



Department for
Communities and
Local Government

Clive Betts MP
Chair
Communities and Local
Government Select Committee
House of Commons
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The Rt Hon Sajid Javid MP
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Dr Clive,

Congratulations on your re-election as Chair of the Communities and Local Government Select Committee. I am writing in advance of the Committee's first meeting of this Parliament to update you on my Department's progress on business rates retention.

I remain committed to delivering our manifesto pledge to continue to give local government greater control over the money they raise. I believe that the fall of the Local Government Finance Bill when Parliament was dissolved in the run up to the General Election 2017 has afforded us an opportunity to take stock of the best way to proceed with local government finance reform. This involves working with the sector to make sure we reach the best overall solution.

It is vital that progress is not delayed while we review options and that a lack of primary legislation does not mean a lack of action; I therefore plan to deliver a staged approach. This will begin imminently. I include a copy of our prospectus inviting Local Authority bids to pilot greater rates retention, which was published on 1 September. Further to this, I have requested that my officials work with the LGA steering and working groups to identify:

- The optimal way to deliver reform without primary legislation, both to deliver further business rates retention and to improve the current system as soon as possible;

- A longer-term reform programme, including items which might require primary legislation.

I will, of course, keep the Committee informed as to our progress and look forward to your important contribution to the local government finance reform programme.



THE RT HON SAJID JAVID MP