



Ministry of Housing,
Communities &
Local Government

Clive Betts MP
Chair, Housing, Communities and Local
Government Committee
House of Commons
SW1A 0AA

The Rt Hon Sajid Javid MP
*Secretary of State for Housing,
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Dear Clive,

LOCAL GOVERNMENT FINANCE: REVIEW OF GOVERNANCE AND PROCESSES

In my Written Ministerial Statement of 20 March in relation to local government finance, I announced the Government's intention to commission an independent review of the internal processes and procedures that underpin my department's governance of the business rates system.

I announced the review in light of recent issues with the business rates retention system, especially recognising the growing importance of business rates to the financial sustainability of local government. As we move towards the local government retaining 75 per cent of locally collected business rates from April 2020, it is a priority of mine to ensure that the business rates retention system operates as smoothly as possible, with the scope for error minimalised. I therefore proposed that the review should include my department's policy decision-making, analysis and modelling.

Yesterday afternoon, my department published the Terms of Reference for the review, which can found on our website:

<https://www.gov.uk/government/news/sajid-javid-announces-details-of-review-of-local-government-finance-governance-and-processes>

The review will be led by former Director General for Public Services at Her Majesty's Treasury, Andrew Hudson. Andrew has also previously held the position of chief executive of the Valuation Office Agency, as well as having worked in local

government and has significant experience of working at the interface of policy and operations.

I expect work on the review to continue to progress at pace and hope to be able to confirm details on the planned timetable for the review shortly. I can confirm that once completed it is my intention for the review to be published and I will of course update the Committee once further details of the review have been finalised.

A handwritten signature in black ink, appearing to be 'S. Javid'.

RT HON SAJID JAVID MP