

Local Government Finance Settlement 2019-20: Technical Consultation

Question 1

Do you agree that the Government should confirm the final year of the 4-year offer as set out in 2016-17?

No

Additional comments:

The County Council reluctantly signed up to the 4-year offer, in the hope that it might at least create a back-stop to any further steep declines in government funding. Given the Council's very low level of government funding, it urges the government to urgently address the current funding position and to introduce a much fairer solution as quickly as possible.

The County Council has planned prudently to achieve budgets within the constraints of the offer, which will require significant savings to be made.

The Government needs to address the acute financial position faced by many local authorities by allocating funding to the lowest funded authorities in 2019/20, prior to the implementation of the Fair Funding Review.

The County Council looks forward to further consultations on the Fair Funding Review and views the general direction indicated at this stage positively.

The LGF Settlement in recent years has been announced relatively late in December. An earlier announcement would be welcomed.

Question 2

Do you agree with the council tax referendum principles proposed by the Government for 2019-20?

No

Additional comments

It is useful to have early sight of the Government's intentions for 2019/20 as this will aid authorities with their medium term financial planning. However, the Council would urge the Government to allow greater latitude for Councils to consider more significant increases before triggering a referendum, allowing council tax payers to hold Councils to account via local elections.

Question 3

Do you agree with the Government's preferred approach that Negative RSG is eliminated in full via forgone business rates receipts in 2019-20?

No

Additional comments

The County Council is a gainer from the abolition of negative RSG and many of the councils impacted by Negative RSG are amongst the lowest funded, but not all are, including many District Councils. If the Government can effectively find c£150m in additional funding (as has been the case in recent years), that funding could be allocated in a far more targeted way to the lowest funded authorities.

Question 4

If you disagree with the Government's preferred approach to Negative RSG please express your preference for an alternative option. If you believe there is an alternative mechanism for dealing with Negative RSG not explored in the consultation document please provide further detail.

See above

Question 5

Do you have any comments on the impact of the proposals for the 2019-20 settlement outlined in this consultation document on persons who share a protected characteristic? Please provide evidence to support your comments.

Yes

Additional comments

The funding reductions clearly have an impact on services provided to the people of Leicestershire, many of whom have a protected characteristic. The current unfair distribution of funding means that the impact of funding reductions on services varies by geography.

New Homes Bonus Grant

The Technical Consultation includes some details on NHB, including the possibility of an increased baseline for 2019/20 and further consultation on NHB from 2020 onwards. There are no specific questions in the consultation but the County Council would continue to urge that priority is given to providing additional funding for social care (adult and children) and that the 80%/20% split between Districts and Counties be reversed.