

Provisional LG Settlement 2025/26 – Consultation

SDCT Response

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

Many district/borough councils continue to receive no 'traditional' RSG but only rolled in grants which have now reduced as part of the process. This is a continuation of real term cuts.

Within the provisional settlement [ignoring the EPR bonus], the majority of district/borough councils are receiving a nil uplift as a result of the approach to the minimum guarantee funding nil increase for 2025/26.

We are not happy with the settlement with respect to NICS due to a) size of the pot at £515m compared to £637m LGA calculation and b) crude methodology, which will result in a number of district/borough councils being at least several hundred thousand pounds underfunded.

We request that Government agree to review how the allocations for 2025/26 compare to actual increase cost in 2025/26 and look at a better method to distribute in future years.

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

No

Past history suggests that this will result in cuts in later years.

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

No

Councils should have more freedom and flexibility to raise Council Tax. Those Councils in the lower quartile in particular have little flexibility to raise much more revenue via Council Tax increases and will always remain in the lower quartile. Political expedience and local pressures will ensure there is an equilibrium if such flexibilities are granted.

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

No

It may be a 'new' grant, but it is certainly not new money.

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 view.

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 view.

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

No view as district councils will have a range of individual views.

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

See previous answers.

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

No

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 as district councils will have a range of individual views.

Submitted xx/xx/xx

