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Submitted to Provisional local government finance settlement 2025-26 consultation
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Introduction

What is your name?

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Who is this an official response from?

Select from the following:
Local Authority Association or special interest group

Name of organisation:
Rural Services Network

What is your position?

Position/job title:
Chief Executive

Distribution of the Settlement Funding Assessment

1 Do you agree with the government's proposals for the Settlement Funding Assessment, including payment of Revenue Support grant and the basis of calculation of tariffs and top ups, in 2025-26?

No

Please explain your answer:

No - This has been a hugely disappointing settlement for rural authorities. The RSN strongly opposes the decisions taken by ministers to cut the funding for rural authorities. In particular, the decision to abolish Rural Services Delivery Grant (RSDG) without any engagement or consultation with the affected authorities is particularly egregious.
Many of our member authorities are angered by the decision to abolish RSDG, and by the lack of proper process and will, no doubt, be considering whether there are further options that they can take to challenge the decision. Whilst ministers do have discretion over funding decisions, those decisions must be made in a rational and impartial manner. Affected authorities should at least have been given the opportunity to make representations. The late communication of this decision has left rural authorities with insufficient time to resolve a significant, additional funding shortfall increasing the challenge of setting a balanced budget for 2025/26.

The decision to reduce funding for rural authorities had clearly been taken before the provisional settlement and was announced in the Policy Statement (28 November 2024). There was no consultation on this decision, and no evidence has been offered to support the decision. This demonstrates very clearly that ministers have taken decisions in a prejudicial manner.
RSDG was introduced in 2013-14 to compensate rural authorities for the impact of damping in the 2013-14 settlement. In that year, the weighting for sparsity had been increased by ministers in response to the evidence that rural authorities had presented about their "needs" and spending pressures. But, although the "needs" assessments for rural authorities were increased in the settlement, these gains were wiped-out by the impact of damping. Over 10 years later, no subsequent changes have been made to allow those "needs" assessments to flow through to rural authorities, and so it is reasonable for rural authorities to expect the compensation funding to continue as well.
Rural authorities are fully aware that the funding reforms expected in 2026-27 will change funding distribution, and that RSDG might well have been rolled into Settlement Funding Assessment (SFA) at that time. However, there will be a full process over the next 12 months for the new funding distribution to be determined, with authorities given the opportunity to present their own evidence and to challenge that put forward by the government. If it were part of the proposed changes to the formula in 2026/27 it would be subject to the Transitional Arrangements and, furthermore, this timeframe would enable authorities to consider changes in funding allocations in a managed way, as part of medium term financial planning.
We are also aware that there are proposals to remove some of the sparsity indicators within the funding formula in 2026-27, and instead to fund the additional unit costs in rural areas via the Area Cost Adjustment (ACA). Whilst we might challenge those proposals, we will engage in the process over the coming year. Furthermore, the cuts in rural funding in 2025-26 have been implemented before the changes in ACA (which will increase rural funding), which will only take place in 2026-27.
What is unacceptable is for ministers' conclusions to be implemented before they have gone through the proper processes.
We do not agree with the proposal to increase 2024-25 Revenue Support Grant levels as set out. Simply increasing by CPI will not address the increased service demands faced by local government, address the historic underfunding (especially in rural areas) nor meet the other above inflationary costs local authorities will have to meet. Those include the fact that the increases in Employers National Insurance contributions are not fully funded by the

Government and those increases from third-party suppliers are not funded at all. In addition, the increase in the National Living Wage is in excess of CPI. We have member authorities for example who are only being reimbursed a third of the actual cost of the NI costs, resulting in a £433,000 shortfall that they had not budgeted for in 2025-2026. This is a significant budget implication for councils who may therefore have to make cuts to services to fund this shortfall.
In addition, as set out below, we do not support the Government's proposals for the distribution of the total quantum to individual authorities as proposed in the Consultation. Under the proposals Core Spending Power in predominantly urban areas is 4.34% (£48.51) higher per head than it is in predominantly rural areas – this ignores the fact that it costs more to provide services across rural areas than elsewhere. In addition, rural residents are further penalised. On average those in predominantly rural areas will pay 19.54% (£117.38) more per head in council tax than their urban counterparts - this despite lower workplace-based earnings in rural areas and higher costs-of-living.
In the rural context it is inevitable that there will be significant reductions in services – which are already seriously depleted compared to other areas.
In that context it is important that we again point out that for 2023/24 Predominantly Rural Councils only budgeted to spend £77.30 per head across so-called discretionary services whilst Predominantly Urban Councils budgeted to spend £162.00 per head (almost 110% more)
The RSN supports the proposals for uprating the elements within the Settlement Funding Assessment, and for compensating authorities for freezing the multiplier in the usual way.

Funding simplification

2 Do you agree with the government's proposals to consolidate grants into the local government finance settlement in 2025-26?

No

Please explain your answer:

Whilst the aim of simplifying the local government funding landscape is laudable, simplicity must not be at the expenses of accuracy, transparency, and accountability.
In particular, we do not support the consolidation of the Extended Rights to Home to School Transport grant – which at £54 million is hugely more than the other 3 grants proposed for consolidation.
The Extended Rights to Home to School Transport grant is particularly important for Councils serving rural areas as the per pupil amounts in 2024/25 show – this is a clear acceptance of extra costs due to rurality. If this grant is consolidated its transparency will 'get lost' in the generality of Revenue Support Grant (RSG). The existing formula for the distribution of RSG is biased against rural areas.
It would be helpful if authorities had more advance notice of the grants that are going to be rolled in. Furthermore, we would prefer grants to be rolled in when there are updates to funding distribution rather than small numbers of grants every year, which just makes the settlement more complicated every year.

Council Tax

3 Do you agree with the proposed package of council tax referendum principles for 2025-26?

No

Please explain your answer:

The £5 limit (without a referendum) relative to District Councils and Fire and rescue authorities should be increased. For District Councils it was first set at that level in 2016/17 and to reflect inflation should now be circa £7.25. It would then be for local leaders to decide whether or not to apply such an increase in whole or in part.
The general approach to council tax requires significant reform particularly in light of the redistribution of grant funding in 2025/26. The repurposing of funding from rural areas to metropolitan areas, funded in part by the abolition of Rural Service Delivery Grant, means that rural counties are increasingly reliant on locally raised taxes. For many local authorities, it is absolutely necessary to increase council tax to the maximum level because they receive less grant.
The inclusion of council tax income in headline Core Spending Power (CSP) figures quoted in the settlement does not clearly set out that the majority of any CSP increase is attributable to an assumed maximum increase in council tax. In rural areas, if authorities do not increase council tax by the maximum rate, they will not achieve the CSP increase reported in the settlement. This assumption of maximum council tax levels, penalises residents in rural areas who already pay more in council tax per head than residents in urban areas.

Recovery Grant

4 Do you agree with the government's proposals to introduce a new Recovery Grant for 2025-26?

No

Please explain your answer:

The RSN strongly opposes the way that the Recovery Grant has been distributed.
Rural authorities only received £22.8m (3.8% of the total available), and most of these were shire district councils. Of the rural upper-tier councils, only 2 (Cumberland and Durham) received any payments, amounting to only £15.3m. No rural county council will receive any payments.
Again, we are disappointed that there was no prior consultation on the methodology used to distribute this grant. This is a concerning precedent for the wider funding reforms that will be developed over the next 12 months. It is good practice to consult with the sector, to share proposals and evidence, and to respond to feedback. Without that process, there will always be the suspicion that decisions are being made without due evidence or process – and there is a risk that errors are made in the formulas. Those concerns certainly apply to the development of the distribution of Recovery Grant.

It is premature in the extreme to introduce such a significant and highly targeted grant change (which is biased against rural councils) ahead of the review of the formula itself to be undertaken next year and implemented in 2026/27. This is particularly as it is, in part, funded by the repurposing of the Rural Services Delivery Grant. Introducing it for 2025/26 is a massive blow for rural councils.
The application of the 3% cap appears to be entirely arbitrary. How was this cap set, and on what basis? Its only purpose appears to reduce the excessive pre-cap payments to the authorities with the highest levels of deprivation. This suggests that the underlying formula that has been used is deficient.
Some of our member authorities have concerns about the way the tier splits have been calculated in two-tier areas. The methodology has favoured shire district councils rather than shire county councils. These authorities are representing the same communities, with the same taxbase, and we would have thought the authorities in these areas should have had a more balanced distribution of the funding.
No allocations have been made to fire authorities, even though they are part of the settlement, and receive all the other grants within the settlement (except New Homes Bonus). Why did ministers decide to exclude fire authorities?
To consider how much in monetary terms urban councils lost through the austerity years and beyond without also considering how much they had to start with and have this year is not an appropriate way of comparing the government funding support for those councils compared to their rural counterparts. Government funded spending power (which excludes Council Tax) per head of population is the only true comparison of the relative position of urban compared to rural councils in terms of government grant support for the provision of local services.

GFSP per head
Pred Rural Pred Urban Gap

2015/16 335.48 450.78 115.30
2016/17 301.51 403.44 101.93
2017/18 282.36 386.84 104.48
2018/19 263.44 368.38 104.94
2019/20 258.12 361.30 103.18
2020/21 278.70 384.10 105.40
2021/22 282.36 391.22 108.86
2022/23 315.97 435.14 119.17
2023/24 365.61 500.06 134.45
2024/25 399.08 540.12 141.03
2025/26 407.32 573.51 166.19

As can be seen over the 10-year period 2015/2016 to 2024/25 the gap between Government Funded Spending Power per head in predominantly urban areas compared with predominantly rural areas increased by 22.32% (in urban's favour).
Based on the 2025/26 Provisional Settlement, the gap between rural and urban from 15-16 to 25-26 has increased further to 44.13%. This is completely unacceptable and is without any evidence having been produced to support such a huge change.
The previous allocation of Rural Services Delivery Grant recognised the specific challenges and increased financial pressures in delivering services in a rural authority: provider market insufficiency, a higher proportion of older residents with increased demand for services, limited access to health and support services, difficulties in the recruitment of health care and social workers and greater distances to access residents increasing costs in the provision of waste services, transport and social care.

The allocation of RSDG has been critical in supporting these costs for rural authority costs and funding has been directed each year to deliver services to residents and has not been used to increase reserve balances.

Analysis of local authority reserves was conducted by the Association of Local Authority Treasurers (ALATS) in 2023 in response to the potential use of reserves to fund shortfalls in local authority budgets.

Review of the data collected to consider revenue reserves against RSDG allocations, shows no correlation between increased reserve levels and RSDG allocations. The analysis also confirms no significant difference in reserve balances across authorities in receipt of RSDG and those not; evidence that this funding has not been stockpiled by rural authorities to increase reserve balances but has been required to meet in-year expenditure.

Distributional analysis of the provisional settlement for 2025-2026 on rural authorities
Measure PR PU Gap (%) Calculation
Council Tax 718.10 600.72 19.54% (PR-PU)/PU
Spending Power 1,125.42 1,174.23 4.34% (PU-PR)/PR
Government Funded Spending Power
407.32 573.51 40.80% (PU-PR)/PR
Social Care Grants 157.56 182.40 15.76% (PU-PR)/PR
Recovery Grant 1.83 15.05 722.43% (PU-PR)/PR

As can be seen:
- Government Funded Spending Power in Predominantly Urban areas will be £573.51 per head compared to £407.32 in Predominantly Rural areas. Urban Councils will get a huge 40.80% (£166.19) more per head than rural.
- Council Tax per head will, on average, be 19.54% (circa £117) higher in rural areas than in urban areas (£718.10 compared to £600.72)
- Predominantly urban areas are to receive over 7 times more of the proposed Recovery Grant than predominantly rural areas.
The above is against the backdrop of a much older population across rural areas than the national average, the cost-of-living being higher across rural areas and workplace-based incomes much lower than the national average in rural areas.
No Recovery Grant is proposed for those rural areas whose needs were (at least in some way) reflected in the 2013/14 changes to the formula but in respect of which 75% (on average) of the benefit was denied – and remain denied over 10 years later - to those areas through damping and the formula having been frozen. Rural Services Delivery Grant (RSDG) in a way compensated for some of that but the 2025/26 proposals now remove that RSDG.
We have significant concerns about the use of the Index of Multiple Deprivation (IMD) to distribute funding in this context. The IMD is a composite index

with a range of different domains. There is no transparency about which are relevant for this grant, or whether the weighting of those domains within the overall index is appropriate for this grant. This use of IMD should have been the subject of a fuller consultation.
There has been no evidence published by the government to demonstrate that deprivation is the key factor for distributing funding to local government. Indeed, the research undertaken by MHCLG in 2018 suggested that deprivation "was not a major cost driver for the services included in the Foundation Formula". The same research found that population was overwhelmingly the most important factor, driving 88% of the variation of upper-tier costs in the Foundation Formula, and 84% of the lower-tier costs. What evidence has the department seen since 2018 that would lead it to change its conclusions about the relative importance of deprivation for distributing general funding to local government?
To use deprivation as the basis of the distribution of this fund is itself biased against rural areas. By targeting the £600m Recovery Grant on areas with high clusters of deprivation, the government is ignoring the fact deprivation is not the only driver of councils' costs nor the key indicator of which councils are under the most financial distress.
Rural deprivation is masked by existing deprivation measures. In this regard the English Indices of Deprivation (IoD) has been widely criticised for measuring deprivation in urban areas better than in rural areas. Critics of the IoD note that:
- Some measures it uses are urban-oriented, whilst rural aspects to issues such as low income, health and crime are under-reported or poorly measured;
- Access to services and affordable housing (key rural issues) is one domain, but is given less weight than most of the other domains;
- The Index is most effective at identifying small area concentrations of deprivation, whereas rural deprivation is typically scattered.

The government's FAQ webpage on the IoD indicates other limitations to its use. It notes:
- The IoD is a relative measure which ranks areas. It shows where one area is more deprived than another, but it does not indicate by how much. For example, an area ranked 200th worst is not half as deprived as an area ranked 100th worst;
- The IoD measures relative deprivation within areas, but all areas will have a mix of deprived and non-deprived individuals or households. It is not a suitable tool for targeting individuals;
- The IoD measures those who are deprived but does not indicate whether the rest of an area's population is just above or well above the deprivation threshold. As such, an area could rank very deprived, whilst also containing many affluent residents.

The following table summarises those things covered by the Statistical Digest of Rural England, DEFRA (2024 Version) that can reasonably be said to relate to deprivation: it does not report on other statistics, such as those on population profiles, business demographics and employment sectors.

Digest section Rural is more deprived
Housing Failure to meet Decent Homes Standard
Health and wellbeing
Suicide rates (age standardised)
Residents seen by NHS dentist
Practising dentists (per population)
Waiting times to see a GP
Communities and households
Some aspects of Household expenditure – e.g. transport costs
Connectivity and accessibility
Availability of broadband (esp. Gigabit)
Availability of mobile networks
Journey length to secondary education
Minimum travel time to services (all types)
Minimum travel time to employment centres
Choice of accessible services and employment centres
Education, qualifications, and training
SEND EHC children attending state funded special school
Sixth form pupils progressing to university
Rural economy
Employee earnings (workplace based)
Productivity (GVA per workforce job)
Starting up a business (per population)
Energy
Fuel poor households (LILLEE) –
Poverty gap for fuel poor households
Low housing energy efficiency (EPC)
Domestic energy costs

More people live in rural areas than do so in the whole of Greater London. They pay the same in Income Tax, National Insurance and VAT and yet receive far less in terms of support for their Council services whilst paying more in Council Tax for those services. The proposals in this Consultation are 'rural blind' and demonstrably unfair. Government Policy and strategy should not assume that they will benefit all areas of the country equally but should explore the differential impact in different geographical areas and adjust accordingly.
Everyone deserves access to the public services that they need, irrespective of their postcode, and targeting funding only at those areas with high concentration for example of deprivation, means that it ignores residents living in deprivation in rural, more sparsely populated areas. This consultation has resulted in a system which means that these residents are currently less valued by the Government. Rural Local Authorities should receive a settlement that enables them to deliver services to meet the needs of their communities as do other non-rural councils.

Distribution of adult and children's social care resources

5 Do you agree with the government's proposals on funding for social care as part of the local government finance settlement in 2025-26?

No

Please explain your answer:

Our starting point here is that over £92M of the £110M (84%) Rural Services Delivery Grant in 2024/25 was allocated to council with social care responsibilities so that funding will be lost from 2025/26 under the proposals. For these upper tier authorities, the lost RSDG will not be picked up by the funding floor guarantee -it is a genuine loss of funding.
Under the Provisional Settlement proposals on average predominantly urban areas will receive 15.76% (£13.36) per head more in social care grants [Children's Social Care Prevention Grant, Local Authority Better Care Grant, Social Care Grant and Market Sustainability and Improvement Grant Combined] than predominantly rural councils.

6 Do you agree with the government's proposal to allocate £250 million in a new Children's Social Care Prevention Grant to invest in family help?

No

Please explain your answer:

Whilst we welcome the creation of the fund the distribution of the fund shows predominantly urban areas receiving £5.23 per head compared to £2.54 in predominantly rural areas which at 106% higher feels wrong. The process and the methodology once again has some very serious shortcomings. Research was undertaken by LG Futures 5 years ago, and it is reasonable that this research is shared with local government. We do not know how the government has used the research. The explanatory note only says that this "builds on" the research. This does not allow the sector to assess how the government has departed from the original research, whether this is justified, and the impact of those changes.

One rural authority – the Isles of Scilly Council – receives only £250 from the new grant. Such as small amount seems to be absurd and undermines the overall credibility of the grant.

Other grants – New Homes Bonus, Rural Services Delivery Grant, Services Grant and funding floor

7 Do you agree with the government's proposals for New Homes Bonus in 2025-26?

Yes

Please explain your answer:

We support the continuation of the New Homes Bonus (NHB) for a further year. Many of our member authorities rely on the NHB payments, and their withdrawal at short notice would have had significant financial consequences for those authorities.
Authorities now require some certainty about the future of this grant or about its replacement. There has been uncertainty since at least 2019, when the legacy payments were scrapped. The consultation paper published in February 2021 did not give any real guidance to authorities. So, some early direction on NHB or its replacement would be very welcome.

8 Do you agree with the government's proposals to repurpose grants in order to target funding where it is needed most in 2025-26?

No

Please explain your answer:

RSN disagrees in very strong terms with the proposals to repurpose grants within the settlement. There is no evidence to support distributing these funds via other grants (largely via Recovery Grant). Furthermore, there has been no prior consultation about making these changes, and their implications for the overall distribution of funding.

Rural Services Delivery Grant (RSDG).
No evidence has been produced by MHCLG to show that the grant should be abolished. This is a major change in the funding of rural authorities, and we would have expected the decision to have been supported by published evidence. In fact, the only statement explaining the decision (the written ministerial statement on 18 December 2024) itself refers to the "impact of rurality" on cost drivers . Does this not suggest that there should continue to be funding for sparsity and rurality?
There is a process for reviewing the distribution of "needs," including the additional costs in rural areas, which was only launched in December 2024, and should be followed before reaching any conclusions about an appropriate level of funding for rural authorities. In the 2018 consultation paper, MHCLG accepted that there were additional costs in rural areas and was proposing to fund these via the new ACA, which has yet to be implemented. We would strongly urge the government to wait until the conclusion of the Fair Funding Review before reaching any decision about changes in funding.
The impact on rural authorities is significant. Rural upper-tier authorities have the lowest increases in Core Spending Power in England. For these authorities, RSDG was equivalent to around 2.55% of Government Funded Spending Power – a significant proportion. This impacts on their ability to provide all their services, including adult's and children's social care. For many rural shire district councils, the loss of RSDG means that they are reliant on the Funding Floor, which in itself has been reduced considerably. Furthermore, the late communication of the unexpected decision to abolish RSDG has left rural authorities, already struggling to manage increased costs of service delivery and unparalleled growth in demand, with a further funding gap to resolve, in an impossible timeframe. in order to set a balanced budget for 2025/26.
The impact of abolishing RSDG on some of the most rural authorities is critical. For example, Rutland received almost 10.8% of its government funding from RSDG in 2024/25. Herefordshire received 8.5%, Shropshire 6.7% and North Yorkshire 6.9%. Incredibly, all of these social care authorities will see reductions in Government Funded Spending Power in 2025/26. Every single predominantly rural district received reductions in Government funding in 2025/26.

There were certainly weaknesses in the way that the RSDG was distributed. RSN has consistently argued that the distribution of funding should be spread across a wider range of rural and sparsely populated authorities. The RSN has never agreed that the extra costs of rurality just start at the boundaries of super sparse areas. There is a continuum of cost increases across various levels of rurality.
This is something that could have been developed and improved if the government had been willing to work with RSN – and we continue to make this offer to officials.
It is premature in the extreme to repurpose RSDG to introduce the Recovery Grant. ahead of the review of the formula itself to be undertaken next year and implemented in 2026/27. This an extremely significant and highly targeted proposal and biased against rural councils.
No Recovery Grant is proposed for those rural areas whose needs were (at least in some way) reflected in the 2013/14 changes to the formula but in respect of which 75% (on average) of the benefit was denied – and remain denied over 10 years later - to those areas through damping and the formula having been frozen. Rural Services Delivery Grant (RSDG) in a way compensated for some of that but the 2025/26 proposals now remove that RSDG.
The changes to the formula adopted from 2013/14 are:
1. Increasing the Older People's Personal Social Services sparsity adjustment.
2. Increasing the proportion accounted for by the District-Level EPCS (environmental, protection and cultural services) sparsity adjustment.
3. Reinstating the County-Level EPCS sparsity adjustment

The Government's 2012 Consultation which led to the 2013/14 changes stated: "The evidence appears to suggest that the areas most under-compensated by the current sparsity adjustments are those in extremely rural areas. The Government therefore proposes to change the weightings within the population sparsity indicator to provide additional funding to the super sparse areas (i.e. those with 0.5 or less residents per hectare)." In fact, the subsequent decisions relating to what is now RSDG didn't even allocate funding to all of the authorities exemplified in the 2012 consultation as benefitting from the formula changes.

We repeat that the government is ignoring the fact deprivation is not the only driver of councils' costs nor the key indicator of which councils are under the most financial distress.
RSDG in 2024/25 is worth just 0.38% of grant funding within the settlement. So, it is a relatively small element of the funding package as a whole – but, as shown earlier, for some rural authorities it is a huge element of their funding, and the disproportionate impact will be very significant.
For all but one upper tier authorities the lost RSDG is worth more than their maximum Council Tax Band D increase in 2025-26. The impact is much more severe on shire districts: there are 24 districts where the lost RSDG is worth more than their 2.99% Band D increase. 8 Councils would have to increase their Band D Council Tax by over 9% just to fund their RSDG loss.

Over 40% of RSN predominantly rural local authority member authorities are proposed to get a 0% increase in Core Spending Power.
This means:
- the increases in council tax which those authorities introduce will not give them any increased funding at all. It will just go to replace government funding spending power (at best).
- There is no funding in 2025/2026 to meet the extra costs associated with:
- general inflation
- salary/wage increases (including for those affected by the increase in the national living wage)
- Increased service demand
- cost increases passed on by third party contractors (including social care providers) because of their increased costs relating to employers National Insurance and national living wage increases)

To explain the proposal the Consultation states:
"The government proposes to repurpose the Rural Services Delivery Grant, which was worth £110 million in 2024-25. The Rural Services Delivery Grant does not properly account for rural need and a large number of predominantly rural councils receive nothing from it – that's clearly not right and a sign we need to allocate funding more effectively"
We accept that RSDG is not based on any formula relating to rural costs, but it has compensated for those costs. We have long argued that RSDG would not have been developed if the changes to the formula for sparsity determined in 2013/14 had been implemented in full (which they still have not been) and not damped away by an average of 75%
Then there is the phrase "a large number of predominantly rural councils receive nothing from it." So rather than give them something the proposal will take it away from everyone. As can be seen from what we say earlier the 2013/14 formula changes were never intended by the Government to apply to all predominantly rural authorities but just to "the super sparse areas (i.e. those with 0.5 or less residents per hectare)".

Services Grant.
RSN strongly disagrees with the decision to abolish the Services Grant. This grant was distributed using the existing Settlement Funding Assessment (SFA), which is the most comprehensive measure of the relative needs between authorities. It needs to be updated (but this process is underway and will conclude later this year). Distributing the £87m from the Services Grant through one of the other ad hoc grants that have been introduced in this year's settlement is not supported by any evidence and will result in scarce local government resources being used inefficiently.

Funding Floor (formerly the Minimum Funding Guarantee, MFG).
Again, RSN strongly disagrees with the decision to abolish the MFG. Although the Funding Floor remains in place, it provides much less financial support to those that need it. The level of support has been reduced from 4% of CSP to 0%, and now includes the maximum increase in Band D. There is a strong argument that no authority should have received less Government funding (as is the case with Rutland, North Yorkshire, Shropshire and Herefordshire)].
We call, for the re-instatement of some form of Minimum Funding Guarantee (rather than the 0% floor).

Impacts of these proposals

9 Do you have any comments on the impact of the proposals outlined in this consultation document on persons who share a protected characteristic?

Yes

Please identify which protected characteristic you believe will be impacted by the proposals, and provide evidence to support your comments.:

Whist where someone lives is not a protected characteristic, we believe it is imperative that every resident is treated fairly by government regardless of where they live and are afforded the same opportunities and access to services (at a similar cost). The Local Government and other Public Sector Funding Formulae as it currently stands, disadvantages rural residents – this is not fair. Rurality should therefore be addressed as if it were classed as a protective characteristic in the Public Sector Equality Duty.
In addition, according to the Rural Statistical Digest, published by DEFRA' the population in rural areas has a higher proportion of older people compared with urban areas.' The 'Rural population has a higher proportion of those aged 65 and over, at 25.4%, compared with the Urban population where 17.1% are 65 and over.'
This greater older population in rural areas, will be impacted by the proposals, which direct funding towards more urban areas which have a younger population. Councils providing services to residents in urban areas with a greater proportion of the younger population will receive 41% more in Government Funded Spending Power compared to rural areas. This may disproportionately disadvantage older residents as their councils may be limited financially in the services that they can provide.

The International Financial Reporting Standard 9

10 Do you agree with the government's proposal to not extend the IFRS 9 statutory override beyond its current end date of 31 March 2025?

No view

Please specify the financial impact, if any, on your council and any implications with respect to financial sustainability.: