



100% BR retained by sector – Accounting implications

- Central government
 - Will CLG still need to prepare a trust statement account?
 - A. Yes
 - How can we simplify the accounting/reduce the number of accounts?
 - What happens to data-collection activities (NNDR1 & 3)?
 - Is there an impact for the WGA accounts prep process?
- Local government
 - Is the collection fund still the best model for individual LA accounting?
 - If not how do we maintain transparency over redistribution between billing and precepting authorities?
 - Are there any implications for CT accounting?
 - Business Rates accounting currently works on a 2 ½ year cycle – does this need to change and what are the implications for predictability of LA income?



100% BR retained by sector – Central Government accountability implications

- As responsibilities are rolled into the transfer of BR central government loses a measure of control and visibility over the related policy initiatives
 - How do Accounting Officers demonstrate that they have assured value for money over service delivery in those areas?
 - What are the implications for the relevant departmental budgets?
 - Risk that costs of service delivery are not properly accounted for or are misallocated between departments a the next SR.
 - Will there be an expectation gap where Parliament/the public expect central government to have more influence/control over service delivery than they do?
 - Is it possible to redraft Managing Public Money to provide more clarity over expectations of central government post 2020?
- How does central government ensure a fair distribution of resources if policy changes mean that responsibilities rolled into BR transfer are no longer desired?



100% BR retained by sector: Local Government Accountability implications

- The balanced budget requirement currently uses CTR as the balancing figure; does legislation need to be amended to include BR as another balancing item?
- Should the accountability system be modified or enhanced to reflect the greater control LAs have over their income streams?
 - Risks of a ‘race to the bottom’
 - Risk that businesses are treated as a ‘cash cow’
- Is the Service Reporting Code of Practice sufficient in a more devolved world?
 - Do we need to collect different or more detailed data from LAs.