

## **Resources Portfolio – report from Cllr Claire Kober (Chair)**

### **Portfolio way of working**

1. Resources has been piloting a new Portfolio Holder style governance model since 1 September 2015. The Leadership Board undertook a mid-year review of the pilot in June and agreed that the Portfolio model not be continued. This means that the areas of Resources, as well as Community Wellbeing, will revert to Boards from 1 September. There was however a strong recommendation that each policy Board use the existing flexibilities within the board structure and develop bespoke approaches to broaden member engagement and sharing of responsibilities beyond Lead Member roles.

### **Queen's Speech**

2. The Queen's Speech on 18 May announced the Local Growth and Jobs Bill, which will provide the legislative framework for local government to retain more business rates. The Bill will also 'legislate for the set of responsibilities that will be devolved to local government as a result of the reforms'. In addition, the legislation will give local authorities the ability to reduce the 'business rates tax rate' and enable combined authority mayors to 'levy a supplement on business rates bills to fund new infrastructure projects'. A date has yet to be set for the legislation to begin its passage through Parliament; however, it is likely to be in 2017. The Neighbourhood Planning and Infrastructure Bill was also announced, including the creation of the National Infrastructure Commission. The LGA provided an on-the-day briefing on the Speech, outlining the Government's legislative plans over the next year, which can be read [here](#).

### **Business Rates Retention**

3. The Secretary of State for Communities and Local Government, Greg Clark MP, [announced](#) the publication of the Government's formal [consultation](#) on business rates retention at the LGA conference on 5 July. The 'Self-sufficient local government: 100% business rates retention' consultation paper outlines the key issues which need to be considered in implementing the proposals. The LGA responded to the announcement in a [news release](#) and also published an [on-the day briefing](#). Alongside the consultation paper, the Government also published a [call for evidence](#) on needs and redistribution, to inform the fair funding review, first announced by the Secretary of State in early 2016. The Government's deadline for responses to both papers is 26 September; the LGA will be responding in detail to the consultation and urges local authorities to respond as well.
4. On 18 July, fellow Resources Lead Members Cllr John Fuller, Cllr Clarence Barrett and I will be hosting a Resources Forum event at Local Government House on the subject of business rates retention. Our fellow Business Rates Task Group colleague Cllr Michael Headley will also be speaking at the event. The event is intended to provide an opportunity for finance and resources portfolio holders from member councils to comment on the initial proposals outlined in the consultation document.
5. The member-led task and finish group on business rates retention met for the second time in June, to consider in more detail the issue of funding potential new responsibilities from further business rates retention. There was agreement that new responsibilities

would be best focussed on those services which encourage economic growth. The group also discussed the LGA's approach to the additional spending pressures expected to face local government by 2020.

6. Work with the Department for Communities and Local Government (DCLG) on the detailed development of the policy has continued, with further meetings of the officer-level steering group and sub-groups. Papers and minutes from the meetings are published on the LGA's business rates hub [here](#).
7. Separately, the Communities and Local Government Select Committee has [published](#) an interim report on their business rates retention inquiry. The report highlighted a range of issues that the Government must tackle before the implementation of further business rates retention, including addressing the impact of appeals and revising the assessment of need. The LGA provided evidence to the inquiry and I responded to the publication of the Committee's report, on behalf of the LGA; the press release can be read [here](#).

### **EU Referendum**

8. Following the outcome of the referendum on the UK's membership of the European Union, on the issue of funding, the LGA called on the Government to guarantee the £5.3 billion in regeneration funding allocated to communities in England by the EU up to 2020. In a statement, the LGA said the Government should 'protect this vital funding to avoid essential growth-boosting projects stalling and local economies across England being stifled'. The LGA's initial response to the consultation, which was widely reported in the media, can be read [here](#).

### **Local Government Pension Scheme (LGPS) Advisory Board**

9. The statutory scheme advisory board for the LGPS in England and Wales met for the first time during May. The advisory board includes a number of LGA members and has a statutory function to advise DCLG on the desirability of making changes to the scheme. The Board is chaired by fellow Resources member Cllr Roger Phillips (Herefordshire Council.) At its first meeting, it received an update from the LGPS's responsible Minister, Marcus Jones MP, and discussed the Board's forthcoming plans for issuing an investment cost transparency code. Also the Board through its deficits working party will be considering options for improved management of the costs of the Scheme.

### **Pooling of local authority pension funds**

10. Officers continue to play a liaison role between Government and LGPS pension funds as funds work towards the July deadline for submitting their detailed pooling submissions to DCLG and HM Treasury. Support has focussed on the key legal and regulatory issues associated with various pooling options and on ensuring that the submissions will meet the criteria set out in the Government's November 2015 guidance document.

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