
SPECIAL MOTION NO.4 – BUSINESS RATES AND LOCAL GOVERNMENT FINANCE

Standing in the names of:

- (i) Councillor Andrew Jones
- (ii) Councillor Max Schmid

This Council notes that:

From 2010, annual government funding to the London Borough of Hammersmith and Fulham has been reduced by £83 million.

Over the same period, central government has imposed £13.5 millions of unfunded new burdens on the Council.

Since the end of 2015/16, the government no longer pays a grant to councils that freeze or cut council tax.

Annual funding is forecast to reduce by a further £19 million from 2017/18 to 2020/21.

In October 2015, the Government announced that by 2020 local authorities would keep 100 per cent of the business rates they raise locally. A consultation was concluded in February 2017 on the proposals and a Local Government Finance Bill was published.

As of April 2017, there were advanced discussions between the Department of Communities and Local Government to pilot business rates localization in London from April 2018.

Following the recent general election, on 26 June 2017 an agreement was reached between the government and the Democratic Unionist Party that provided £1 billion extra funding to Northern Ireland over two years.

A similar funding injection, on a per capita basis, for Hammersmith and Fulham would deliver just over £100 million of spending in the borough over two years.

On 27 June 2017 the government presented a Queen's Speech that dropped the Local Government Finance Bill from the legislative programme for the next two years. No plans to address the significant gap in funding for social care and local government more widely were proposed.

The Conservative Local Government Association chair, Lord Porter, said: “It is hugely concerning that the government has not reintroduced the Local Government Finance Bill in the Queen’s Speech.”

The council resolves to write to the Prime Minister and Chancellor of the Exchequer to:

- Detail the significant cuts in funding to the borough at the same time as the council has faced demographic and government-imposed spend pressures;
- Explain the damage caused by ongoing government indecision over local government finance to forward financial planning;
- Call on the government to rapidly make clear its plans for funding local government that address the well-recognised funding gap and, in the interim, to abandon any plans to reduce further the Revenue Support Grant; and
- Ask the government to set out how the further funding announced for Northern Ireland will translate to proportionate further funding for Hammersmith and Fulham and other authorities in Great Britain, in line with the Barnett formula.