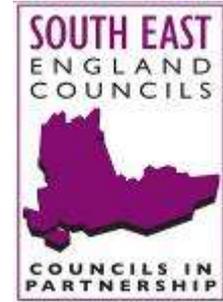


**SOUTH EAST ENGLAND COUNCILS
EXECUTIVE COMMITTEE MEETING**



Date: 11 July 2012

Subject: **Local Government Finance Bill**

Report of: Nick Woolfenden, SEEC Head of Policy Co-ordination

Recommendations:

SEEC Executive members are asked to:

- i) Note SEEC's briefing (attached) sent to Lords setting out key recommendations for improvements to the Local Government Finance Bill.
- ii) Identify any other key issues that SEEC should emphasise to decision-makers in further briefing on the Bill.
- iii) Share SEEC's briefing with other decision-makers to shape development of the Bill.

1. Background

1.1 The Local Government Finance Bill has now moved from the Commons to the Lords for debate. SEEC's Executive discussed the Bill in detail at its last meeting and we subsequently briefed members of the Lords on key concerns and suggestions for improvements. This builds on the successful approach we took to influencing the Localism Bill. The attached briefing also reflects SEEC's recommendations for change from our recent 'Fixing a Broken System' report on South East funding.

2. SEEC's briefing to Lords

2.1 Our briefing emphasises SEEC's support for the *principles* of business rate retention and council tax support localisation in the Bill.

2.2 We are however concerned that, as currently drafted, the Bill's provisions:

- For business rate retention, provide insufficient local incentive and do little to redress current unfair distribution of funding, putting local and national economic recovery at risk.
- For council tax localisation, lack sufficient local control and are being driven by over-ambitious centrally-imposed Government timetables which, allied to budget cuts, will constrain positive benefits.

2.3 Our briefing suggests improvements to the Bill and/or associated guidance and regulations that will deliver better outcomes.

3. Next steps

3.1 The Lord's committee debates began on 3 July, with several further days scheduled during July prior to Summer Recess. Some Lords have expressed concern that the Bill received very limited Commons discussion time and are likely to want to interrogate its provisions in more detail themselves. A number of amendments are being debated that reflect SEEC's concerns and we will report on progress at the meeting. We understand the Government is still committed to achieving Royal Assent in time to implement the Act from April 2013.

3.2 Members are invited to discuss the briefing, identifying any other matters that SEEC should emphasise in further briefing on the Bill. Members are also encouraged to share SEEC's briefing with other decision-makers.