



Summary Note – Meeting of Responsibilities Working Group

Title: **Responsibilities Working Group**
Date: **Thursday 17 November 2016**
Venue: **DCLG, 2 Marsham Street, Westminster, London SW1P 4DF**

Attendance

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

1. Welcome

1.1 The Chair opened the meeting with introductions and welcomed attendees to the eighth Responsibilities Working Group meeting.

2. Minutes of the previous meeting

2.1 The minutes of the previous meeting were agreed subject to updates on the following actions:

- I. LGA to provide key milestones on the New Options workstream for the Working Group's work plan: *An update on milestones for this workstream will be provided under agenda item 4- Update on Economic Growth and Skills workstream.*
- II. DCLG to provide an update to the Working Group on the proposed timeline for the Fair Funding Review: *A timeline was presented to meeting attendees and will be circulated to the whole working group via email.*
- III. DCLG to provide a list of Section 31 grants paid to local government: *DCLG took the steer from the working group that a list of ongoing Section 31 grants would be preferable. DCLG will comprise this list and circulate to the group for comment via email.*

3. Discussion on the Public Health Grant and Business Rates Retention

3.1 Advisors from the LGA's Public Health team introduced their paper on public health services and local government. Under the Health and Social Care Act 2012, local authorities have five statutory duties which relate to public health. Local authorities must have due regard for these duties when considering the delivery of public health services for their populations. There are six mandatory public health functions which all local authorities must provide and a further twenty-five non mandatory functions, which local authorities may wish to commission locally in order to meet their statutory duties.

- 3.2 The Public Health Grant is transferred from the Department of Health to local authorities in order to assist them in the delivery of both mandatory and non-mandatory public health functions. The grant is currently ringfenced, however the government only monitors expenditure on the mandatory functions, although local authorities must also have regard to the Public Health Outcomes Framework, where evidence must be provided in relation to delivery of both mandatory and non-mandatory functions.
- 3.3 The ringfence on the Public Health grant is due to be removed at the start of the 2018/19 financial year, a year before the reforms to business rates are due to be implemented. It is important to recognise that whilst the removal of the ringfence will allow local authorities a greater amount of flexibility in the delivery of their public health functions; mandation will still be required to ensure that local authorities meet their statutory duties in relation to public health, this element of accountability is crucial. It should also be noted that consultation would be required before any additional public health functions could become mandatory.
- 3.4 Devolving the Public Health Grant to be funded through retained business rates may offer the opportunity to review the distribution mechanism for the grant. The current distribution mechanism for the grant is based upon Primary Care Trust spend, not an assessment of need. The group agreed to flag this issue to the Needs and Redistribution Working Group, who would be able to consider in greater detail whether the grant should form part of the Fair Funding Review.
- 3.5 The group also discussed the timing of which local government Public Health Grant allocations are decided/ announced. Often allocations have not been confirmed until after the financial year has started, which places significant time constraints upon local authorities to spend the grant, which can result in misleading underspend figures.

Action: DCLG to continue discussion with DH colleagues, to ensure the correct mechanisms are in place for the devolution of the Public Health Grant, with a particular focus on potential issues relating to accountability. DCLG will explore the option of inviting DH officials to the next working group meeting for a more detailed discussion.

Action: Responsibilities Working Group to provide the Steering Group with a position statement in relation to the Public Health Grant as part of the group update.

4. Update on Economic Growth and Skills workstream

- 4.1 There was a consensus amongst those who attended the Responsibilities Working Group's summer workshop on Economic Growth and Skills that work to fully redesign the employment and skills system should go hand-in-hand with work on business rates retention responsibilities.

- 4.2 The Working Group had previously given consideration to forming a sub-group, comprised of sector experts, with the aim of developing options for an employment and skills package to be devolved and funded through retained business rates. However at the last meeting, the LGA stated that it could be more beneficial, if first, a review of the employment and skills system as a whole was carried out.
- 4.3 As such the LGA has confirmed that they will be undertaking a fundamental review of the current employment and skills system, to be published the summer of 2017, with the aim of:
- i. Setting out why the current system does not serve people, employers and government as well as it should.
 - ii. Make recommendations for a reformed system that would deliver improvements for all.
 - iii. Provide an evidence base to back up recommendations.
- 4.4 Alongside the review, the LGA will be developing a business case, which will aim to provide evidence on how retained business rates could be used to fund specific employment and skills services/budgets. The business case will aim meet the requirements of the HMT Green Book, which is the Treasury's framework for appraising and evaluating proposals to ensure public funds are spent in an efficient manner. The aim is for the business case to be finalised in January 2017.
- 4.5 To assist the LGA with this work, DCLG will identify current funding levels of the employment and skills services/budgets identified by the LGA. DCLG can also assist on engagement with other Government departments.
- 4.6 The Working Group were content with the approach outlined by the LGA, with the only request being that the business case also looks include the European Regional Development Fund, which may cease to exist in its current form after 2020.

Action: DCLG to provide the LGA with current funding levels of the identified employment and skills services/budgets.

5. Discussion on practicalities involved with devolving specific responsibilities

Grant for former recipients of the Independent Living Fund (ILF):

- 5.1 The group noted the link to the Needs and Redistribution Working Group who may review the distribution formula for the grant for former recipients of the ILF.
- 5.2 The group also highlighted the issue whereby following the trail of the grant from the source to the recipient will become very difficult if it is to be funded through retained business rates. Some organisations and individuals like to know such information, and this may be something the group needs to consider in greater detail if the grant is confirmed for devolution.

Local Council Tax Support Admin Subsidy (LCTS):

5.3 DCLG indicated that discussions are on-going between them and DWP to determine the appropriate level of Housing Benefit Admin Subsidy funding to transfer to fund the LCTS, as a result of historic joint claims for LCTS and Housing Benefit. This was not seen to be an issue which would prevent the subsidy from being devolved and DCLG will keep the group updated on the progress of the discussions.

Youth Justice Board:

5.4 No implementation issues were identified by the group in relation to the Youth Justice grant. Relevant to this fund is the Charlie Taylor review. In September 2015 Charlie Taylor was asked to lead a departmental review of the youth justice system for the Ministry of Justice.

6. Oral update on emerging themes from responses to the Government consultation

6.1 DCLG provided an informal oral update on the emerging themes from the responsibilities chapter of the Self Sufficient Local Government: 100% Business Rates Retention consultation.

7. AOB

7.1 The group agreed to schedule the next meeting for mid- January, the Secretariat will send out invitations in due course.

7.2 Vicky Jones will be leaving the Working Group to take up a new position within DCLG, with Richard Enderby now becoming co-chair of the group.

Annex A – Attendance List (17 November 2016)

Member	Organisation	Attendance
Bevis Ingram	Local Government Association (LGA)	Present
Mark Johnson	Local Government Association (LGA)	Apologies
Sally Burlington	Local Government Association (LGA)	Apologies
Eamon Lally	Local Government Association (LGA)	Present
Anthony May	County Councils' Network (CCN)	Apologies
Nigel Stevenson	County Councils' Network (CCN) - sub	Present [Phone]
Allen Graham	District Councils' Network (DCN)	Apologies
Barry Hastie	Special Interest Group of Municipal Authorities (SIGOMA)	Present
Leigh Whitehouse	Association of Local Authority Treasurers' Societies (ALATS) - SLT	Apologies
Caroline Holland	Association of Local Authority Treasurers' Societies (ALATS) - SLT - sub	Present
Alison Greenhill	Association of Local Authority Treasurers' Societies (ALATS) - SMT	Present
Joanna Walker	Association of Local Authority Treasurers' Societies (ALATS) - SCT	Present [Phone]
Steve Richardson	Association of Local Authority Treasurers' Societies (ALATS) - SDCT	Apologies
Sean Clark	Association of Local Authority Treasurers' Societies (ALATS) - SUT	Present
Joanne Pitt	Chartered Institute of Public Finance and Accounting (CIPFA)	Present
Alistair Townsend	Institute of Revenues Rating and Valuation (IRRV)	Apologies
Jeremy Skinner	Greater London Authority	Apologies
Paul Honeyben	London Councils	Apologies
Peter O'Connell	London Councils - sub	Present
Victoria Jones	Department for Communities and Local Government	Present
Richard Enderby	Department for Communities and Local Government	Present
Jonathan Dallaston	Department for Communities and Local Government	Apologies
Jonathan Denning	Department for Communities and Local Government	Present

Also attended:

Chris Bull, Local Government Adviser, Public Health England

Paul Ogden, Senior Adviser, Public Healthy, Local Government Association