

CONSULTATION RESPONSE – BURY COUNCIL

Question 1: Do you agree with the Government's proposal that local welfare provision funding of £129.6m should be identified within the settlement by creating a new element distributed in line with local welfare provision funding in 2014-15?

Representing the Local Welfare Provision (LWP) in this way in the Settlement is purely presentational.

The reality is that specific funding for LWP has been cut.

We would ask that the LWP grant is reinstated as a separate funding source, recognising the burden that has transferred to Authorities.

Question 2: Do you agree with the Government's proposal that the funding for the Improvement and Development Agency for Local Government for services to local government should be £23.4 million in 2015-16 ?

The Council's preference would be that maximum funds are directed to Local Authorities, allowing decisions to be made at a local level on a democratic and transparent basis.

Question 3: Do you agree with the Government's proposal to reduce the New Homes Bonus holdback from £1bn to £950m ?

We agree with the reduced level of hold back and the commitment to refund any surpluses to Local Authorities.

Question 4: Do you agree with the Government's proposal that the rural funding element should be increased from £11.5m as previously proposed, to £15.5m ?

This element has little impact for Bury, however we would welcome this area being examined as part of a wider review of the Settlement formula (see question 7).

Question 5: Do you agree with the Government's proposal to reduce the fire funding element of Revenue Support Grant for each fire and rescue authority, by an amount equal to 0.24% of the total pensionable pay for that authority ?

This has no direct impact for Bury Council, however we would wish to highlight the adverse effect this has on our Partners at Greater Manchester Fire and Rescue Service.

Question 6: Do you agree with the Government's proposal to compensate local authorities for the cap on the multiplier in 2015-16, calculated on the same basis as in 2014-15?

We agree that Local Authorities should be compensated for the decision to cap the Business Rates multiplier.

Question 7: Do you have any comments on the impact of the 2015-16 settlement on persons who share a protected characteristic, and on the draft Equality Statement?

We feel strongly that the Settlement is inequitable; both in terms of the Government funding (SFA) per head of population, and the reductions in SFA from 2014/15.

"Per Head"

Bury Council's SFA per head for 2015/16 will be **£330.24**; based upon the Provisional Settlement and ONS Mid 2013 Population data.

This compares to funding per head of **£385.37** nationally, and an average of **£365.00** for our nearest neighbour grouping.

This cannot be right – we are providing the same statutory services, recruiting staff from broadly the same "jobs market", and buying goods and services from the same local economy.

"Year on Year"

Bury will see a **14.94%** reduction in SFA between 2014/15 and 2015/16; this compares to an average national reduction of **13.91%**; clearly this is inequitable.

To address both of these concerns, the Council requests that a full review of the Settlement formulae is undertaken as a matter of urgency; once again, Bury Council is prepared to make staff time available to assist with this process.

"Spending Power"

Finally, we wish to take issue with the reported headline that Councils are losing **1.8%** in terms of "Spending Power".

From the DCLG's own calculations, Bury is losing **2.3%**; again clearly inequitable.

We strongly object to the notion of presenting the Settlement in terms of "Spending Power".

“Spending Power” includes all income streams, including Council Tax raised from residents, and Specific Grants – many of which have their own commitments, demand pressures, and terms and conditions which mean they are not available to support the wider Council budget.

The reality is that core Council Funding (Settlement Funding Assessment) has reduced by **14.94%** for Bury, compared to reductions of **13.91%** nationally.

We will be submitting a letter addressing wider issues as agreed in a telephone conference with Penny Mordaunt MP on 12th January 2015.