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**BUSINESS INTEREST GROUP: DEVOLUTION OF RESPONSIBILITIES  
WORKING GROUP UPDATE**

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1. Key to the Responsibilities Working Group's activity over the summer was the organisation of two 'deep dive' workshops, which aimed to explore what the role of local government should be in the areas of economic growth (primarily skills), and health and social care integration, and to identify new responsibilities that local government might take on alongside implementation of 100% business rates retention. The intention of the workshops was to help inform the response from local government to the Government's summer consultation.
2. The health and social care integration workshop was run virtually, with potential invitees being sent the discussion questions that would have shaped a "real life" workshop and asked to send comments that they would have made in discussion. The key conclusions from this workshop were that while some existing social care grant funding can sit comfortably with business rates funding, there is little appetite for linking the business rates changes with reshaping of additional responsibilities and further devolution in the health and social care area. There is concern that business rates funding and the potential demand for services and growth in that demand are significantly mismatched and that linking the two could create an unsustainable service and financial risks for councils.
3. The workshop on the theme of economic growth and skills was held on 4 August 2016 with good attendance from a number of experts from the sector. There was consensus amongst the participants that work to fully re-design the employment and skills system should go hand-in-hand with work on business rates retention responsibilities. This will enable local and central government to identify the elements of a re-designed system that should be funded from retained business rate retention. As a consequence, this led to a reluctance amongst delegates to identify, at this stage, responsibilities within these service areas which could be funded through retained business rates and consequently those central government programmes that could then be 'turned off'.
4. As a result of the outputs from the deep dive workshops the Steering Group commissioned the Working Group to develop options on the responsibilities/functions which could be included within an integrated employment and skills package to be funded through retained business rates.
5. In order to take this commission forward the Working Group agreed that sector expertise would be necessary, and to lever that knowledge in through the creation of a new workstream led by the LGA. The deep dive workshops identified four broad areas which local government could have responsibility for in relation to employment and skills, including:
  - Preparing people to take advantage of the education system,
  - Preparing people for the world of work/ transitions,
  - Helping people reconnect with employment and learning to support progression, and
  - Working with employers to foster business growth.

The group agreed that these four areas could create a framework for the new workstream to identify suitable responsibilities to be devolved within the economic growth sector and work is progressing under the LGA's lead.

## POLICY DEVELOPMENT: NOT A STATEMENT OF GOVERNMENT POLICY

6. At the same time, the group has started to explore in detail the existing grants/responsibilities which were identified in Chapter 3 of the consultation paper, with a focus on the practicalities and implementation issues associated with devolution of each.