

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

2017 Autumn Budget

1. The LGA submitted its representation to the Chancellor's 2017 [Autumn Budget process](#). The submission follows the LGA's publication launched at the annual conference in July 2017, *Growing Places*. Based on advice provided by lead members of Resources Board and other member groups, the submission focusses on the financial challenges that local services face over the remaining decade, highlighting the £5.8 billion funding gap that forms by 2019/20. LGA officers will be providing an on-the-day briefing on the Chancellor's Autumn Budget on 22 November.

Business rate retention and Fair Funding Review

2. While the newly elected Government opted not to reintroduce the Local Government Finance Bill as part of the Queen's Speech, the LGA continued to press for greater business rates retention as elements of it can be introduced without new primary legislation.
3. We have been successful in restarting the work of the jointly chaired DCLG/LGA Steering Group on further Business Rates Retention. The initial point of focus for the group is to consider what aspects of the reforms can be delivered within the spirit of the 2013 legislation that introduced 50 per cent retention. The LGA also wrote to the Secretary of State expressing its wish to work with the Government on implementation but with a clear view that additional funding delivered through business rates should be used to plug funding gaps in existing services, and not to transfer any additional responsibilities.
4. The Government's work on the Fair Funding Review has restarted following the General Election. LGA officers continue to jointly chair the technical working group together with DCLG colleagues. The Government's draft work plan for the review now aims for implementation by April 2020, a year later than the original timescale.
5. The LGA's view is that the Fair Funding Review can only be successful if additional resources are introduced to help smooth transition from the current distribution of funding to the new one.
6. LGA officers are developing proposals for further work on the Fair Funding review to help inform member authorities about the impact of potential future propositions on their council. These proposals are being considered by LGA Leadership Board and LGA Executive on 18 and 19 October, respectively.
7. The Business Rates Retention Task and Finish Group, which I chair and helps to develop policy on business rates retention and the fair funding review, will be reconvened shortly.

Spring Budget – business rates reliefs

8. Following increased Government pressure for billing authorities to quickly implement the business rates reliefs schemes announced in the 2017 Spring Budget (including the £300 million funding package for local discretionary schemes), officers collected evidence about local implementation and potential reasons for delays. Using the information the LGA was able to show that in many cases the delays are out of billing authority control, especially in relation to late and changing guidance and software issues.

19 October 2017

9. The Government has stated it will start publishing a list of billing authorities that have started rebilling on the basis of all of the three reliefs. We were successful in convincing the Government to do this instead of 'naming and shaming' councils that were not in that position.

Cipfa Prudential Code for Capital Finance in Local Authorities and Cipfa Treasury Management Code of Practice

10. The Resources Board approved a response to the Cipfa consultations on the Cipfa Prudential Code for Capital Finance in Local Authorities and Cipfa Treasury Management Code of Practice. These are important codes setting the framework for council's capital financing and investments. Overall, although the changes proposed in the consultation mean that both codes undergo an extensive re-write, we believe that the changes will only improve what is already a good governance framework and will strengthen good decision making by local authorities. We are therefore supportive of the updated codes.

ONS consultation on Sub National Public Sector Finances

11. Resources Board lead members approved a response on behalf of the LGA to a Government consultation on a scoping study by the Office of National Statistics. This explored data sources such as HMRC tax data and DWP benefit payments as well as local authority income and expenditure for measuring public sector finances below country and regional level. Our response emphasised that robust and comprehensive public sector financial statistics for all public sector bodies at the local level, including below local authority level if possible, would lead to a better understanding of the totality of public expenditure.

Disability Employment Gap

12. The recent focus on the Disability employment gap by Ministers and the DWP means that councils need to focus more on supporting disabled people to move into or maintain work. On 20 September the LGA and Timewise held a well-received event to highlight the latest thinking around creating work opportunities for people with disabilities from innovative employers and DWP, how to use job carving / job splitting effectively and what councils could do to be more Disability Confident and be part of an Action Learning Set. The event was attended by 55 councils.

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