

Consultation response pro-forma

Provisional Local Government Finance Settlement 2020-21

If you are responding to this consultation by email or in writing, please reply using this questionnaire pro-forma, which should be read alongside the consultation document.

You should save the pro-forma on your own device, from which you can complete the survey at your own pace and submit when you are ready.

There are 8 questions. You do not have to answer every question should you not wish to.

Should you wish to attach further evidence or supporting information, you may attach and send this with the pro-forma.

Please **email responses to:**

LGSettlement@communities.gov.uk

Alternatively, **written responses should be sent to:**

Local Government Finance Settlement Team
Ministry of Housing, Communities and Local Government
2nd floor, Fry Building
2 Marsham Street
London
SW1P 4DF

Your opinions are valuable to us. Thank you for taking the time to read the consultation document and respond.

Your Details (Required details are marked with an asterisk (*))

Full Name*	LISA TAYLOR
Organisation*	London Borough of Croydon
Address*	Bernard Weatherill House – floor 7 D
Address 2	8 Mint Walk
Town/City*	Croydon
Postcode*	CR0 1EA
Country	
Email address*	lisa.taylor@croydon.gov.uk
Phone Number	0208 760 5786 x61438

Consultation response pro-forma

Are the views Expressed on this form an official response from a:

London Borough

Croydon Council welcomes the opportunity to respond to the Government's consultation on the Provisional Local Government Finance Settlement 2020/21.

Whilst we welcome the additional funding that has been confirmed as part of the provisional settlement, this has to be seen in the context of a 76% real terms reduction in our government funding.

Furthermore, we do remain concerned about the level of certainty this one year settlement provides and would welcome a settlement that focuses on the medium term next year please.

In addition, we continue to be extremely concerned about the level of funding for local government in general and the increasing pressures we are facing, notably in the areas of Adults and Children's Social care, Homelessness and Housing Need which substantially exceed the increase in our Spending Power, even if we increase council tax and precept by the maximum.

We continue to be concerned about the continued failure to fully fund Croydon for Unaccompanied Asylum Seeking Children and the additional burden this, and associated obligations, puts on this authority's budget. The shortfall of this funding now represents over 3% of our core spending power.

Question 1

Do you agree with the Government's proposed methodology for the distribution of Revenue Support Grant in 2020-21?

Yes with reservations

Additional comments

Croydon Council agrees with the proposed approach to distributing the Revenue Support Grant in 2020/21 as an interim measure. We would however welcome greater certainty on the timeline for implementing a multiyear settlement, which would enable us to have a greater focus on medium term planning. We remain concerned that the drivers in the formula, e.g. population, deprivation, other aspects of need, are woefully out of date (some data is that over a decade old) and so does not accurately reflect Croydon's needs.

Consultation response pro-forma

Question 2

Do you agree with the Government's proposal to eliminate negative RSG?

Yes

Additional comments

Whilst we are not a negative RSG authority we do feel that the funding system for local government needs to be reviewed as the current system is too complex and no longer fit for purpose.

Question 3

Do you agree with the proposed package of council tax referendum principles for 2020-21?

No

Additional comments

We do not agree with the proposed package of council tax referendum principles for 2020/21. Given the level of financial pressures local authorities are facing we are disappointed that the ability to increase locally determine Council Tax has been reduced and that local council tax can now only be increased by 2% rather than the previous 3% without a referendum. Given that council tax is the only locally determined tax we believe that the referendum limit should be removed completely and that local authorities should be allowed to increase taxes as necessary to manage local spending pressures and enable us greater flexibility to deliver much needed services. In addition, with the RPI currently sitting above 2% and costs in London (as illustrated by London Living Wage) rising substantially more than that, this is effectively a real-terms reduction in council tax.

Consultation response pro-forma

Question 4

Do you agree with the Government's proposals for the Social Care Grant in 2020-21?

Yes with reservations

Additional comments

Croydon Council welcomes the much needed additional funding for adult social care and the fact that the grant will not be ring-fenced. It does not reflect, however, even the one-year increase in need in this service area, especially as some 2019/20 grants in this area of responsibility have not been renewed.

We disagree with the method proposed for distributing funding for both children and adults being solely based on adults social care relative needs formula. If the funding is for pressures in both adults and children's social care the distribution formula should reflect the relative needs in both cohorts.

We are interested to understand the governments rational for distributing funding using this method, especially as we believe that using both adults and children's relative needs formula would result in Croydon receiving much needed additional grant.

Question 5

Do you agree with the Government's proposals for iBCF in 2020-21?

Yes

Additional comments

We agree with the proposal to continue IBCF funding but are disappointed that the level of funding remains at 2019/20 rates for 2020/21 and has not been increased.

The continuation of the Winter Pressures grant and the removal of the ring-fence is welcomed.

However, we are currently unclear on the on the reporting arrangements and would welcome greater clarity please.

Consultation response pro-forma

Question 6

Do you agree with the Government's proposal to fund the New Homes Bonus in 2020-21 with the planned £900 million from Revenue Support Grant, with additional funding being secured from departmental resources, and to allocate the funds in line with previous years but with no legacy payments?

Yes

Additional comments

Yes, we welcome the Government's proposal to fund the proposed new round of New Homes Bonus and are pleased that the government has chosen not to increase the 0.4% baseline threshold above which the bonus applies.

We are however, disappointed that any new allocations will not result in the legacy payments being made in subsequent years.

We welcome the commitment to consult widely on any future NHB reforms and urge that the government provides certainty regarding the future scheme as soon as possible.

Question 7

Do you agree with the Government's proposed approach to paying £81 million Rural Services Delivery Grant in 2020-21 to the upper quartile of local authorities, based on the super-sparsity indicator?

No

Additional comments

Croydon Council does not agree with the approach to paying the Rural Services Delivery Grant via this method. We believe that this funding could be distributed more fairly across all local authorities on the basis of need.

We are disappointed that while the government is recognising that funding for rural areas needs to be increased it has failed to consider the unique pressures urban areas such as London and Croydon in particular face.

Consultation response pro-forma

Question 8

Do you have any comments on the impact of the proposals for the 2020-21 settlement outlined in this consultation document on persons who share a protected characteristic, and on the draft equality statement published alongside this consultation document? Please provide evidence to support your comments.

No

Additional comments