



SOLACE RESPONSE TO LOCAL GOVERNMENT RESOURCE REVIEW CONSULTATION

1. SOLACE welcomes the Government's commitment to economic growth being driven at a local level. The SOLACE Annual Conference this year was dominated by the enthusiasm of senior local government managers for encouraging local economic growth.
2. The Government needs to acknowledge that local economic growth often means prioritising the needs of the country and the opportunities for future generations, against the deeply held wishes and beliefs of the current population and their understandable desire to protect their current amenities.
3. This requires local leadership; to patiently explain the need for improvements in infrastructure; permissions for new buildings and extension to public transport options which may cut across current interests.
4. SOLACE therefore welcomes, in principle, the commitment to using innovations in business rate retention and pooling to provide some incentives. The innovation can be seen alongside the 'New Homes Bonus' but together these incentives still provide modest rewards for local authorities that step up to the leadership challenge and may well not cover the costs of new population needs that arise, or new costs from increases in local economic activity which may flow through.
5. SOLACE therefore calls for the Government to re-affirm, in its final proposition for the future of local government resources, that the proceeds from future economic growth will be shared, so that public services can properly grow to accommodate both aspirations for improved services and real need.
6. SOLACE believes that such a long term view will contribute considerably to a feeling of optimism across all those in public services and will help motivate leaders of local public services to face the short term pain, knowing that their place in the future of the nation is secure, and the understanding of the need for competent, appropriately funded, efficient public services is properly understood in the context of a confident, buoyant, advanced economy.

The current proposals

7. SOLACE understands the need for a system of incentives to sit alongside mechanisms to ensure that local authorities who face shifts in their NNDR collection environment, over which they have no control, are not cast into crisis.

SOLACE also accepts that long-term reform may require an ability for the system to be 're-set' and fundamental re-distribution to be considered afresh.

SOLACE further understands that the Government may from time to time want to take a view about the overall rate of NNDR growth, in the context of the overall balance as to how Government support for local spending is financed.



8. Yet the way in which Government approaches these system management tasks will be crucial.
9. These changes provide an opportunity for the re-making of the relationship between central Government and local government. There is the chance for real partnership, in the interests of the nation.

SOLACE's main proposal therefore, in response to the consultation, is to propose that the Government agrees a mechanism whereby representatives of the business community, as those from whom business rates are sought; local government who are charged with promoting local economic growth and Government (probably in the form of BIS, CLG and the Treasury) representing the national overview, come together as respectful partners and agree how the system should be monitored, sustained and varied.

For the purposes of this consultation response, SOLACE calls this the **Reformed Business Rate System Trust and Integrity Board**.

10. It would be for local government to consider its representation, but SOLACE believes that such a Board would also need an equivalent grouping of experienced professionals who could pre-masticate the dilemmas and negotiations which would lie at the heart of the Board's work. It will be important that the Board's work is based on strong evidence and reasoned options, rather than political rhetoric and short term opportunism.

The Board would no doubt benefit from an independent chair.

11. SOLACE hopes this constructive proposal is considered in the Government's response.

Derek Myers
Chair
SOLACE Management Board