local Government (DCLG) | Present |
| Trefor Henman | Department for Communities and Local Government (DCLG) | Present |
| **LGA** |  |  |
| Sarah Pickup | Local Government Association (LGA) | Present |
| Nicola Morton | Local Government Association (LGA) | Present |
| Mike Heiser | Local Government Association (LGA) | Present |
| Mel Haslam | Local Government Association (LGA) | Present |
| Jess Norman | Local Government Association (LGA) | Present |

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