

Consultation response pro-forma

Provisional Local Government Finance Settlement 2021-22

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 9 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:**

LGfsettlement@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 (*))

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

London Borough.

We welcome the opportunity to comment on the 2021/22 provisional local government finance settlement consultation and the above inflation uplift in overall funding. We are disappointed the vast majority (85%) of the uplift will fall directly on council tax-payers through assumed council tax increases.

We believe the overall increase in core spending power should have come from central government funding rather than leaving councils with little choice but to raise council tax by the maximum amount, with so much pressure already on residents struggling through the pandemic.

Question 1

Do you agree with the Government's proposed methodology for the distribution of Revenue Support Grant in 2021-22?

Yes

Additional comments

Croydon Council agrees with the proposed approach to distributing the Revenue Support Grant in 2021/22. We would welcome greater certainty with a multiyear settlement, which would enable us to have a greater focus on medium term financial planning.

We do remain concerned that the drivers in the formula, e.g. population, deprivation, other aspects of need, are out of date and so does not accurately reflect Croydon's needs.

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Question 2

Do you agree with the proposed package of council tax referendum principles for 2021-22?

No

Additional comments

We do not agree with the proposed package of council tax referendum principles for 2021/22. Council tax is the only locally determined tax and local authorities must have full flexibility in how it is used as well as how it is set that strikes the appropriate balance between local needs and local resources. Capping creates significant central control over the only locally determined tax.

Given that the Adult Social Care Precept is proposed to continue for a further year, we would urge the Government to allow full flexibility for it to be spent on both adult and children's social care.

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Question 3

Do you agree with the Government's proposals for the Social Care Grant in 2021-22?

Yes

Additional comments

The additional £300 million uplift in funding for social care is welcome and much needed. We also welcome the fact that the Social Care Grant will remain unringfenced, and conditions or reporting requirements will not be attached.

However, we continue to disagree with the proposed method for distributing funding for both children and adult social care using solely the adult social care relative needs formula. If the intention is for this funding to alleviate pressure on both adult and children's social care, its distribution should reflect relative levels of needs in both services.

We note that this settlement represents a continuation of a short-term approach to social care funding. We therefore welcome the Government's commitment to set out its long-awaited visions for social care reform in 2021, and look forward to engaging with this process.

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Question 4

Do you agree with the Government's proposals for iBCF in 2021-22?

Yes

Additional comments

We welcome the continuation of the iBCF and agree with the proposals.

Consultation response pro-forma**Question 5**

Do you agree with the Government's proposals for New Homes Bonus in 2021-22?

Yes

Additional comments

We welcome the proposed New Homes Bonus allocations. We are however disappointed in the reduction of this funding stream, and the phasing out of legacy payments. The forthcoming consultation, is an important step towards providing more certainty regarding the future of the scheme, and we look forward to inputting on any future reforms.

Consultation response pro-forma**Question 6**

Do you agree with the Government's proposal for a new Lower Tier Services Grant, with a minimum funding floor so that no authority sees an annual reduction in Core Spending Power?

Yes

Additional comments

We welcome the Lower Tier Services Grant, as it provides a much-needed funding increase for service areas that have been hit hard by pandemic (including homelessness and leisure services). We also agree in principle with a no loss principle that a minimum funding floor implements.

Consultation response pro-forma**Question 7**

Do you agree with the Government's proposals for Rural Services Delivery Grant in 2021-22?

No

Additional comments

Croydon Council disagrees with the provision of additional funding to rural areas through this mechanism. All funding allocated through this separate grant could have been distributed more fairly across all local authorities in England based on proven need.

The additional funding for rural areas raises questions about the adequacy of funding for urban areas, particularly the impact of population underestimation, high levels of mobility, and the increased potential for Covid transmission in densely populated areas. If the Government is minded to further recognise some of the financial pressure on rural authorities, we believe that it is reasonable to expect further consideration to be given to the unique pressures faced by urban areas such as London, including Croydon.

Consultation response pro-forma**Question 8**

Do you have any comments on the Government's plan not to publish Visible Lines?

Yes

Additional comments

We agree with the removal of visible lines from the settlement which, as stated in the consultation document, are notional as the core settlement is not ring fenced. We question why this decision has been taken now, and not last year, when the underlying logic (removing decisions taken in previous spending reviews) has not changed.

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Question 9

Do you have any comments on the impact of the proposals for the 2021-22 settlement outlined in this consultation document on persons who share a protected characteristic, and on the draft equality statement published alongside the consultation document? Please provide evidence to support your comments.

No comment

Additional comments