

LYONS INQUIRY

into Local Government

Room 3/12

1 Horse Guards Road

London SW1A 2HQ

Tel: 020 7270 5214

Fax: 020 7451 7673

SirMichaelLyons@lyonsinquiry.org

15th December 2005

Dear Stakeholder

I am writing to inform you that today I have published a consultation paper and interim report on my Inquiry into Local Government. The document is available to download on www.lyonsinquiry.org.

Part 1 of the report sets out how I intend to approach my extended remit to consider the role and function of local government. It seeks evidence and views on the key issues. In particular, the report seeks views on the strategic role of local government - referred to as "place-shaping", the role of devolution and decentralisation in delivering services, and ways in which the pressures on local services could be better managed. It also raises questions about the scope for a new and clearer agreement between local and central government as the basis for a way forward.

Part 2 sets out issues arising from my work to date on the funding of local government. The annexes to the report include the results of analytical work on the impact of a range of illustrative options for the reform of council tax, and a summary of the responses received so far relating to my initial remit on local government funding. I am also publishing submissions received by organisations and the research commissioned by the Inquiry to date. I would value further comments and evidence in the context of my extended remit, but am particularly seeking responses to the questions within the report by **Monday 13 March 2006**.

Local government has always had a major and unique role to play in helping to define and deliver successful communities, making decisions and trade-offs on behalf of all local people, and developing a strategic view of the area and its future. Local government is not just about the provision or enabling of services. It is about shaping successful communities that are socially cohesive, economically vibrant and able to exercise choice and celebrate their distinctiveness.

But, if local government is to fulfill this role effectively as we face the challenges of the 21st century, we need to develop a better understanding of what local government is responsible for. This requires a better understanding of what the public want – as citizens, service users and taxpayers. It also requires a debate about some hard choices:

How can we get the right balance between national standards and local variation? How can we most appropriately balance what the public want and what they are willing to pay for, and in doing so how can we manage pressures more effectively? And who should be accountable for what? I hope local authorities will engage in this debate with their own communities and at the national level and in the New Year I will be talking directly with local government to see how this might best be effected.

From Sir Michael Lyons.

The Lyons Inquiry into Local Government: an independent inquiry jointly commissioned by the Deputy Prime Minister and Chancellor of the Exchequer

LYONS INQUIRY

into Local Government

Room 3/12

1 Horse Guards Road

London SW1A 2HQ

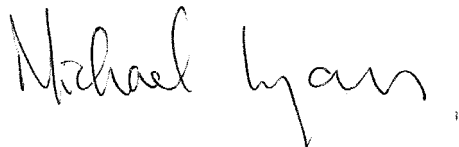
Tel: 020 7270 5214

Fax: 020 7451 7673

SirMichaelLyons@lyonsinquiry.org

Greater clarity about what local government does will be key to developing robust recommendations on funding reforms as the basis for a sustainable and effective funding system for improved local services. I will return to issues of funding in my final report to ministers at the end of 2006. I hope that you will continue to engage with my Inquiry throughout this process.

Yours sincerely

A handwritten signature in cursive script that reads "Michael Lyons".

Sir Michael Lyons

From Sir Michael Lyons.

The Lyons Inquiry into Local Government: an independent inquiry jointly commissioned by the Deputy Prime Minister and Chancellor of the Exchequer