Systems Design update

1. The Systems Design Working Group (SDWG) has met twice in November – on 2nd and 25th November.

2. The Group has discussed the following.
   - Verbal feedback from the Summer Consultation – this is covered by a separate paper on your agenda;
   - DCLG outlined its plans for 100% Business Rates Retention legislation: It is likely that the Bill will make amendments to the Local Government Finance Act 2012 (Schedule 7B of 1988 Act). DCLG expect to continue the approach of using framework legislation so there is the opportunity to continue to design the detail, and so that the system could be more easily amended if issues arose. The Systems Design Working Group was happy with this approach.
   - On tier splits; SCT reported back on a meeting between them and SDCT. Key issues which need to be determined are tier splits, service responsibilities, dealing with appeals, safety nets and how resets will work. Until these were clear it would not be possible to come up with specific proposals for tier splits. DCLG and other members of the systems design working group noted this.
   - A report was given on pilots for 2017-18, which covered the same ground as the report to the Steering Group in October. DCLG said that they were hopeful that announcements could be made at the same time as the provisional local government finance settlement.
   - The LGA prepared a summary of the local government position on the systems design working group on key issues.

3. The next meeting of the Systems Design Working Group will be in January 2017.