

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

Spring Budget 2017

1. The Chancellor delivered his spring Budget on 8 March. The LGA was successful in securing a £2 billion funding package for adult social care, as well as discretionary business rate relief funding worth £300 million over four years. Resources Board members cleared the LGA's response to the consultation on the £300 million discretionary business rates relief fund earlier this year.

Business rate retention

2. The LGA responded to the Government's consultation on business rates retention reform based on advice provided by the Resources Board and other member groups, such as the Business Rates Retention Task and Finish Group. The consultation focussed on various matters related to the design of the system.
3. Officers also delivered a set of regional business rate retention consultation events in partnership with officials from the Department for Communities and Local Government. The six regional sessions were attended by approximately 250 councillor and officer delegates who had the chance to put forward their views on all aspects of the reforms, as well as the Fair Funding Review, directly to the LGA and Government.
4. While the newly elected Government has opted not to reintroduce the Local Government Finance Bill as part of the Queen's Speech, the LGA continues to press for greater business rates retention as elements of it can be introduced without new primary legislation.

Council tax collection

5. Resources Board members approved a new version of the joint Citizens Advice and LGA protocol on good practice on council tax collection. The new version, along with guidance for councillors and case studies, can be found on the Citizens Advice website.
6. The protocol offers practical steps aimed at preventing people from getting into arrears in the first place and advises on procedures for ensuring that enforcement agents act within the law and guidelines.
7. Based on extensive consultation with advice agencies, local government representatives and enforcement agencies, the revised Council Tax Protocol builds upon the previous protocol, which the Department of Communities and Local Government recommended local authorities adopt in their 2013 guidance.

Markets in Financial Instruments Directive II

8. The Financial Conduct Authority (FCA) published the final rules for the implementation of the Markets in Financial Instruments Directive II (MiFID II) in early July. In our response to the announcement, the Board welcomed the improvements to the rules, which have been improved in response to concerns highlighted by the LGA and councils, and now recognise the unique decision-making processes in local authority treasury and pension fund investment management activities. If Local Authorities wish to opt up to professional status (as an investor) under the new rules, they will have to do so by January 2018.

9. We will continue to work with the Local Government Pension Scheme (LGPS) Advisory Board, the Chartered Institute of Public Finance and Accountancy (CIPFA) and financial service representative bodies in order to develop standardised opt up processes for both pensions and treasury management, and information templates to help ensure that all authorities can be assessed prior to the January change of status.

LGA conference

10. As Chair of the Resources Board and Task and Finish Group on Business Rates Retention I participated in a panel discussion on restarting the Fair Funding Review at the LGA's annual conference this year. This session provided an opportunity for delegates to hear from a panel of local government politicians about, and discuss, the principles and factors that need to be taken into account in a fresh assessment of relative funding needs and resources of individual local authorities.
11. The lively discussion focussed on the need to continue with both business rate retention reform and the fair funding review, the need to simplify the needs assessment, timescales of delivery and the extent to which the LGA should be involved. Delegates were clear that the new system will only work if it comes alongside an injection of additional funding. Officers will ensure that the results of the discussion are fed into any further LGA and Government work in this area.

Review of Local Government Pay Spine

12. The regional consultation meetings with councils on the review of the local government pay spine to address the challenge of the National Living Wage are taking place during July and August. Various members of the NJC Employers' Side are attending each meeting.

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