

## **REVENUE SUPPORT GRANT – RESPONSE TO CONSULTATION PAPER**

*(The comments of the Resources Scrutiny Committee were considered by the Cabinet).*

### **Decision of the Cabinet on 3<sup>rd</sup> September:**

- (a) That subject to (b) and (c) below approval be given to the response to the Government's consultation on RSG;
- (b) That with regard to the comments of the Resources Scrutiny Committee, the Scrutiny Commission on 4 September be advised:
  - (i) That the Cabinet agrees it would be desirable to have cross-party consensus on the response to the consultation process;
  - (ii) That the Cabinet notes the Committee is particularly concerned about the Government's proposals in relation to Education funding and Resource Equalisation and shares these concerns;
  - (iii) That it is intended to work with the County Councils Network, the F40 Group of the lowest funded education authorities and the Northern Alliance of County Councils in order to secure a fairer grant system. The proposed response takes account of views of these groups;
  - (iv) That the only real alternatives to the options on Resource Equalisation are the status quo or for the Government to provide extra funding. This is an issue of principle as to whether some authorities should be expected to subsidise other authorities on the basis of actual spending rather than need as determined by the SSA.

In relation to Education, the F40 Group is proposing a new option 5 for education which is a refined version of option 2. This is likely to be an option which is beneficial to the County Council although the Area Cost element of the F40 Group's option 5 may not be the optimum for Leicestershire. Alternatively, the formula could be based on the current work on activity costing to determine a proper level of basic funding;

- (c) That the Director of Resources, in consultation with the Leader, be authorised to agree amendments to the response in the light of consideration of comments by the Resources Scrutiny Committee, the Scrutiny Commission and any other information which becomes available prior to its submission to the Office of the Deputy Prime Minister.