

Note of last Resources Board meeting

Title: Resources Board
Date: Friday 23 September 2016
Venue: Smith Square 3&4, Ground Floor, Local Government House, Smith Square, London, SW1P 3HZ

Attendance

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

Item	Decisions and actions	Action
1	Declarations of Interest Apologies received from Cllrs Aaron Shotton, Sian Timoney and Peter Marland. There were no declarations of interest.	
2	Membership and Terms of Reference Cllr Kober introduced the paper which outlined the Terms of Reference and membership of the Board. Cllr Kober informed the Board that Cllrs Mike Eathorne-Gibbons and Alan Walters had been confirmed as substitutes for the Independent Group. Decision: The Board agreed the Membership and Terms of Reference for 2016/17.	
3	Board priorities and work programme Cllr Kober took members through the paper which set out the proposed priorities and key areas of work for the Board. On the workforce stream members asked that there be a focus on the new pay structure and spinal points as a result of the increase in minimum wage. Members also agreed the following Member Champions: <ul style="list-style-type: none">• Local Government Finance – Cllrs Claire Kober and John Fuller• EU funding – Cllr Clarence Barrett	

- Welfare Reform – Cllr Claire Hudson
- Skills – Cllr Linda Van de Hende
- Pensions – Cllr Roger Phillips

The Chair invited Cllr Phillips to feedback to the Board on his recent meeting with Marcus Jones MP Parliamentary Under Secretary of State (Minister for Local Government) and Richard Harrington MP Parliamentary Under Secretary of State for Pensions.

The LGPS will be the first to consult on transparency of costs. Some preliminary work has already been done and will be at the cutting edge. All funds have submitted proposals on the pooling of their assets, the legal structures for which will need to be in place within 18 months. The strategy of how funds are invested will be down to individual LGPS funds and governance structures with [] will be appointed to oversee the pooled pensions.

Price Waterhouse Cooper has been commissioned to look at options for academies and there is a need to involve the Treasury and Department for Education on in this work. Valuation of pension funds – the employer contributions to pay down the deficit is likely to increase but it will vary across employers and depending on the assumptions made at the last valuation.

Decision:

The Board the priorities, work programme and Member Champion roles for 2016/17.

**4 Response to consultation on Reforming business rates appeals:
Check, challenge, appeal: reforming business rates appeals**

Nicola Morton, Head of Local Government Finance, introduced the paper and the LGA's response to the government's consultation on detailed regulations implementing the new Check Challenge and Appeal system for business rates appeals.

From April 2017 the Government is introducing a new system for dealing with challenges to rateable values; this is known as Check Challenge Appeal. Ratepayers will be required to firstly 'check' the facts that their rateable value is based on. They may then go on to put in a formal challenge or proposal which must be accompanied by an alternative valuation and all the evidence to support it. Only after these steps have been completed can a valuation be appealed. A ratepayer will not be able to introduce new evidence at appeal stage. There will also be a fee for submitting an appeal, and fines for ratepayers that provide false information knowingly, recklessly or carelessly.

Nicola Morton drew the Board's attention to three points in the draft response:

- The LGA has concerns that the proposed time limits still allow for the process to be dragged out. The recommendation is a time limit of six months for proposals in most cases, mirroring the situation in Scotland.
- When cases do go to appeal, the new regulations will result in the Valuation Tribunal only ordering a change to rateable value when the valuation appealed against is outside the bounds of reasonable judgement.
- The new valuations do give new rights to authorities to receive and give information to the VOA, which the LGA welcomes. However, there are concerns that councils will no longer have the right to make proposals which do not relate to their own premises. The LGA's view is that councils should continue to have these rights.

The Board felt local authorities should continue to have rights to make proposals under the regulations that do not relate to their own premises. Members wanted information and data on how often this power is currently used.

Decision:

The Board agreed the response to the consultation.

Action:

Officers to forward the response to DCLG.

5 Local Government Finance update

The Chair invited Sarah Pickup, Deputy Chief Executive, to update the Board on the LGA's work on local government finance policy.

The LGA continues to work on business rates retention and alongside the summer consultation on business rates reforms the LGA has also responded to the call for evidence on its Fair Funding Review.

There was a discussion during which members made a number of comments:

- Councils should be able to pool with whoever they want.
- Councils shouldn't be forced to pay 100 per cent of back dated appeals.
- There should be flexibility and a safety net within the system.
- There should be some mechanism to deal with the impact of the loss of a major businesses or businesses.

On the autumn statement the Board wanted the LGA response to be strong on the need for councils to build houses. They also felt there should be full cost recovery for planning and licensing fees.

Decision:

The Board noted the update.

6 Resources Board workstream: Responding to issues arising from the referendum decision to leave the EU

The Chair invited Russell Reefer, Advisor: Economic Growth, EU funding and International Policy, to introduce the report and the priority areas within it.

Priority one: securing the current quantum of funding to 2020. Following the referendum result the government halted the allocations. The LGA is seeking the same guarantees as have been provided to farmers and universities.

Priority two: reviewing the regulations, technical issues and identification of priorities for the Brexit talks. Members were keen for this work to look at the effect of employment issues on small and medium businesses and landfill regulations.

Priority three: post Brexit domestic regional aid.

Decision:

The Board agreed to form a small member working group, led by Cllr Clarence Barrett, to act to help shape work on this issue.

Action:

Officers to progress in line with members comments.

7 2017/18 Local Government Finance Settlement Technical Consultation

The Chair invited Aivaras Statkevičius, Senior Advisor, to introduce the report which outlines the DCLG technical consultation on the 2017/18 local government finance settlement. The consultation sets out the Government's proposed approach to the 2017/18 settlement, the second year of the four-year offer for local government.

For the first time, DCLG is proposing that council tax referendum principles will apply to town and parish councils for which the Band D charge is higher than £75.46 (the lowest Band D charge by a district council) and the total precept raises over £500,000. The LGA received a letter from the National Association of Local Councils asking the LGA to lobby against this proposal.

The consultation also proposes allowing areas with mayoral combined authorities the option to request adjustments to the calculation of grant and business rates payments, to reflect changes in the way existing duties are carried out by authorities.

The Board restated its opposition to council tax referendum limits and felt this point should be made strongly in response to the consultation.

In relation to the additional charge available to cover adult social care services, members were keen to highlight that the additional 2 per cent increase would not be enough to cover the increased costs associated with the national living wage.

Decision:

The Board noted the consultation.

Action:

Officers to progress in line with members comments.

Appendix A -Attendance

Position/Role	Councillor	Authority
Chair	Cllr Claire Kober OBE	Haringey Council
Vice-Chairman	Cllr John Fuller	South Norfolk District Council
Deputy-chair	Cllr Clarence Barrett	Havering London Borough Council
	Cllr Claire Hudson	Mendip DC
Members	Cllr Nigel Ashton	North Somerset Council
	Cllr James Jamieson	Central Bedfordshire Council
	Cllr Mary Malin	Kettering Borough Council
	Cllr Barry Macleod-Cullinane	Harrow Council
	Cllr Roger Phillips	Herefordshire Council
	Cllr David Renard	Swindon Borough Council
	Cllr Rishi Shori	Bury Metropolitan Borough Council
	Cllr Tom Beattie	Corby Borough Council
	Cllr Sarah Hayward	Camden Council
	Cllr Norman Keats	Knowsley MBC
	Cllr Christopher Massey	Redcar & Cleveland Borough Council
	Cllr Abdul Jabbar	Oldham MBC
	Cllr Linda Van den Hende	Havering London Borough Council
	Cllr Simon Shaw	Sefton MBC
Apologies	Cllr Aaron Shotton	Flintshire County Council
	Cllr Sian Timoney	Luton Borough Council
	Cllr Peter Marland	Milton Keynes Council