

Topic	Finance Commission recommendations	SEEC & SESL asks <sup>1</sup>
<b>Council tax</b>	Devolve setting of council tax and discounts to all local authorities. Devolve powers over council tax bands and revaluations to Pioneers <sup>2</sup> .	Argued for all local authorities to have these freedoms.
<b>Other taxes</b>	Allow all councils to retain 100% of business rates and business rate growth, and to raise additional revenue by relaxing rules on fees and charges. Allow Pioneers control of newly assigned and new taxes such as stamp duty, airport taxes and tourism taxes.	Argued for all local authorities to have the freedom to set & retain 100% of business rates and stamp duty, set & collect new taxes, and charge fees for some local services.
<b>Budget cuts</b> <b>New burdens</b>	Independent review to assess whether local authorities are appropriately funded to meet their statutory duties (e.g. social services). Must ensure councils aren't susceptible to unfunded additional responsibilities.	Argued for councils to have confidence that they have the funding to meet growing demand e.g. social care. Argued for a clear Government commitment to fully fund new responsibilities.
<b>Independent body</b>	Appointed by government and sector together, to advise the government on funding distribution & scrutinise their decisions.	Argued for a more transparent system of allocating funding and a local-government led body to advise on the distribution of central funding.
<b>Allocation of funding</b>	Multi-year settlements for all local authorities to enable effective long-term planning and provide more certainty (no timings provided). Single place-based budget for all public services for Pioneers, with Local Public Accounts Committees to scrutinise value for money.	Argued for settlements to be at least 6 months in advance, and to cover 5 years for central funding.
<b>Access to devolution</b>	Some reforms aimed at all local authorities, some towards Pioneers, on the condition that they form sub-national areas <sup>3</sup> .	Argued for devolution to be applied to <b>all local authorities</b> , so the two-tier areas and unitary councils in the South East have equal access to financial deals and powers.
<b>Funding Equalisation</b>	Local authorities must feel confident they will see the benefit of their success, so there must be incentives for investing in the area (no mention of achievable outcomes); recommended some equalisation nationally but the majority controlled in sub-national areas by Pioneers.	Clear position on incentives to ensure successful councils are not penalised and those in receipt of payments are incentivised to become self sufficient. Equalisation within the South East area rather than nationally. Must make sure incentives should be linked to achievable outcomes.
<b>Skills/ employment</b>	Local control over skills and employment support.	Argued for greater control over skills, in order to match local employer needs to training, with greater local input into the Work Programme.
<b>Self-sufficiency</b>	Stability in grant allocations and control over directly raised revenues so councils are less dependent on central government.	Argued for a negotiated agreement on how central decisions will affect councils' ability to raise funds and the responsibilities they will hold.
<b>Infrastructure</b>	Should be local input on local infrastructure.	Argued for greater local access to funding for infrastructure.
<b>Housing supply</b>	Removal of Housing Revenue Accounts borrowing cap, allowing councils to borrow outside the Public Sector Borrowing requirement, trade borrowing limits between local authorities, reform of the New Homes Bonus scheme.	Argued for removal of HRA borrowing cap, but also several other housing issues which were not mentioned within the report <sup>4</sup> .
<b>Integration of services</b>	Suggested 3 options: 1. Ring-fencing social care funding 2. Transfer responsibility for adult social care to NHS 3. Integrate health and social care.	Argued for more power and incentives for local authorities to lead on integration of health, social care & blue light services; with a single budget for health & social care.

<sup>1</sup> SEEC and SESL also suggested the following recommendations which were not included within the Commission's report: strengthen councils' role in scrutinising schools; clear, published set of rules governing the criteria for national capital investment; greater weight given to economic factors in any remaining central government grants; greater access to Tax Increment Funding for councils to fund projects; give councils responsibility for NHS estate management and procurement; balanced-risk approach between high and slower economic return projects.

<sup>2</sup> Pioneers are defined as those local authorities more able and ready to reform.

<sup>3</sup> Sub-national areas are defined as groupings of local authorities of sufficient size and economic coherence.

<sup>4</sup> Additional housing asks by SEEC/SESL: 100% retention of Right To Buy receipts; review of government rules on state aid on local authority-led housing projects; discretionary local powers to tax undeveloped housing sites; simplification of Compulsory Purchases Order powers; allow local authorities to act as Registered Social Landlords.