

SUE ESSEX AM

Minister for Finance, Local Government and Public Services
Y Gweinidog dros Gyllid, Llywodraeth Leol a Gwasanaethau Cyhoeddus

Q4 OAG 38300 (SUPPLEMENTARY)

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Your ref:



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29th October 2004

Dear Dai

POLICE FUNDING AND THE LYONS' INQUIRY

In Plenary on 13 October 2004 you asked whether the Lyon's Inquiry would be considering the way in which police authorities are funded. At the time, I stated I did not think so but that I would check whether or not this was the case.

I can confirm that the Terms of Reference (attached) of the Inquiry do not specifically include consideration of the funding of police authorities. However, it will look widely at the system of local government funding which may result in some implications for police authorities but this is a matter for Sir Michael to determine during the course of his inquiries.

Best wishes,

Sue Essex



BUDDSODDWR MEWN POBL
INVESTOR IN PEOPLE

Terms of Reference for the Lyons' Inquiry

The inquiry will be led by Sir Michael Lyons and will report by the end of 2005 to the Deputy Prime Minister and the Chancellor of the Exchequer.

The inquiry will:

- consider, in the light of the report by the Balance of Funding review, the detailed case for changes to the present system of local government funding;
- make recommendations on any changes that are necessary and how to implement them; and
- take evidence from stakeholders.

In particular, the inquiry will:

- make recommendations on how best to reform council tax, taking into account the forthcoming revaluation of domestic property;
- assess the case both for providing local authorities with increased flexibility to raise additional revenue and for making a significant shift in the current balance of funding;
- conduct thorough analysis of options other than council tax for local authorities to raise supplementary revenue, including local income tax, reform of non-domestic rates and other possible local taxes and charges, as well as the possible combination of such options; and
- consider the implications for the financing of possible elected regional assemblies.

The inquiry will also consider, as appropriate, any implications that its recommendations have for other parts of the United Kingdom.