

Our Ref Tech4/MW/el/MW1771

Sir Michael Lyons
Lyons Inquiry into Local Government
Room 3/12
1 Horse Guards Road
London
SW1A 2HQ

31 August 2006

Dear Sir Michael

Lyons Inquiry

CIPFA has made substantive and considerable response to date to your inquiry, which we hope has been of assistance. We would be delighted to work with you and others in taking forward positive changes as outcomes to your inquiry.

I am enclosing two further papers, which it is hoped will be of interest to you, together with a further copy of our summary response to the inquiry dated March 2006.

The following are attached:

- (a) A note of the experiences of the international delegation, which was arranged through the CIPFA Local Government Policy Panel, to the Government Finance Officers' Association (GFOA), the body that represents state, provisional and local government finance officers in the United States of America. Our delegation was particularly interested in exploring the use of bond issues for capital schemes, and alternative revenue sources – including sales, income, property and other taxes – that are used in North American local governments. Our intention was to feed in the impressions gained to your review, and these are attached.
- (b) A summary extract from a discussion paper that CIPFA published in 2002 on the role that depreciation could play in local government finance. This could provide an important step forward in financing and funding local authority fixed assets.

(c) A copy of our submission to you in March 2006.

Yours sincerely

Maureen Wellen
Assistant Director
Local Government Finance and Policy

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