

Outline Proposed Responses to Consultation Questions¹

Question 1. What are your views on the updated Settlement Funding Assessment (SFA) resulting in zero allocations, and the use of mitigations to avoid zero allocations?

(Free text)

- ***Smoothing the transition to new arrangements is appropriate given the magnitude of the changes proposed***

Question 2. Do you agree with how the government proposes to determine the Council of the Isles of Scilly's Settlement Funding Assessment?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

- ***Neither agree nor disagree***

Question 3. Do you agree with the government's plans to simplify the grant landscape?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

- ***We agree with simplification is to be welcomed***
- ***We however disagree with simplification that leads to national or local cash funding reductions***

Question 4. Do you agree with the formulae for individual services the government proposes to include?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

- ***Neither agree nor disagree***

Question 5. Do you agree with the areas of need the government proposes to no longer include in the assessment through the Foundation Formula? (These are 'fixed costs' and 'legacy capital finance'.)

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

- ***Neither agree nor disagree***

Question 6. Do you agree with the government's approach to calculating the control total shares for the relative needs formulae? (i.e. based on their relative proportion of the total national net current expenditure)

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

- ***Agree***
- ***Agree, as this enables local areas to understand the total allocated nationally for each element of the formula, as a way to interpret government thinking and to benchmark local service shares of budgets.***

¹ [L: Address details and list of consultation questions - GOV.UK](#)

Question 7. Do you agree with the Labour Cost Adjustment (LCA) and Rates Cost Adjustment (RCA) equations set out in this chapter?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

- **Agree**

Question 8. What are your views on the proposed approach to the Area Cost Adjustment (ACA)?

(Free text)

- **Agreeable (much of this has already been considered in earlier iterations of the Fair Funding review)**

Question 9. Do you agree or disagree with the inclusion of the Remoteness Adjustment?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Do you have any evidence to support or contradict the theory that rural areas face additional costs due to separation from major markets? (Free text)

- **Agree (this – partially – replaces Rural Services Delivery Grant)**

Question 10. Do you agree with the government's proposal to set a notional Council Tax level at the national average level, to achieve the objective of full equalisation?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

- **Neither agree nor disagree**
- **This Council fundamentally disagrees with the principal of redistribution at this scale. While the rationale for notional Council Tax and equalisation between areas is understood, this is already achieved through the 'top-up' and 'tariff' amounts applied in the Settlement Funding Assessment (whereby this Council loses £4.7m of local ratepayers contributions to a wider national redistribution – to the detriment of those residents).**

Question 11. Do you agree with the government's proposal to fully include the impact of mandatory discounts and exemptions in the measure of taxbase?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

- **Agree**
- **Mandatory discounts and exemptions affect the net collectible debit value for each Council, and so must be included to properly reflect the opportunity of each council to generate resources.**

Question 12. Do you agree with the government's proposal to use statistical methods to proxy for the impact of Working Age Local Council Tax Support in the measure of taxbase?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

- **Agree**

Question 13. What are your views on the proposed statistical approach to proxy for the impact of Working Age Local Council Tax Support?

(Free text)

- **none**

Question 14. Do you agree with the government's proposal to assume that authorities make no use of their discretionary discount and premium schemes in the measure of taxbase?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

- **agree**
- ***Councils will have time to adapt local schemes as may be necessary within the 3 year implementation timetable set out in the consultation***

Question 15. Do you agree with the government's proposal to apply a uniform Council Tax collection rate assumption to all authorities?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

- **Disagree**
- ***Collection rates arise as a result of a range of local factors including for example relative affluence or deprivation, the level of local population change ('churn' of resident arrivals and departures), local employment opportunities, and the presence of significant employers, student populations, or other local economic factors. Some councils will struggle to reach a target collection rate set uniformly; others will easily exceed it. This will create ongoing 'winners' and 'losers' that will become part of the landscape of local government, negating the government's declared objective of aligning resources and demand. It would be preferable to relate the collection rate to the historic average in the council area or local region.***

Question 16. Do you agree with the government's proposal to split or allocate the resource adjustment in multi-tier areas according to the average share in council tax receipts in multi-tier areas?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

- **Agree**

Question 17. Noting a potential trade-off of an increased levy charged on business rate growth for some local authorities, do you agree that the level of Safety Net protection should increase for 2026-27?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

- **Agree**
- ***Increasing protection is sensible to smooth transition to new funding arrangements***

Question 18. Do you agree with the government's proposal to end the New Homes Bonus in the LGFS from 2026-27 and return the funding currently allocated to the Bonus to the core Settlement, distributed via the updated Settlement Funding Assessment?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

- **Disagree**
- ***This should be phased over 3 years in the same way as the other proposed changes.***

Question 19. What measures could the government use to incentivise local authorities to specifically support affordable and sub-market housing?

(Free text)

- ***Subsidy to borrowing which is specific to delivery of such housing, e.g. through HRA***
- ***Provision of funding similar to Discretionary Housing Allowances that is specific to such housing types***
- ***Allocation of support to registered housing providers***

Question 20. Are there any further flexibilities that you think could support local decision-making during the transitional period?

(Free text)

- ***None***

Question 21. What are the safeguards that would need to go alongside any additional flexibilities?

(Free text)

- ***NA***

Question 22. Do you agree or disagree that we should move local authorities to their updated allocations over the three-year multi-year Settlement?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including the impact this measure could have on local authorities' financial sustainability and service provision. (Free text)

- ***Agree***
- ***Having clarity over the trajectory of funding will support early planning within medium term resource limits***

Question 23. Do you agree or disagree that we should use a funding floor to protect as many local authorities' income as possible, at flat cash in each year of the Settlement?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including on: (i) the level of protection or income baseline, considerate of the trade-off with allocating funding according to the updated assessment of need and resources; and (ii) the possible impacts on local authorities' financial sustainability and service provision. (Free text)

- ***Neither agree nor disagree***
- ***This Council agrees that a funding floor should be applied, but disagrees that it should be 'flat cash'; we believe it should a real terms funding floor, i.e. linked to a standard inflationary measure. Failure to adopt a 'real terms' funding floor will unfairly penalise some councils, leaving us subject to unfunded inflationary pressures simply to maintain existing services. 'Flat cash' funding can be expected to lead to service reductions to residents in many services and geographies.***

Question 24. Do you agree or disagree with including projections on residential population?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

- ***Agree – but this should be a consistent methodology nationally and independently validated***

Question 25. Do you agree or disagree with including projections on Council Tax level?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

- ***Agree, assuming this refers to the individual charge received by a resident (as opposed to the net collectible debit) to avoid duplicating other measures (such as the collection rate, and exemptions or discounts)***

Question 26. Do you agree or disagree with including projections on Council Tax base?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

- **Agree – but this must be based on actual billable properties, not on planned delivery. A value taken from the average CTB1 value in prior years is preferable to anything related to the Local Plan**

Question 27. Please provide any additional information, including any explanation or evidence for your response and any views on technical delivery. If you agree, what is your preferred method of projecting residential population, Council Tax level and Council Tax base?

(Free text)

- **Resident population – extrapolation of actual current populations (e.g. from ONS data), taking twice as many historic years as the number of future years being projected.**
- **Council Tax Level – government has already indicated an assumption that all councils take up the opportunity to the maximum available under the referendum threshold.**
- **Council Tax Base – should be based on actual taxbase (CTB1) updated annually nationally. Planning delivery objectives should not be used as these are not robust enough for the purpose of annual financial planning and are frequently subject to unforeseen delays.**

Question 28. Do you agree with the above approach to determining allocations for areas which reorganise into a single unitary authority along existing geographic boundaries?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

- **Agree (the outcomes of consultation should not prefer pre- or post-reorganisation structures, nor different authority types that are not undergoing reorganisation).**

Question 29. Do you agree that, where areas are reorganising into multiple new unitary authorities, they should agree a proposal for the division of existing funding locally based on any guidance set out by central government?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any supporting information, including any further information areas would find helpful in guidance. (Free text)

- **Disagree**
- **Allocations should be based on the same principles for all councils whether or not they are subject to reorganisation. Local discretion to divide funding in other ways will generate significant additional cost as officers and members undertake processes of planning, modelling, decision making and implementation, none of which will lead to benefits for local residents. Greater value for local residents will be achieved by providing clear resource estimates from which councils can rapidly progress to service delivery in residents' interests.**

Question 30. Do you agree that the government should work to reduce unnecessary or disproportionate burden created by statutory duties?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

If you agree, what specific areas of statutory duties impose significant burden without significant value for residents? (Free text)

- **Disagree**

Question 31. Do you agree with the proposed framework outlined at paragraph 11.2.3 for assessing whether a fee should be changed? (these are: Impacts on working people; Impacts on persons who share particular protected characteristics under the Equality Act 2010, compared to those who do not; Impacts on businesses; Behavioural impacts, for example if changes to the fee level would act as a disincentive to using the service; and the quality, potential for improvement, and financial sustainability of the service).

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, for example any additional criteria which would strengthen the above assessment framework, and any data which would be used to assess against additional criteria. (Free text)

- **Disagree**
- ***Most fees and charges are levied at lower tier level. Where fees and charges are discretionary, the process for making these decisions is best left to local councils to determine. Officers and Members are experienced in supporting and advising on these decisions. To outline a proposed framework is a further reduction on local flexibility on these matters – despite government controlled charges representing around 50% of the quantum of receipts in unitary councils, and despite this consultations acknowledgement that government charge rates have not been updated sufficiently in recent years.***

Question 32. The government invites views from respondents on how best to balance the need to maintain fee values and the original policy intent of the fee whilst minimising cost of living impacts for service users.

(Free text)

- ***Government need only reiterate that fees and charges should be calculated based upon full cost recovery (i.e. inclusive of direct service delivery costs, indirect service management costs, and a proportion of central 'overhead' costs). Fees and charges should not be calculated on the basis of creating a surplus or profit, and some services may be subsidised as they enable costs in other areas to be avoided (e.g. preventative measures).***

Question 33. Do you agree that the measures above provide an effective balance between protecting charge payers from excessive increases, while providing authorities with greater control over local revenue raising?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide a rationale or your response. We are also interested in any further mechanisms which could be applied to fees that are updated or devolved, that will help strike a balance between those objectives. (Free text)

- **Disagree**
- ***It is unclear how government could effectively regulate newly imposed frameworks effectively as it has no infrastructure through which to achieve this, and has no demonstrable track record of effective delivery where it already has these powers.***

Question 34. Do you agree that we should take action to update fees before exploring options to devolve certain fees to local government in the longer term?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

- **Agree**
- ***There are a range of areas (e.g. planning fees, building control fees) where centrally determined policy changes are affecting the ability of councils to recruit and retain staff based on current charges (e.g. building control officers are currently hard to recruit, and must often be recruited on an interim basis at a cost premium in order to be compliant with newly introduced guidelines).***

- **Government needs to stabilise these fee charging areas before delegating them to councils.**

Question 35. Do you agree or disagree that these are the right Relative Needs Indicators? Are there any other Relative Needs Indicators we should consider? Note that we will not be able to add additional indicators for a 2026-27 update.

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Are there any other Relative Needs Indicators we should consider? Note that we will not be able to add additional indicators for a 2026-27 update. (Free text)

- **Disagree**
- **Government should consider longer term approaches to General Fund housing responsibilities such as rough sleeper support and homelessness, as well as temporary accommodation. Longer term funding based on evidenced demand pressures (through routine data collections) will stabilise housing function, to the benefit of service users (who, otherwise, are likely to present in other public agencies with more pronounced needs) as well as residents and businesses.**

Question 36. Do you agree or disagree with including population projections in the ASC formula, when published, that have been rebased using Census 2021 data?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

- **Agree**
- **This is consistent with the use of the latest available data to ensure that funding allocations keep pace with local needs.**

Question 37. Do you agree or disagree with our proposal to include a Low-Income Adjustment (LIA) for the older adults component of the ASC RNF model?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

- **Agree**
- **This is consistent with the use of the latest available data to ensure that funding allocations keep pace with local needs. It is also consistent with caution around fees and charges (i.e. for self-funded care) and the relative ability of councils to raise funds in this way.**

Question 38. Do you agree or disagree that the overall ASC RNF should combine the two component allocation shares using weights derived from the national ASC net current expenditure data on younger and older adults (in this case 2023 to 2024)?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

If you disagree, what other weightings would you use? Please provide details for why you would use these weights and what data it would be based on? (Free text)

- **Agree**

Question 39. Do you agree that ethnicity should be removed as a variable in the CYPS formula?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please explain your reasoning.. (Free text)

- **Neither agree nor disagree**

Question 40. Do you agree overall that the new formula represents an accurate assessment of need for children and family services?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please share any reflections or suggested changes. (Free text)

- **Neither agree nor disagree**

Question 41. Do you believe that the components of daytime population inflow should be weighted to reflect their relative impact on demand for services?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

- **Agree**

Question 42. Do you agree with/have any comments on the design of the Foundation Formula?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

- **Agree**

Question 43. Do you agree with/have any comments on the design of the Fire and Rescue Formula?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

- **Neither agree nor disagree**

Question 44. Do you agree with/have any comments on the design of the formula for Highways Maintenance?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

- **Agree**
- ***Previous calculations on funding for maintenance have prioritised between different classifications of roads, penalising unfairly councils with larger proportions of unclassified roads. Unclassified roads nevertheless provide vital connections for local residents and business going about their daily lives, so must be equally weighted. Local Councils can then prioritise the quality (estimated life) of repairs, balancing available funds and the weight of traffic on unclassified roads appropriately.***

Question 45. Do you agree with/have any comments on the design of the formula for Home-to-School-Transport?

Agree – Neither agree nor disagree – Disagree – No view (Choose one option)

Please provide any additional information, including any explanation or evidence for your response. (Free text)

- **Agree**

Question 46. Do you have any views on the potential impacts of the proposals in this consultation on persons who share a protected characteristic?

(Free text)

- **Neither agree nor disagree**