

INDEPENDENT COMMISSION ON LOCAL GOVERNMENT FINANCE:

CALL FOR WRITTEN EVIDENCE

Local government faces unprecedented financial challenges. There are upward pressures on services and downward pressures on budgets and local taxes.

Communities face major challenges - economic growth, housing supply, welfare that encourages people into work and provides effective social protection, affordable health and social care, and early support to families and children.

The country needs a local government finance system that is fit for purpose - that makes it easier for councils and their local partners to tackle these challenges.

The Commission would welcome written evidence from business and business organisations, the faith and voluntary sector, public sector organisations and local government on:

- The strengths and weaknesses of the current local government finance system;
- The problems and opportunities it creates in tackling the challenges above;
- Potential reforms that would make it easier to tackle these challenges;
- Specific practical solutions for changing the system that can be implemented by an incoming government from May 2015.

Please see the annex for more detailed questions.

Publication of evidence

The evidence will be analysed to help the Commission form its view on the current local government finance system and the ways in which it could be reformed.

All information will be treated confidentially by the Commission Secretariat and no identifiable information about any individual or organisation will be published without prior permission. A list of individuals and organisations that provide written evidence will be included in the Commission's final report (scheduled for early 2015).

The call for evidence will be complemented by a research and engagement programme.

Submitting evidence

The Commission would welcome written submissions by Friday 15th August 2014.

Submissions can be made using the form on the Commission's website at:

<http://www.localfinancecommission.org/submissions>

Background

The Independent Commission on Local Government Finance, chaired by Darra Singh, has been set up by CIPFA and the LGA to impartially examine:

- The current position of the local government finance system;
- A potential new system that enables better public services and encourages economic growth;
- Practical options for changing the system that could be implemented by an incoming government.

It will develop and test those options against the key challenges facing the nation and local communities of economic growth, housing supply, welfare that encourages people into work and provides effective social protection, affordable health and social care, and early support to families and children.

It will publish its interim findings in the autumn taking account of a wide-ranging evidence gathering process.

A background paper on the local government finance system can be found on the commission website at: <http://www.localfinancecommission.org/documents>

A final report will be published in early 2015.

Annex – Detailed questions

Under each of the challenges above the Commission have more specific questions:

Housing

How does the local government finance system promote housing supply and what changes would be needed to make it more effective in doing so?
What changes should there be to:

- borrowing

- receipts from sales (including homes and land)
- accounting treatment and rules
- housing benefit
- local council tax support
- central government and Homes and Communities Agency funding
- the new homes bonus
- council tax
- rents and other fees and charges
- other

Growth

How does the local government finance system promote growth and what changes would be needed to make it more effective in doing so? What changes should there be to:

- business rates
- responsibility for and use of national taxes
- accounting treatment and rules
- central government and agency funding
- capital grants
- local tax
- fees and charges
- access to capital
- other

Welfare

How does the local government finance system promote welfare that encourages people into work and provides effective social protection and what changes would be needed to make it more effective in doing so? What changes should there be to:

- local council tax support
- housing benefit
- the introduction of universal credit
- central government grants
- central government and agency funding
- the Work Programme
- other

Affordable health and social care

How does the local government finance system promote affordable health and social care and what changes would be needed to make it more effective in doing so? What changes should there be to:

- the Better Care Fund

- central government grants
- central government and agency funding
- fees and charges
- accounting treatment and rules
- regulations
- loans and payments
- other

Early support to families and children

How does the local government finance system promote early support to families and children and what changes would be needed to make it more effective in doing so? What changes would there be to:

- Dedicated Schools Grant
- central government grants
- central government and agency funding
- fees and charges
- accounting treatment and rules
- other