

Question 1. What are your views on the updated SFA resulting in zero allocations, and the use of mitigations to avoid zero allocations?

This should not happen, it is unfair the local authority funding support should solely be the responsibility of the local Council Tax and Rate Payer.

In addition, the lower tier authority formulae contains several areas of key functions of Local Authority which are, often, subject to major variation. Waste Collection is often the largest area of lower tier spend that is not majorly supported by either grant or fees and charges and has seen major changes in both labour and fuel costs in recent years. The aggregation of this area into the overall lower tier formula could result in distortions in the share of this funding in future years.

Question 2. Do you agree with how the government proposes to determine the Council of the Isles of Scilly's Settlement Funding Assessment?

No view

Question 3. Do you agree with the government's plans to simplify the grant landscape?

Agree

Whilst the simplification of grants is welcome, service delivery uses these specific grant allocations for the planning of service delivery. With the rolling into the Settlement Funding Allocation, changes could result in difficult decisions if need has risen by more than the core funding allows.

Question 4. Do you agree with the formulae for individual services the government proposes to include?

disagree

The separation of Homelessness is welcomed but would ask that recognition is given to the home counties who are in direct competition for the provision of this service with London Boroughs who receive higher funding for accommodation whilst deferring other needs such as schooling to the location the family has been transferred to. In addition to this we would ask that there is no detrimental impact on Homelessness grants in that this is a major area of growth for district councils due to economic conditions and our competition with London Borough has resulted in higher than inflation growth in charges and higher demand for services.

In addition to this the areas of major spend with lower tier authorities has not been adequately addressed in that these costs are more subject to matters other than inflation.

We would also ask that the foundation blocks/data being used to calculate these allocations must be kept up to date using the latest Government returns rather than projections.

Question 5. Do you agree with the areas of need the government proposes to no longer include in the assessment through the Foundation Formula?

Neither agree nor disagree

Whilst this is not a current issue for the Council, the potential inheritance of larger debt balances from the creation of unitary authorities has not been addressed.

Question 6. Do you agree with the government's approach to calculating the control total shares for the relative needs formulae?

Neither agree nor disagree

It is felt that the consultation does not provide sufficient evidence to give an opinion at this stage but would ask that the methodology does use the most up to date information from Government returns on actual expenditure incurred.

Question 7. Do you agree with the Labour Cost Adjustment (LCA) and Rates Cost Adjustment (RCA) equations set out in this chapter?

Agree

Question 8. What are your views on the proposed approach to the Area Cost Adjustment (ACA)?

Agree with proposed approach

Question 9. Do you agree or disagree with the inclusion of the Remoteness Adjustment?

Neither agree nor disagree

With no worked examples this is difficult to assess.

Question 10. Do you agree with the government's proposal to set a notional Council Tax level at the national average level, to achieve the objective of full equalisation?

Agree

Question 11. Do you agree with the government's proposal to fully include the impact of mandatory discounts and exemptions in the measure of taxbase?

Agree

Question 12. Do you agree with the government's proposal to use statistical methods to proxy for the impact of Working Age Local Council Tax Support in the measure of taxbase?

Agree

Question 13. What are your views on the proposed statistical approach to proxy for the impact of Working Age Local Council Tax Support?

Unable to provide any opinion due to lack of information on this proposal

Question 14. Do you agree with the government's proposal to assume that authorities make no use of their discretionary discount and premium schemes in the measure of taxbase?

Agree

Question 15. Do you agree with the government's proposal to apply a uniform Council Tax collection rate assumption to all authorities?

Agree

However, these should be adjusted at times where national impacts, such as cost of living issues, could result in lower collection rates.

Question 16. Do you agree with the government's proposal to split or allocate the resource adjustment in multi-tier areas according to the average share in council tax receipts in multi-tier areas?

Agree

Suggest further work be carried out on areas containing Special Expenses and Drainage Board Levies as these form part of council tax used for referendum purposes, and in the case of the latter the authority has no control over the increases incurred.

Question 17. Noting a potential trade-off of an increased levy charged on business rate growth for some local authorities, do you agree that the level of Safety Net protection should increase for 2026-27?

Disagree

The safety net protection needs to be protected but not at the costs of higher risk being placed on a small number of local authorities

Question 18. Do you agree with the government's proposal to end the New Homes Bonus in the LGFS from 2026-27 and return the funding currently allocated to the Bonus to the core Settlement, distributed via the updated Settlement Funding Assessment?

Disagree

The council has benefited from the new homes bonus since its inception, the funds are used to support the base budget, particularly around some elements of one off costs incurred through property growth. The removal and subsequent replacement of this grant is likely to have a negative impact on the Councils finances.

Question 19. What measures could the government use to incentivise local authorities to specifically support affordable and sub-market housing?

Better funding or legislation to Councils to allow greater pressure on developers to contribute mandatory levels of affordable housing to support LHA's of RSL's.

Question 20. Are there any further flexibilities that you think could support local decision-making during the transitional period?

Not at this stage

Question 21. What are the safeguards that would need to go alongside any additional flexibilities?

None at this stage

Question 22. Do you agree or disagree that we should move local authorities to their updated allocations over the three-year multi-year Settlement?

Agree

Subject to phased approach

Question 23. Do you agree or disagree that we should use a funding floor to protect as many local authorities' income as possible, at flat cash in each year of the Settlement?

Agree

- (i) *Funding levels should be subject to a minimum guarantee such as CPI/RPI or Wage inflation.*

Question 24. Do you agree or disagree with including projections on residential population?

Disagree

Question 25. Do you agree or disagree with including projections on Council Tax level?

Disagree

Question 26. Do you agree or disagree with including projections on Council Tax base?

Disagree

Question 27. Please provide any additional information, including any explanation or evidence for your response and any views on technical delivery. If you agree, what is your preferred method of projecting residential population, Council Tax level and Council Tax base?

Current projection methods are a one size fits all, there should be greater use of information from returns made such as CTR1, these are more update and localised to the needs of the area.

Question 28. Do you agree with the above approach to determining allocations for areas which reorganise into a single unitary authority along existing geographic boundaries?

Agree

Question 29. Do you agree that, where areas are reorganising into multiple new unitary authorities, they should agree a proposal for the division of existing funding locally based on any guidance set out by central government?

Agree

Question 30. Do you agree that the government should work to reduce unnecessary or disproportionate burden created by statutory duties?

Agree

The consideration of the area of impact are as follows;

- Freedom of information and subject access requests, specifically where there are requested for area of revenue generation for third parties.*
- The costs of speculative Planning appeals.*
- Publication of notices within Local Newspapers rather than on Council Website.*
- Requirements of Accounts and Audit Inspection were considered necessary by International Audit Standards, but have no financial impact on the Council's financial standing or performance.*

Question 31. Do you agree with the proposed framework outlined at paragraph 11.2.3 for assessing whether a fee should be changed?

Disagree

Greater freedoms are required for local setting of fees and charges the move to national setting does not encourage areas for local democracy.

Question 32. The government invites views from respondents on how best to balance the need to maintain fee values and the original policy intent of the fee whilst minimising cost of living impacts for service users.

Service users should be charged for full price of service at a local rather than national level.

Question 33. Do you agree that the measures above provide an effective balance between protecting charge payers from excessive increases, while providing authorities with greater control over local revenue raising?

Neither agree nor disagree

Full cost recharging but over an average period.

Question 34. Do you agree that we should take action to update fees before exploring options to devolve certain fees to local government in the longer term?

Neither agree nor disagree

We accept that this burden will pass to Local Authorities but would ask that the transfer is made as soon as possible.

Question 35. Do you agree or disagree that these are the right Relative Needs Indicators? Are there any other Relative Needs Indicators we should consider? Note that we will not be able to add additional indicators for a 2026-27 update.

Agree

Question 36. Do you agree or disagree with including population projections in the ASC formula, when published, that have been rebased using Census 2021 data?

No view

Question 37. Do you agree or disagree with our proposal to include a Low-Income Adjustment (LIA) for the older adults component of the ASC RNF model?

No view

Question 38. Do you agree or disagree that the overall ASC RNF should combine the two component allocation shares using weights derived from the national ASC net current expenditure data on younger and older adults (in this case 2023 to 2024)?

No view

Question 39. Do you agree that ethnicity should be removed as a variable in the CYPS formula?

No view

Question 40. Do you agree overall that the new formula represents an accurate assessment of need for children and family services?

No view

Question 41. Do you believe that the components of daytime population inflow should be weighted to reflect their relative impact on demand for services?

Agree

Question 42. Do you agree with/have any comments on the design of the Foundation Formula?

Agree

Question 43. Do you agree with/have any comments on the design of the Fire and Rescue Formula?

No view

Question 44. Do you agree with/have any comments on the design of the formula for Highways Maintenance?

No view

Question 45. Do you agree with/have any comments on the design of the formula for Home-to-School-Transport?

No view

Question 46. Do you have any views on the potential impacts of the proposals in this consultation on persons who share a protected characteristic?

None