



Communities and Local Government Committee

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BUDGET 2016

I have listened carefully to the Budget Statement and, in particular, the parts of it that affect local government. I should be grateful if you could answer a few immediate questions that arise from the statement and the accompanying documents.

Paragraph 1.164 of the Budget says that:

"Local government will be compensated for the loss of income as a result of the business rates measures above [small business rate relief, increase in the multiplier threshold, indexation to CPI and administrative changes], and the impact considered as part of the government's consultation on the implementation of 100% business rate retention in summer 2016."

Could you confirm that this means that local authorities will be compensated in full and that none of them will be worse off as a result of these measures?

I should also be grateful if you could confirm that you plan to take account of the probable longer-term reduction in business rates income for local authorities both in consideration of the additional responsibilities that are to be devolved following the move to 100% retention of business rates and in any redistribution scheme.

Clive Betts MP
Chair, Communities and Local Government Committee