

**Quick summary of Fair Funding Review Technical
Working Group meeting (full minutes to follow)**

10 July 2018

The 10 July meeting of the needs and redistribution technical working group focussed on three main areas:

- MHCLG presented a paper on the Area Cost Adjustment (ACA) which focussed on potential factors to adjust for, including labour costs, business rates, accessibility and remoteness; as well as the options for implementation including weighting factors within the ACA, and their application in relation to relative need formulas. MHCLG will aim to test initial proposals in relation to the ACA more widely through consultation in the autumn of 2018.
- MHCLG proposed a set of principles that will be used to guide future transitional arrangements and support implementation of the review of relative needs and resources. Members noted the importance of applying transitional arrangements transparently to the outcome of the review, and of transitioning in a way that enables authorities to reach their target allocations as efficiently as possible
- The group discussed an MHCLG paper on Legacy Capital Finance. The group broadly agreed with the approach proposed in the paper and endorsed the use of assumed outstanding debt.