



Editor
Local Government Chronicle

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Redistributed Non Domestic Rates

I read with interest your story of the 15 December, headlined “Missing business rates plot thickens”. I am afraid the only mystery is that there is no black hole. As the Local Government Association will know, the Government decided how much formula grant my Department would give to local government for the next four years in the Spending Review, published in October. That formula grant amount is made up of redistributed non domestic rates and Revenue Support Grant. If the amount of redistributed non domestic rates goes up one year, the amount of Revenue Support Grant goes down; and vice versa. This does not affect the amount of grant going to local government at all.

In any case, I do not expect the Government to run the current system where business rates are collected locally, pooled and redistributed to local authorities, for much longer. I hope to make rapid progress towards localising business rates with the intention that from 2013, local government will be able to keep what they collect. I will commence a Local Government Resource Review in January to look at this.

BOB NEILL MP