

COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

12 JULY 2011

14 LOCAL GOVERNMENT RESOURCE REVIEW

The Director of Finance reported that on 17 March 2011, the Government launched the Local Government Resource Review, the vision of which was of 'self-funded' councils that kept their local business taxes, with central grant dependence scaled back, except where it was needed to protect the interest of taxpayers. The Review was expected to conclude in July 2011 and he reported that part of the first phase of it was to consult with interested parties, including businesses of all sizes. Although the Government had stated that councils which were more deprived would continue to receive Government support, the Director indicated that the main risk was financial, as Wirral collected less than it received back from the Government in grant support.

The whole process would feed into the Local Government Financial Settlement 2013/14 and responding to comments from Members he stated that all options currently put forward would see Wirral lose out but this only formed one element of local government finance.

Resolved –

- (1) That action be taken to protect, as far as possible, the Council's financial position.**
- (2) That support be given to any responses from SIGOMA (Special Interest Group of Metropolitan Authorities) and the Liverpool City Region which seek to ensure that those local authorities with a low income from business rates and a high level of Government grant support are not adversely affected.**
- (3) That this Committee expresses its concern that the business rate option, as understood, places Wirral in a difficult situation unless other funding streams replace them and that these concerns be referred to Cabinet.**