
Business Interests Group – 3 August 2016

1. The Business Interest Group met for the second time on Wednesday 3 August. The meeting was chaired by Nicola Morton of the Local Government Association. The principal item for discussion was the consultation that was published in July. The Group went through the main chapters of the document, with each section introduced by Stuart Hoggan, DCLG.
2. During the discussion on **devolution of responsibilities**, the Group considered the advantages of new responsibilities that would strengthen the link between councils and local businesses, and that would be stable and predictable. Additional areas suggested to those set out in the consultation as possible candidates for devolution were housing, broadband rollout and education.
3. During the discussion on **system design**, the Group considered how the system could provide incentives and reward for growth, including whether all authorities would have opportunity to drive the types of growth that would increase their business rates income. The Group also discussed: the interaction between the business rates system and planning; how the system could operate in a way that would encourage authorities to invest in infrastructure; the possible impact of new ‘area lists’; and the contribution of businesses on the central list to local investment schemes.
4. During the discussion on **local tax flexibilities**, the Group reiterated their concerns about the role of Local Enterprise Partnerships (LEPs) in the approval of the new infrastructure levy, in particular concerns about the accountability of LEPs and whether they were always representative of local businesses. There was also discussion about the possible definition of infrastructure for the purposes of the levy, and how that could balance large scale projects and lower level changes that could have a big impact on a local area.
5. There was a short discussion on needs and accounting and accountability. All members of the Group were intending to respond to the consultation and the Group agreed to meet again in late October.