

# Consultation: provisional local government finance settlement 2024 to 2025

## SDCT Draft Response

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Question 1: Do you agree with the government's proposed methodology for the distribution of the Revenue Support Grant in 2024-25?

The RSG formula is outdated and no longer fit for purpose, hence the long awaited Fair Funding Review. Increasing RSG levels in line with September CPI is a fair approach in the circumstances.

Question 2: Do you agree with the government's proposals to roll grants into the local government finance settlement in 2024-25?

No, by doing this there is the real risk that the reasons for those specific grants are lost together with the funding for those purposes when RSG is reviewed.

Question 3: Do you agree with the proposed package of council tax referendum principles for 2024-25?

The SDCT strongly believes that referendum limits for shire districts have lagged behind other areas over a number of years. Costs of providing, and the demand for essential front line services provided by district councils have risen significantly more than the 3% or £5 currently proposed, for example the annual pay award for most district and borough councils for 2024/25 is likely to significantly exceed the additional council tax raised.. The SDCT recommend that the referendum limit should be increased to £10.

Question 4: Do you agree with the Government's proposals to maintain the Funding Guarantee for 2024-25?

Yes although it could be higher for the same reasons as question 3. One essential front line service that is continuing to face significant pressure is around housing, especially the need for temporary accommodation where there is limited supply and severe competition for any available premises.

District councils provide a very wide range of services including some have a major impact on the health and wellbeing of residents, if these discretionary services are

reduced due to lack of funding, it will result in further costs further down the line for the social care and health services.

Question 5: Do you agree with the government's proposals on funding for social care as part of the local government finance settlement in 2024-25?

No response as not directly relevant to district councils.

Question 6: Do you agree with the government's proposals for New Homes Bonus in 2024-25?

The proposed approach is as expected, and reductions have been offset by increases to the Funding Guarantee. This has meant that there is no net reward for councils who have managed to achieve housing growth.

Question 7: Do you agree with the government's proposals for Rural Services Delivery Grant in 2024-25?

This does not impact all councils within SDCT, but additional funding is required in this area to reflect the extra costs faced by these councils who are impacted. Rural councils have had to increase council tax to balance the books and rural residents will now pay 20% (£112.57) more in council tax per head than urban residents.

Question 8: Do you agree with the government's proposals for Services Grant in 2024-25?

This has reduced to a very low level and is offset by increases in the Funding Guarantee. The statutory service pressures are not reducing therefore the small increase in core spending power fails to recognise the significant housing pressures such as temporary accommodation impacting particularly on districts and boroughs.

Question 9: Do you have any comments on the impact of the proposals outlined in this consultation document on persons who share a protected characteristic? Please provide evidence to support your comments.

No.

Question 10: Do you have any views about the government using levers in future local government finance settlements (those occurring after 2024-25) to disincentivise the so-called '4 day working week' and equivalent arrangements of part time work for full time pay?

Councils should be left to decide how they can provide the services they believe that their residents want in the best way with the limited resources they have available. It should not be dictated by central government.