

Independent Commission on Local Government Finance

Purpose

For discussion and direction.

Summary

Darra Singh, Chair of the Commission, will present the draft final conclusions of the Independent Commission on Local Government Finance in advance of the publication of its final report in February 2015.

Recommendation

That the LGA Executive considers and comments on the Independent Finance Commission's draft conclusions.

Action

Officers to take forward in line with Members' direction.

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Independent Commission on Local Government Finance

Background

1. The Independent Commission on Local Government Finance was established by the Local Government Association and the Chartered Institute of Public Finance and Accountancy in May 2014.
2. The Commission is chaired by Darra Singh OBE, Partner at Ernst and Young (EY). Other members of the Commission are: Alan Downey; Anita Charlesworth; Bridget Rosewell OBE; Jonathan Portes; Paul Gray CB; Stephen Hughes; Stephen Lewis and Professor Tony Travers. Biographies for all the Commissioners are attached at **Appendix A**.

Commission's Terms of Reference

3. The Commission's Terms of Reference are to:
 - 3.1. Identify the strengths and weaknesses of the local government finance system;
 - 3.2. Bring forward practical options for reform in the next Parliament; and
 - 3.3. Develop and test those proposals against the key challenges facing the country – growth, housing supply, effective welfare provision, affordable health and social care, and early support to families and children.

Commission's Call for Evidence

4. The Commission received over 80 submissions to its initial call for evidence which closed on 3 September 2014. The content of those submissions, together with the outcomes of a range of meetings which have taken place with local authority leaders, chief executives and treasurers informed the Commission's initial findings.

Commission's Initial Findings

5. The Commission's interim report, *Public money, local choice*, was published on 30 October 2014. It can be found at <http://www.cipfa.org/iclgf-home/documents/interim-report>. The interim report set out: what the Commission had been told; the Commission's vision for the local government finance system; emerging conclusions; and areas that it was keen to explore further.
6. The Commission's vision is for a finance system that:
 - 6.1. Promotes self-reliance and self-sufficiency;
 - 6.2. Encourages entrepreneurialism and innovation;
 - 6.3. Promotes local decision-making on service delivery; and
 - 6.4. Maintains support for the most vulnerable.

7. The interim report established a second consultation round and the Commission received a further 30 submissions.
8. In addition, the Commission held roundtable discussions on the five priority challenges: growth; housing supply; effective welfare provision; affordable health and social care; and early support to families and children. The roundtable discussions were invitation events and brought together experts and key stakeholders in the relevant policy areas.

Next steps

9. The Commission's last meeting will be held on 9 February 2015, at which the final report will be agreed.
10. Comments by the LGA Executive will be considered by the Commission as it finalises its conclusions and recommendations.