# LGA/DCLG Business Rates Retention Working Group – item 4

# Outline discussion item – Identifying and measuring the benefits of Business Rates Retention

**Issue**

1. What impact do we expect increased Business Rates Retention (BRR) to have, and how can we measure it?

**Background**

1. Ministers want to make progress on their manifesto commitment to give local authorities more control over the revenue they raise. However, we do not have access to early primary legislation; the Local Government Finance Bill fell at the election and was not in the Queen’s Speech. DCLG are therefore proposing to focus work on:
   1. Early options for increasing BRR without primary legislation
   2. Early options for improving issues with the current BRR system without primary legislation
   3. Wider/longer term options (potentially including primary legislation)
2. As part of this work, DCLG are keen to review the reasons for doing BRR following the general election and in the light of the new manifesto commitment on giving more control over revenue; and to update the metrics used to evaluate the impact of BRR following the NAO report earlier this year, which commented on the lack of a measurable target for what reforms should achieve. DCLG want to be able to clearly articulate:
   1. What are the expected benefits of further business rates retention? Who will benefit and how? In particular, what will the impact be on:
      1. councils as organisations,
      2. local areas generally,
      3. the business community, and
      4. nationally?
      5. What other impacts will there be?
   2. How will these impacts contribute to meeting the manifesto commitment?
   3. How will we measure them?
   4. If direct measurement is difficult, how else can we demonstrate success and the impact of additional retention?

**Action**

1. The working group is invited to discuss these points at the meeting, and put forward views and ideas, focussed on 3 a to d above.

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**Next Steps**

1. DCLG working with the LGA will use the results of this discussion to prepare a paper for the Steering group. This will set out potential benefits and metrics for increased BRR in future.