

Resources Board – report from Cllr Claire Kober OBE (Chair)

Autumn Statement

1. The LGA published an [on-the-day briefing](#) on the key announcements in the Autumn Statement - announced by the Chancellor on 23 November - relevant to local government. The Resources Board also considered a report on its impact on local government finance.
2. The Chancellor confirmed the expenditure totals agreed for local government, though there were no announcements of new funding for local government. The Government reaffirmed its commitment to identify a further £3.5 billion of savings from public spending in 2019/20 following an Efficiency Review. Up to £1 billion of these savings will be reinvested in priority areas. The Efficiency Review will report on progress in autumn 2017.
3. The Chancellor announced a new 100 per cent five-year business rates relief for new full-fibre broadband infrastructure and a permanent doubling of Rural Rate Relief to 100 per cent, both from April 2017. We expect that local authorities will be compensated by grant and for this to be taken into account as part of the reforms for increased business rates retention.

Local Government Finance Settlement

4. The [provisional local government finance settlement](#) for 2017-18 was announced by the Secretary of State for Communities and Local Government, Sajid Javid MP, on 15 December 2016. The LGA responded in a [press release](#) and published an [on-the-day briefing](#). The final settlement is expected to be announced in early 2017.
5. The Government did not announce any extra funding for local government. However, councils have been given flexibility to increase the adult social care precept by up to 3 per cent per year in 2017/18 and 2018/19, as long as the overall increase over three-year period to 2019/20 remains limited to 6 per cent.
6. The Government also confirmed the council tax referendum threshold for 'basic' council tax increases (excluding the adult social care precept) would remain at 2 per cent, with additional flexibility for district councils, and Police and Crime Commissioners, with the lowest council tax levels. The Government will not set referendum principles for town and parish councils, but will keep the issue under review.
7. Savings of £241 million from the reform of the New Homes Bonus will be allocated to social care authorities through a new Adult Social Care Support Grant for 2017/18 only. Other changes were made to the New Homes Bonus reducing the number of years it is paid for and introducing a threshold of housing growing to be achieved before the grant will be paid.
8. The provisional settlement also set out the Government's proposed approach to the issues it consulted on in the technical consultation, which closed in October 2016. The LGA [responded](#) to the technical consultation and the Government has published a [summary of responses](#).

Business Rates Retention

9. The provisional settlement confirmed that pilots for further business rates retention will begin in six areas from 2017/18. In return for retaining business rates, they will forego Revenue

Support Grant and a number of funding streams. The Government has committed to the pilot arrangements not impacting financially on non-pilot authorities.

10. The LGA continues to work with the Government on further business rates retention reform, with the LGA's own policy on business rates retention continues to be formulated and refined by the Task and Finish Group of which I am Chair. Recently, the Group has considered papers on councils' responses to the summer consultation, needs indicators and progress of the Fair Funding Review and the impact of the 2017 revaluation, amongst others.

Business Rates Revaluation

11. The LGA [responded](#) to the Government's consultation on transitional arrangements for the 2017 business rates revaluation. We highlighted the continuing impact of business rates appeals on local authorities and repeated our call for the Government to provide sufficient resources to resolve currently outstanding appeals by April 2018.

London Finance Commission

12. Cllr John Fuller (Vice-Chairman) gave oral evidence to the relaunched London Finance Commission, which due to release its final report in early 2017. The session explored fiscal devolution, including business rates and other taxation currently managed at a national level.

EU work stream

13. Our EU work stream lobbying priorities are focusing on the immediate and key local government issues, risks and opportunities, that either Government or Parliament will need to consider when Article 50 is triggered.
14. Our lobbying approach and policy positions to public procurement, state-aid and successor arrangements for EU regional funding were recently discussed and endorsed by both Resources and Leadership Board. The Resources Board's EU Funding Task Group, led by Cllr Clarence Barret (Deputy Chair), has also commissioned new work to drive and lead this important debate. I will keep you updated as this work develops.

Welfare

15. Cllr John Fuller gave oral evidence to the House of Lords Financial Exclusion Committee on 25 October. The committee were particularly interested in the role of councils in providing a local safety net and the ongoing impact of Government reforms to working age welfare benefits. A full transcript of the evidence session is available [here](#).

Come Back to Social Work Programme

16. The first national Come Back to Social Work programme - led by the LGA, Department for Education (DfE) and Department of Health (DH) - is nearing completion, with experienced children's and adults' social workers ready for council interviews in February 2017. The programme has been successful in attracting talented and qualified social workers back into local government and DfE and DH are keen to run further programmes.

Local Government Pensions Scheme (LGPS) Advisory Board

17. The LGPS Advisory Board met on 6 December 2016 and discussed investment pooling as well as receiving an interim report from PwC on the impacts for the LGPS of an increased number of academies. The final report is expected in March 2017. Further details of the Board's discussions can be found [on their website](#).

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