

Business Rates Retention Accounting and Accountability (Local Authorities) Working Group

Terms of reference

In October 2015, the Government announced that, by the end of this Parliament, local government, as a sector, will be able to retain 100 per cent of business rates income. In order to ensure that the reforms are fiscally neutral for both local and central government at the point of transfer the main local government grant (Revenue Support Grant) will be phased out and additional responsibilities will be devolved to local authorities.

Achieving these reforms will require a radical overhaul of the local government finance system. To implement this, central government wants to work closely and in full collaboration with the sector, in particular the Local Government Association (LGA), as well as other representatives of local government, local councils and interested bodies.

The Business Rates Retention Steering Group is a forum through which local government representatives and other interested bodies will provide information and expert advice to support the LGA and Department of Communities and Local Government in advising Ministers on the implementation of the reforms, with whom the final decision on the design and operation of the scheme will rest.

Reporting to the Steering Group, the Accounting and Accountability (Local Authorities) Working Group [LAAWG] will consider the implications of the reforms for the local authority accounting and accountability framework. As the Steering Group firms up its advice on the details of the reforms, this working group will consider the implications for local authority accounting and accountability.

The working group will consider the arrangements for accountability between central and local government, with reference to accountability between government departments and Parliament. A separate group for central government department representatives will also consider accountability issues. The group will also consider the Local Accountability framework and whether it is necessary for this to be modified or revised as a consequence of business rate reform.

The working group will also liaise with other relevant groups which have responsibilities in this areas where appropriate, such as the Central and Local Information Partnership - Finance (CLIP-F) group and the Chartered Institute of Public Finance and Accountancy/Local Authority (Scotland) Accounts Advisory Committee (CIPFA/LASAAC) Local Authority Code Board.

Whilst it does not have responsibility for assessing implications for the financial sustainability of the sector, if it has any specific concerns in this area about a particular proposal it will report these to the relevant working group or Steering Group for consideration.

The Accounting and Accountability (Local Authorities) Working Group co-chairs will be Gareth Caller (DCLG) and Mark Johnson (LGA).

The Group will aim to meet monthly and will have the following membership (plus LGA and DCLG representatives).

Member	Organisation
Gareth Caller	Department for Communities and Local Government (DCLG)
Mark Johnson	Local Government Association (LGA)
Joseph Holmes	CIPFA/LASAAC Code Board
Conrad Hall	CIPFA/LASAAC Code Board

Jonathan Bunt	Association of Local Authority Treasurers' Society (ALATS)
Nicole Wood	Association of Local Authority Treasurers' Society (ALATS)
Mel Creighton	Association of Local Authority Treasurers' Society (ALATS)
Vince Green	Association of Local Authority Treasurers' Society (ALATS)
Laura Deery	Chartered Institute of Public Finance and Accounting (CIPFA)
Matthew Rowe	HM Treasury – Financial Reporting Team
Adeloa Odeneye	HM Treasury – Whole of Government Accounts Team
Susan Mangles	HM Treasury – MPM/Accountability Team
Paul Boden	CIPFA LA Accounting Panel
Steve Powell	Society of Local Authority Chief Executives (SOLACE)
Gary Watson	Institute of Revenues Rating and Valuation (IRRV)
Guy Ware	London Councils
Observer	Organisation
David Aldous	National Audit Office (NAO)

It is intended that all papers for the group's meetings will be circulated a week in advance and will be uploaded to the LGA's Business Rates Hub website, to enable local authorities and other interested parties, not directly represented on the group, to provide feedback.

Members of the group representing local authority groupings undertake to keep their member authorities informed of the group's discussions and seek feedback on proposals. If group members are unable to attend, a nominated substitute may attend in their place. The Group may, as necessary, co-opt additional or substitute members, for example for the purposes of discussion of specific issues.

These terms of reference and membership will be kept under regular review to ensure they remain relevant.