

AGENDA
SPARSE RURAL Sub SIG

Venue:- City of Westminster Archives Centre, 10 St Ann's Street, London SW1P 2DE

Date: Tuesday 27th June 2017

Time: 12 noon to 3.00 pm

Please note change of venue as the LGA is not available for meetings for a year.

The meeting is being held at the City of Westminster Archives, 10 St Ann's St, Westminster, London SW1P 2DE. Visitor information and a map for the venue can be found in the links below:

[City of Westminster Archives Centre Visitor Information](#)

[City of Westminster Archives Centre Map](#)

1. Apologies for absence
2. To confirm the minutes of the last meeting (Appendix A) held on the 30th January and to discuss any matters arising.
3. To receive the minutes of the Executive Meeting held on the 12th of June (Appendix B) and to discuss any matters arising.
4. To receive a report on the funding for other services urban v rural (Appendix C)
5. LOCAL GOVERNMENT FINANCE SEMINAR

It has been agreed that annually at this meeting we will hold this item in seminar style and in addition to appointed representatives Councillor Finance Portfolio Holders and Chief Finance Officers will also be specifically invited to attend.

The seminar will involve the team from Pixel Consulting Limited one of the few firms in the country who specifically major on the vexed area of Local Government Finance. Adrian Jenkins and Dan Bates will do the presentations.

Rural Service Network Seminar

"Fair Funding" Event, 27 June 2017

Introduction	Graham Biggs
"Fair Funding" – The Story So Far	Dan Bates

<p>The Government began its review of “needs” and funding last year. We will review the “Fair Funding” work to date, including the latest consultation paper on Fair Funding if this is available.</p> <p>Much of the ground work has already started in the Needs Working Group and in ALATS, where local government is trying to find a simpler approach to “needs” and common ground, where this is possible.</p> <p>With or without the consultation paper, the key lines of argument are already clear, and we investigate these and show the implications for rural authorities.</p>	
<p>How “Needs” Works Now</p> <p>Whilst “Fair Funding” seeks to find a different approach to funding local government, in reality the current funding regime will tell us much about the likely shape of the future funding regime.</p> <p>We review the methodology that is used currently, both for each “needs” block and for council tax equalisation. We will examine the two main approaches that are currently used (cost-based and regression-based) and see how these might inform the new funding formulae.</p>	Adrian Jenkins
<p>Funding for Rural Areas – Recent Trends</p> <p>Every year, Pixel undertakes analysis of the funding received by rural authorities. It shows the funding per head received by rural authorities compared to urban authorities. Recently it has showed a widening of the funding gap. Dan will explore these recent trends, and the likely change in funding for rural areas up until 2019-20.</p>	Dan Bates
<p>Forecasting “Needs” and Funding for Rural Areas</p> <p>Pixel has developed a model that can be used to forecast retained rates, council tax and Government funding over a period of 10+ years. We will use this model to indicate the potential resources available to rural authorities, and to indicate the potential share of</p>	Adrian Jenkins

<p>funding and resources in the new system. Changes in “needs” will represent one element of rural authorities’ share of resources, but increasingly growth in taxbase (and equalisation of those taxbases) will have an even greater bearing on the resources that rural authorities are able to spend.</p> <p>As part of this session, we will show the impact of different funding approaches, and isolate the key decisions for rural authorities.</p>	
<p>Next Steps for Rural Funding</p> <p>In this session we will outline the agenda for the coming months, and the work that will be required to support funding for rural authorities in the short term and the longer term.</p> <p>Short term: Transition Grant, Maximising Rural Services Delivery Grant</p> <p>For the longer term agenda, rural authorities need to engage with the Fair Funding consultation paper, and with the proposals for equalising the council tax and business rates taxbases.</p> <p>Practical steps?</p>	Dan Bates
<p>Summing Up</p>	Graham Biggs

It is suggested at the conclusion of this seminar we jointly need to consider the following:-

1. General Election 2017
We attach a note on the relevant areas of the main party manifestos and we will consider this and the situation arising from the result. The meeting will need to consider whether any changes in policy and overall direction are likely to result from the Election and whether in turn RSN strategy needs to be reviewed at all.
(Attachment D)
2. T Settlements

- (a) We will consider with Pixel in the seminar and here the position arising from the final settlement of the 2016/2017 and 017/18 settlement and what can be learnt from events occurring in those processes.

We will need now to consider because of delays occurring to the Business Rate timetable by the Election process the Rural Fair Share Group position in respect of the 2018/19 Settlement.

3. Getting the Rural Local Authority Voice Across in respect of the 18/19 Settlement.

MPs are telling us that the Local Authority voice was louder in 15/16 than in 16/17 and that very much assisted the MPs to be able to put pressure on Government resulting in an unprecedented change between Provisional and Final Settlement in early 2016. However the Transitional Relief awarded in 2016 will not be present at all in the currently planned 2018/19 settlement and the Rural Services Delivery Grant some of our authorities received while present will be at a significantly lower level. We are very much aware that despite what is said by the MPS practically local authorities are finding the further cuts extremely difficult and that services are being affected as a result. This part of the meeting will give detailed consideration on what action RSN needs to take to give all member local authorities to express to government their singular and joint concern about the position that will occur in 2018/19 in rural areas unless Government makes rural areas a special case. We will discuss how this should be attempted to be done.

6. Any Other Business for the meeting as a whole.

Additional Papers – CIPFA FAS Post-Election Analysis

Appendix A

Notes of SPARSE Rural Special Interest Group meeting 30 January 2017

Title: SPARSE Rural Special Interest Group

Date: 30 January 2017

Venue: City of Westminster Archives Centre, London

Attendance:

An attendance list is attached as Appendix A to this note.

Apologies for absence:

A list of apologies is attached as Appendix B to this note.

Minutes from SPARSE Rural SIG AGM (21 November 2016)

The notes of the AGM were approved.

Minutes from Executive meeting (9 January 2017)

The notes of the Executive were approved.

Provisional Settlement

Dan Bates reprised a presentation given to MPs in Parliament House earlier in January. The following points were noted:

- Rural taxpayers will pay higher costs and endure higher council tax.
- The move by the government to include the Council Tax base had resulted in higher cuts in rural areas compared to urban.
- Transition grant had so far remained the same this year and the Rural Services Delivery Grant (RSDG) is falling. This means that the gap is bigger with rural authorities suffering a larger reduction than urban authorities.
- The cumulative loss due to the factoring of council tax into grant far outweighs RSDG – a loss of £242 million across predominantly rural Local authorities.
- The effective government policy is that:
 - **rural** taxpayers will pay much higher and increasing levels of Council Tax to fund local services;
 - **rural** taxpayers will pay for a much greater proportion of the additional resources required to address the Adult Social Care crisis.
- Individual analyses will be available from RSN for each local authority over the coming days and will be sent to both members and Fair Share Group MPs.
- Additional Social Care resources – Improved Better Care Fund, Adult Social Care Support Grant (diverted from New Homes Bonus) and additional flexibility on Adult

Social Care Council Tax Precept – have resulted in funds flowing into urban areas whilst in rural areas this will be funded largely from increased Council Tax. The effective government policy is that:

- **rural** taxpayers will pay for a much greater proportion of the additional resources required to address the Adult Social Care crisis.

At the end of the ensuing discussion it was concluded that whilst many local authorities are approaching the generation of increased income and reduced costs with great innovation, the fact remains that available funds from government should be distributed fairly. This point should be pursued vigorously by everyone with their local MPs.

Rural Fair Share Group

Graham Biggs updated the meeting on the progress made with the Rural Fair Share Group. Following the appointment of Graham Stuart as a whip, a new chair and members had been appointed in October. The RSN chair and officials met with James Heappy (chair of Fair Shares Group) and Steve Double on 9 January 2017 followed by a meeting of the Group attended by 20 MPs/MP researchers. MPs noted that this year they were receiving little pressure from their respective local authorities with regard to the provisional settlement.

Other meetings had also taken place including a meeting between the RSN chair and officials and the Local Government Minister and there was a forthcoming meeting of several conservative MPs with the Secretary of State to which Graham Biggs and Dan Bates had been invited to attend.

It was agreed that following the success of last year – Transition Grant for 2 years and RSDG front end loaded – 2017/18 should be used as a period to identify where cuts will fall next year and paint a clear picture of the consequences of these cuts. This would require the provision of information from member local authorities. It was noted that, in some cases, this information may be provided on an anonymous basis due to need to address different audiences with these key messages.

It was agreed that this form the main topic for the July SPARSE meeting and that local authority treasurers also be invited to this meeting.

Future Directions report

It was agreed that regular updates are provided to the group with regard to progress with elements of this report with a focus on specific issues at each meeting (within the scope of resources available).

The Sparse Rural meetings would in future look at the public finance situation across the spectrum of public sector services but clearly detailed work to try to improve any position could only be undertaken if resource became available to take such work forward. Kerry Booth and Dan Worth would be involved in this overview work.

Meetings were taking place with the University of Gloucestershire about a possible 'Rural Meeting' very two years to arrive at consensus views on issues affecting rural areas. Reports would be given to the Rural Assembly on this work.

It was noted that a meeting had been set up with CCN, DCN, ACRE & NALC to explore whether a collective view can be achieved to provide a strong single rural voice in relation to Brexit. If successful, there will be a second round of discussions with the CLA, NFU and other potential partners. West Lindsey's Chief Executive has kindly offered support with this work.

Business Rate retention

It was noted that a number of pilots have gone forward (all involving administrations involved in devolution). These are the forerunners of the full business rate retention system. Revenue Support Grant, RSDG, Highways maintenance, Integrated Transport Block, Bus Operators Grant are all transferring as part of the pilots (mostly transport funding) along with other elements including Local Growth Fund.

It was further noted that the Local Government Finance Bill has been published and that there is currently no planned joint work with DCN/CCN on the business rates issues at present.

Vulnerability

David Inman introduced this report emphasising the huge impact on rural areas of both an ageing population whilst at the same time a reduction in the number of young people remaining in rural areas.

It was suggested that focussed discussion concerning rural vulnerability takes place twice per annum prior to the Rural Assembly meetings at the Health and Social Care Meetings and that a 'Rural Vulnerability day' is sought to be organised in parliament each year.

The need to build on 'safeguarding' work which already takes place on a limited basis with utility companies supporting Rural England was emphasised. Far more detailed proposals (and accompanying leaflet illustrating them) were circulated. These it was considered would achieve a concentrated programme of work with Power Distributors, Power Providers and Water Companies as the right way for this increasing problem to be tackled. The proposals were formally agreed. It was acknowledged however that the scale of work able to be undertaken would have to be determined by the level of resource raised from the utility companies but every effort would be made to make this a successful appeal.

Any Other Business

- The chairman raised concerns regarding the impact of cuts on schools with small numbers and it was acknowledged that the picture with regard to education was very uneven across local authorities.

- It was noted that many rural businesses were suffering significant increases in business rate charges, an issue recently highlighted by a Countryside Alliance press release. It was agreed that Graham Biggs draft a press release from RSN after the meeting.
- It was agreed that RSN support a motion developed by West Lindsey District Council requesting a rural weighting in relation to rural GPs.
- It was also noted that £47 million of the £60 million Community Housing Fund announced by government on 23 December 2016 had been allocated to RSN member local authorities.

Dates for next meetings

RSN Executive	– Monday 13 March
Social care & health group	– Monday 10 April
Rural Assembly	– Monday 10 April
Executive	– Monday 12 June
SPARSE Rural	– Monday 10 July
Executive	– Monday 25 September
Social care & health group	– Monday 20 November
RSN, Rural Assembly & RSP AGMs	– Monday 20 November

APPENDIX A: Attendance for Sparse Rural Sub Sig Meeting

30th January 2017

Name	Organisation
CLlr Cecilia Motley	RSN Chair
Graham Biggs	RSN
David Inman	RSN
Andy Dean	RSN
CLlr Cameron Clark	Sevenoaks District Council
CLlr David Ireton	Craven District Council
William Jacobs	South Oxfordshire District Council
CLlr Janet Duncton	West Sussex County Council
CLlr Owen Bierley	West Lindsey District Council
CLlr Peter Stevens	St Edmundsbury Borough Council
Ian Knowles, Director of Resources	West Lindsey District Council
CLlr Roger Phillips	Herefordshire Council
CLlr Sue Sanderson	Cumbria County Council
CLlr Glynn Gilfoyle	Nottinghamshire County Council
CLlr Jeremy Savage	South Norfolk District Council
CLlr Peter Thornton	South Lakeland District Council
Paul Over	Chichester District Council
Malcolm Leeding	NALC
Dan Bates	Pixel

APPENDIX B: Apologies for Sparse Rural Sub Sig Meeting (30th January 2017)

Name	Organisation
Cllr Adam Paynter	Cornwall Council
Cllr Bob Adams	South Kesteven District Council
Revd Richard Kirlew	Sherborne Deanery Rural Chaplaincy
John Birtwistle	First Group
Cllr Blake Pain	Harborough District Council
Cllr Jane March	Tunbridge Wells Borough Council
Dominic Bradley	Horsham District Council
Cllr Yvonne Peacock	Richmondshire District Council
Cllr Ian Threlfall	Richmondshire District Council
Cllr Louise Gittins	Cheshire West & Chester Council
Cllr Gwilym Butler	Shropshire Council
Sophie Hosking	West Devon Borough Council & South Hams District Council
Steve Jordan	West Devon Borough Council & South Hams District Council
Cllr Richard Sherras	Ribble Valley Borough Council
Terry Collins	Durham County Council
Cllr Elizabeth Sneath	South Holland District Council
Cllr Heather Bainbridge	Mid Devon District Council
Cllr Brian Robinson	Forest of Dean District Council
Cllr Leigh Higgins	Melton Borough Council
Duncan Ellis	North Norfolk District Council
Cllr Simon Edwards	South Cambridgeshire District Council
Kerry Booth	RSN
Cllr Aaron Spencer	Boston Borough Council
Cllr Gonzalez De Savage	Northamptonshire County Council
Nicky Lovely	Newark & Sherwood District Council
Cllr Edward Baines	Rutland County Council
Mr Jack Hegarty	Malvern Hills District Council & Wychavon District Council
Cllr Peter Bedford	Boston Borough Council
Cllr David Godfrey	Shepway District Council
Cllr Michael Hicks	South Hams District Council
Rachel North	West Sussex County Council
Cllr Lindsey Cawrey	North Kesteven District Council
Cllr Derrick Haley	Mid Suffolk District Council
Stewart Horne	Business Information Point
Angela George	Stroud Council
David Stanley	Stroud Council
Cllr Margaret Squires	Mid Devon District Council
Cllr Samantha Dixon	Cheshire West & Chester Council
Cllr Lewis Strange	Lincolnshire County Council
Cllr Jane Mortimer	Scarborough Borough Council
Gillian Keegan	Chichester District Council
Cllr Gordon Nicholson	Eden District Council

**MINUTES OF THE SPARSE RURAL AND RURAL SERVICES NETWORK EXECUTIVE,
MONDAY 12th JUNE 2017 HELD AT CITY OF WESTMINSTER ARCHIVES CENTRE,
10 ST ANN'S STREET, LONDON**

Present: - Cllr Cecilia Motley (Chairman), Cllr Robert Heseltine (First Vice Chair), Cllr Derrick Haley, John Birtwistle (First Group), Cllr Philip Saunders and Hannah Graham (UK Youth)

Officers: - Graham Biggs MBE (Chief Executive), David Inman (Director) Andy Dean (Assistant Director)

1. Apologies:- Georgina Fung (UK Youth). Cllr Sue Sanderson, Stewart Horne (Fed of Small Businesses), Rev Richard Kirlew (RSP Chair – Community)

2. Notes of Previous Executive Meeting – 13th March 2017

Agreed as a correct record.

3. Notes of Last Main Rural Assembly Meeting – 10th April 2017

Agreed as a correct record with the addition of Rev Richard Kirlew as present.

4. Budget

The budget was in line with its predicted position as set out in the agreed estimates.

A discussion took place on the need to expand the Officer Core Group of the organisation so that the Network's widened role and future planned expansion could be successfully accomplished. There was a need to bring in another Director at this time. The estimated expenditure was £40k a year. The position would be one of Policy Director but would also have responsibility for the recruitment and retention activities currently undertaken by the Corporate Director

The Executive were informed that financially this was achievable but until the move generated additional income there would be a need for a prudent approach. The position had been discussed with a person with experience in rural issues and his decision would be made shortly.

The Executive agreed the expansion of the Core team of the RSN and the necessary variation to the budget

5. Notification of Resignation from RSN Executive

Two members of the Executive, Cllrs Nicholson and Strange have stepped down. The Executive agreed to approach two Councillors from Eden and Herefordshire respectively to see if they were interested in coming onto the Executive.

6. General Election 2017

The Executive considered the position generally and the following:

- (a) Analysis of Main Party Manifestos against RSN Priorities/2015 Manifesto.
- (b) Rural Coalition Statement
- (c) ACRES asks of next government.

Discussion concentrated on whether or not the 100% Business Rates retention scheme would go ahead (and its timing) and the approach to future settlements.

The Executive agreed that the position would be discussed with the Chair of the Rural Fair Shares Group. Discussions would also take place with the Research Assistants of the Chair and Vice-Chair of the APPG with a view to re-establishing the APPG and

also establishing a Rural Vulnerability Day and hopefully to a dedicated MP group concerning the question of Rural Vulnerability.

7. Report to RSN Executive – Seeking to get backing in the House of Lords.

- The Executive received a written report from the Corporate Director. He suggested trying to set up a Rural Panel for the House of Lords to meet annually in December to discuss the various issues/challenges they feel the RSN should look at to address those issues.. (It is suggested this session is always Chaired by the Chair of the RSN and that they be accompanied by the First Vice Chair at this meeting)
- To facilitate an e mail forum between these Panel Members concerning particular rural issues as they arise the panel of Peers o would be consulted with at least annually. The suggested terms of reference are:

NEEDS INSERTING

The Executive agreed to the proposed approach. However, instead of the panel comprising 10 people, they suggested an approach be made to 12 people by adding a potential further cross-bencher and a further Bishop to those to be invited.

8. Report to RSN Executive – A virtual Rural Community Parliament

The Executive received a detailed report about how mechanisms aimed at establishing a rural consensus and sentiment on major issues might be established. The Executive heard how work was being undertaken by Rural England with the University of Gloucestershire to seek to establish a proportionally representative/statistically valid Rural Panel of private individuals. This work was growing on the Rural Principal Council Sounding Board. (Additional Sounding Boards in relation to Small Businesses and Youth were also planned).

The virtual Parliament might involve individuals from Principal Councils, Parish Councils, the Community, small Business, Youth, Citizens Advice, School Governors, RSP, Age UK Groups, Rural Colleges, Rural Students, CPRE, Rural LEPs, NFU, CLA and Countryside Alliance. In all, it was suggested some 1900 people may be involved on email forum.

It was agreed that the arrangement would need the backing of ACRE and some of the rural universities. It was foreseen that the Rural Assembly would be involved in question formation and the results of consultation being reported upon at the Rural Conference. The report was approved by the Executive.

9. Report to RSN Executive – Categories of RSN Operation

Briefs for SPARASE Rural, the Rural Assembly, the Rural Services Partnership, the Rural Services Community Section and the proposed RSN Associate section were presented. Each brief comprised details of:

- (a) The Services
- (b) The Commitment
- (c) Any membership cost and
- (d) The problems that had to be grappled with

The documents were all agreed by the Executive. The Executive also agreed that further short sections outlining successes and targets should be added. These would be agreed by the Executive through email consultation.

10. Update on “Vulnerability” discussion with Energy and Water Providers and Distributors.

The Corporate Director reported on the current situation. Attempts were being made to strengthen the support given by those involved in the Energy and Water Industries based on a widened service involving 2 meetings a year and a special parliamentary day on rural vulnerability. It was early days in this regard but some backing had been received from an existing Rural England supporter, Electricity North West, and enquiries were being made of another distributor – UK Power providers who served the South East.

11. Update on BREXIT discussions to be held on 13th June

A meeting with all parties who had been invited to participate had been arranged for the 13th. The NFU wished to be kept informed but were unable to be represented at the meeting on the 13th.

An introductory report had been prepared by Professor Mark Shucksmith. Ex-BBC political reporter Carole Walker had agreed to act as an independent Chair for the meeting.

The extent of common ground would be explored.

12. Annual Rural Conference 2017: Draft Programme attached

The arrangements were looked at in detail by the Executive and formally agreed.

13. Agendas for the coming meetings:

- (a) SPARSE Rural (which members have indicated will be in effect a finance conference for Finance Officers and Finance Portfolio Holders) – 27.06.17
The Agenda had already been dispatched as the meeting was only a fortnight away. Finance Officers and Councillor Finance Portfolio holders had also been involved.

14. Any Other Business

(a) Rural Transport

John Birtwistle led members through the Buses Act and the enabling legislation that had to follow it.

An important provision was that an operator now proposing to cease a route or dramatically altering its operation now was statutorily obliged to give to the Transport authority full details including its financial and passenger profiles so that the Transport authority could give full consideration to attracting alternative arrangements.

[Bus Services Act 2017](#). This paper explains the policy background to and contents and purpose of the Bus Services Act 2017. It will be updated as the Act is brought into force and implemented over coming years.

(b) Rural Housing

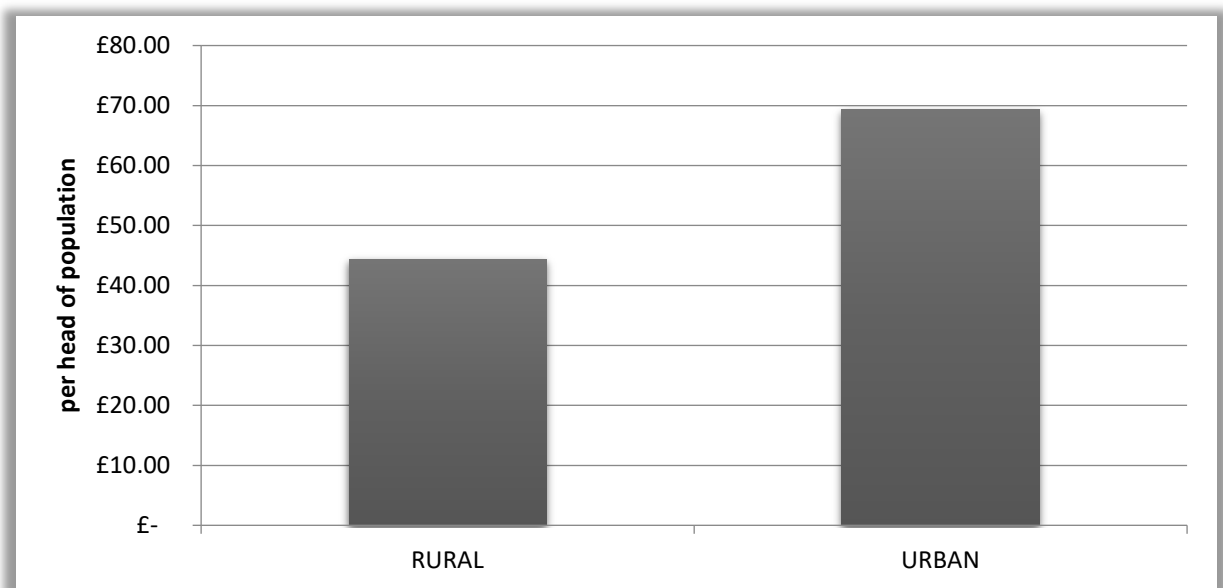
The Executive on behalf of the RSN as a whole considered and endorsed the National Housing Federation and the Rural Housing Alliance's Rural Housing Five Star Plan.

How does Rural Funding stand up in 2017/18?

Applying a per head analysis to the areas of Public Health allocations to local authorities, police grant, and fire authority funding from the local government settlement, a picture appears of systematic underfunding in comparison to urban service providers.

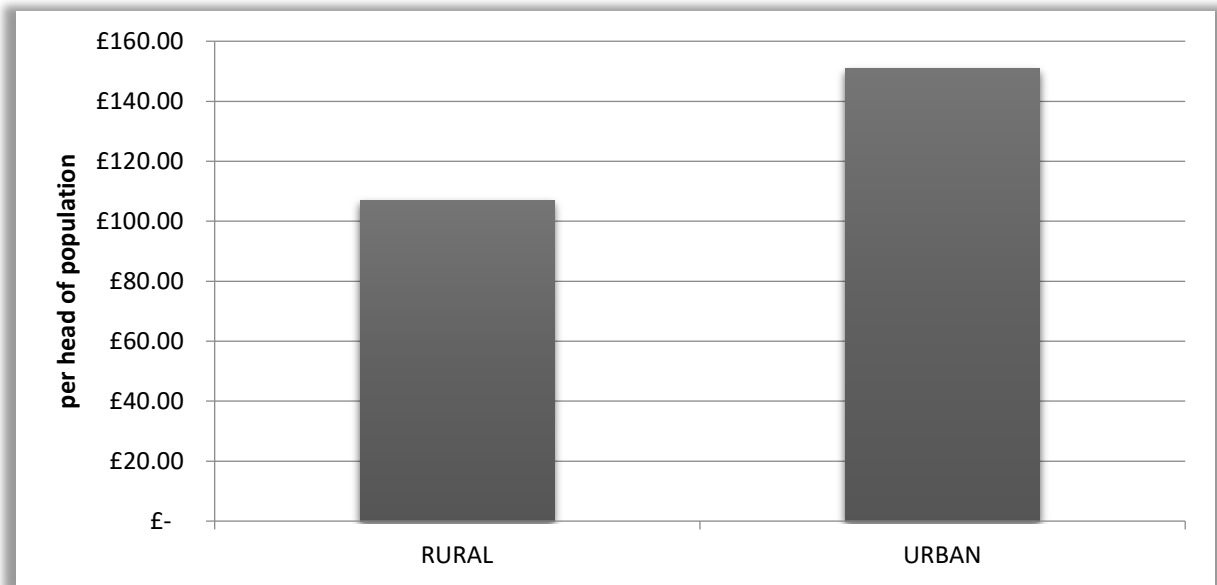
Public Health Allocations

- Urban funding 56.1% greater than rural per head in 2017/18



Police Grant

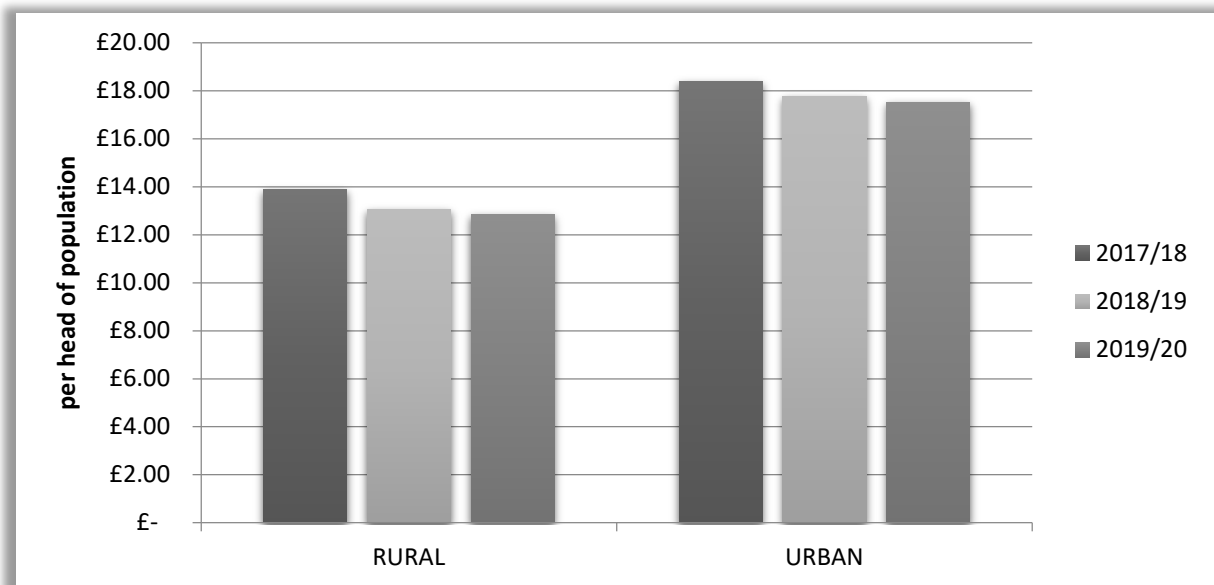
- *Urban funding 41.1%* greater than rural per head in 2017/18*



*[*GLA, City of London, police grant for capital purpose, and police grant for the safeguarding of national security not included in calculations]*

Fire Authority Funding

- *Urban funding 32.4% greater than rural per head in 2017/18
(36.0% in 2018/19, 36.4% in 2019/20)*



Briefing Note of Additional Social Care Allocations

In the March 2017 Budget, the Government announced additional allocations for adult social care. Additional grant funding of £1,010m is being made available in 2017-18, followed by £674m in 2018-19 and £37m in 2019-20. These allocations are the fourth set to be made available on top of the Improved Better Care Fund, the additional Council Tax precept for Adult Social Care and the one-off Adult Social Care Support Grant for 2017/18.

We have analysed the way the additional funding from the Budget is being distributed. In summary:-

- In 2017/18 Urban areas will, on average, receive some 10% per head more than Rural [£20.06 compared to £18.20]. This is despite additional service delivery costs in the rural context.
- The gap per head closes over 2018/19 and 2019/20 but will still be 3.17% higher for urban compared to rural in 2019/20
- Taking the whole amount of funding for Adult Social Care together in 2017/18 58% in rural areas is funded by central government (42% through Council Tax) whilst in Urban it is 66% government funded and 32% through Council Tax.
- Rural residents are now paying (on average) £86.71 more per head in Council Tax than their urban counterparts.
- A more detailed briefing note follows for those interested

The two existing social care grants, Improved Better Care Fund and 2017/18 Adult Social Care Support Grant were distributed using different methodologies. To recap:

- Improved Better Care Fund (IBCF).** Announced in the 2015-16 settlement, this grant is based on two elements: (a) the Personal Social Services Relative Needs Formulae (RNF), last updated in 2013-14, and (b) the ability of the local authority to generate income from the adult social care precept. If an authority's allocation using the RNF was smaller than their deduction for precept income, the authority was given a nil allocation rather than a negative one. In effect, those authorities able to raise additional income from the adult social care precept with high tax bases (which includes many rural areas) will lose it, in whole or in part, from their RNF share – whether or not they actually use that ability. The share of grant also changes over the 3 years that the grant is active because the amount of grant that is available through the IBCF increases sharply over the period. To illustrate, 53 authorities have a nil allocation in 2017-18, but only 4 in 2019-20 (Richmond upon Thames, Rutland, West Berkshire and Wokingham).
- 2017-18 Adult Social Care Grant.** Announced in the 2017-18 settlement, this grant is distributed wholly using the RNF. No account is taken of an authority's ability to generate additional income from the social care precept. Every authority receives an allocation, and the methodology favours those authorities with higher council taxbases.

The methodology for the latest grant announced in the Budget ("Supplementary Funding to the Improver Better Care Fund") uses a blend of these two methodologies. 10% of the available funding is distributed using the RNF alone, and then the remainder (90%) is distributed using both parts of the Improved Better Care Fund methodology.

An analysis of the total funding from all four sources reveals that when taken together additional funding almost exactly reflects the distribution that would have occurred if the total available funding had have been distributed using the 2013/14 Adult Social Care Relative Needs Formula. So predominantly rural authorities in 2017/18 received 19.15% of the £2,177m available in 2017/18, 19.15% also being their proportion of the 2013/14 Relative Needs Formula.

	Total Funding 2017/18	Percentage of Total Funding	Adult Social Care RNF (13/14)	Percentage of total Adult Social Care RNF
Predominantly Rural	416,819,988	19.15%	0.040326	19.15%
Predominantly Urban	1,220,479,588	56.06%	0.118078	56.06%
Significant Rural	539,642,580	24.79%	0.052223	24.79%
Total	2,176,942,155	100.00%	0.210626	100.00%

It is important to note that the total funding in the above figures includes that which will be funded locally from taxpayers. The relative impact on Council taxpayers is considered below.

The Planning System	
Labour	A Labour government will properly resource and bolster planning authorities with fuller powers to put people and communities at the heart of planning. We will update compulsory purchase powers to make them more effective as a tool to drive regeneration and unlock planned development.
Conservative	Give councils powers to intervene where developers do not act on their planning permissions;
Lib Dem	Scrap exemptions on smaller housing development schemes from their obligation to provide aordable homes, and strengthen the hand of local government to prevent large developers renegeing on their commitments. Require local plans to take into account at least 15 years of future housing need – focusing on long-term development and community needs. Create a community right of appeal in cases where planning decisions go against the approved local plan.

Public Transport	
Labour	Under the Conservatives, bus fares have risen and services have been cut. Labour will introduce regulations to designate and protect routes of critical community value, including those that serve local schools, hospitals and isolated settlements in rural areas.
Conservative	We will invest in more low-emission buses, as well as supporting audio-visual displays for bus passengers and community minibuses for rural areas poorly served by public transport. We will increase services on our main lines and commuter routes, and launch new services to places which are poorly served or host major new housing projects. We will continue to support local authorities to expand cycle networks and upgrade facilities for cyclists at railway stations. We will introduce significantly discounted bus and train travel for apprentices to ensure that no young person is deterred from an apprenticeship due to travel costs.
Lib Dem	Introduce a new Young Person's Bus Discount Card, for young people aged 16–21, giving a two-thirds discount on bus travel – allowing young people to access education, apprenticeships and work. Halt the decline in bus services and carry out a review of bus funding and bus policies. We will give principal local authorities the power to run, commission and regulate the bus network in their area.

Affordable Housing	
Labour	<p>Rural infrastructure and industry has been neglected. Labour will invest in broadband, housing and transport to create jobs and ensure that the nation's prosperity is felt beyond our large towns and cities.</p> <p>By the end of the next Parliament we will be building at least 100,000 council and housing association homes a year for genuinely affordable rent or sale.</p> <p>Scrap the Bedroom Tax</p> <p>Reinstate Housing Benefit for under-21s</p>
Conservative	<p>We will meet our 2015 commitment to deliver a million homes by the end of 2020 and we will deliver half a million more by the end of 2022. We will deliver the reforms proposed in our Housing White Paper to free up more land for new homes in the right places, speed up build-out by encouraging modern methods of construction and give councils powers to intervene where developers do not act on their planning permissions; and we will diversify who builds homes in this country.</p> <p>We will enter into new Council Housing Deals with ambitious, pro-development, local authorities to help them build more social housing. We will work with them to improve their capability and capacity to develop more good homes, as well as providing them with significant low-cost capital funding. In doing so, we will build new fixed-term social houses, which will be sold privately after ten to fifteen years with an automatic Right to Buy for tenants, the proceeds of which will be recycled into further homes.</p>
Lib Dem	<p>Work with local authorities to deliver a significant increase in social and affordable housing in rural areas.</p> <p>New direct spending on housebuilding to help build 300,000 homes a year by 2022.</p> <p>Scrap the 'bedroom tax', while seeking to achieve the aim of making best use of the housing supply through incentivising local authorities to help tenants 'downsize'.</p> <p>Scrap exemptions on smaller housing development schemes from their obligation to provide aordable homes, and strengthen the hand of local government to prevent large developers renegeing on their commitments.</p> <p>Enable local authorities to:</p> <ul style="list-style-type: none"> - Levy up to 200% council tax on second homes and 'buy to leave empty' investments from overseas. - Enforce housebuilding on unwanted public sector land. - Penalise excessive land-banking when builders with planning permission have failed to build after three years. - End the Right to Buy if they choose.

Local Government Funding	
Labour	<p>A Labour government will give local government extra funding next year. We will initiate a review into reforming council tax and business rates and consider new options such as a land value tax, to ensure local government has sustainable funding for the long term.</p> <p>This Conservative government has taken rural communities for granted, with chronic under investment in transport, broadband and public services, including the closure of local schools, post offices and libraries.</p> <p>Investment – we will make sure schools are properly resourced by reversing the Conservatives’ cuts and ensuring that all schools have the resources they need. We will introduce a fairer funding formula that leaves no school worse off , while redressing the historical underfunding of certain schools.</p> <p>Rural councils deliver public services differently, and this needs to be rediected in funding allocation mechanisms. We will consider these differences in our re-evaluation of the business rate schemes.</p> <p>Labour will end cuts to local authority budgets to support the provision of libraries, museums and galleries.</p>
Conservative	<p>We know that the business rates system presents considerable challenges to some smaller companies. That is why we have supported those businesses most affected by the recent revaluation of business rates. That is not all we will do. We will make longer- term reforms to the system to address concerns about the way it currently works. We will make sure that revaluations are conducted more frequently to avoid large changes to the bills that businesses face, and explore the introduction of self-assessments in the valuation process. To ensure the system is sustainable for the future we will also conduct a full review of the business rates system to make sure it is up to date for a world in which people increasingly shop online.</p> <p>We will continue to give local government greater control over the money they raise and address concerns about the fairness of current funding distributions.</p> <p>The way funding is distributed to schools in England is not fair. Across the country, children with the same needs and expectations receive markedly different rates of funding for their school place. We have begun to correct this and in the next parliament we will make funding fairer still. We appreciate that it is hard for schools receiving a higher level of funding to make cuts in order to pay for increases elsewhere, so while we will make funding fairer over the course of the parliament, we will make sure that no school has its budget cut as a result of the new formula. We will increase the overall schools budget by £4 billion by 2022, representing more than a real terms increase for every year of the parliament. We will continue to protect the Pupil Premium to support those who need it.</p>
Lib Dem	<p>Reverse all cuts to front-line school and college budgets, protecting per-pupil funding in real terms.</p> <p>Introduce a fairer national funding system with a protection for all schools, so that no school loses money.</p> <p>Scrap the planned expansion of grammar schools and devolve all capital monies for new school spaces to local authorities.</p> <p>Remove the requirement to hold local referenda for council tax changes, ensuring that councillors are properly accountable for their decisions by introducing fair votes.</p> <p>We will initiate a spending review after the general election focusing on delivering efficiency, funding proven spend-to-save initiatives, pursuing local and community integration to drive efficiency, and investing in technology to get public services and front-line staff online.</p>

Older Peoples Services	
Labour	<p>Alongside our commitment to extend Pension Credit to hundreds of thousands of the most vulnerable women, Labour is exploring options for further transitional protections, to ensure that all these women have security and dignity in older age.</p> <p>This must never happen again. Labour will legislate so that accrued rights to the basic state pension cannot be changed, but future benefits can.</p> <p>The pension age is due to rise to 66 by the end of 2020. Labour rejects the Conservatives' proposal to increase the state pension age even further. We will commission a new review of the pension age, specifically tasked with developing a flexible retirement policy to reflect both the contributions made by people, the wide variations in life expectancy, and the arduous conditions of some work.</p> <p>In our first term, Labour will lay the foundations of a National Care Service for England. Our first urgent task will be to address the immediate funding crisis. We will increase the social care budgets by a further £8 billion over the lifetime of the next Parliament, including an additional £1 billion for the first year. This will be enough for providers to pay a real living wage without cutting the quality of care they provide. It will allow implementation of the principles of the Ethical Care Charter, already adopted in 28 council areas, ending 15-minute care visits and providing care workers with paid travel time, access to training and an option to choose regular hours.</p>
Conservative	<p>Guaranteed annual increases in the state pension through a new Double Lock to be introduced in 2020.</p> <p>First, we will align the future basis for means-testing for domiciliary care with that for residential care, so that people are looked after in the place that is best for them. This will mean that the value of the family home will be taken into account along with other assets and income, whether care is provided at home, or in a residential or nursing care home. Second, to ensure this is fair, we will introduce a single capital floor, set at £100,000, more than four times the current means test threshold. This will ensure that, no matter how large the cost of care turns out to be, people will always retain at least £100,000 of their savings and assets, including value in the family home.</p> <p>Third, we will extend the current freedom to defer payments for residential care to those receiving care at home, so no-one will have to sell their home in their lifetime to pay for care.</p>
Lib Dem	<p>Finish the job of implementing a cap on the cost of social care, which the Conservatives have effectively abandoned. Move towards single place-based budgets for health and social care by 2020, allowing local areas to decide how best to provide the full spectrum of care for their community.</p> <p>Maintain the 'triple lock' of increasing the state pension each year by the highest of earnings growth, prices growth for 2.5% for the next parliament.</p> <p>Establish a review to consider the case for, and practical implications of, introducing a single rate of tax relief for pensions, which would be designed to be simpler and fairer and would be set more generously than the current 20% basic rate relief.</p> <p>Increase spending on the NHS and social care, using the proceeds of a 1p rise in Income Tax. This will be paid by taxpayers in England, Wales and Northern Ireland, and the revenue will be ringfenced for spending on NHS and social care services in England, with the appropriate share also being transferred to Wales and Northern Ireland</p>

Access to Health Facilities	
Labour	We will increase funding to GP services to ensure patients can access the care they need. And we will halt pharmacy cuts and review provision to ensure all patients have access to pharmacy services, particularly in deprived or remote communities.
Conservative	<p>We will ensure that the NHS has the buildings and technology it needs to deliver care properly and efficiently. Since its inception, the NHS has been forced to use too many inadequate and antiquated facilities, which are even more unsuitable today. We will put this right and enable more care to be delivered closer to home, by building and upgrading primary care facilities, mental health clinics and hospitals in every part of England.</p> <p>And we will reform Child and Adolescent Mental Health Services so that children with serious conditions are seen within an appropriate timeframe and no child has to leave their local area and their family to receive normal treatment. We will ensure that councils provide consistency of care and cannot relocate vulnerable children far from their home when it is not in their best interests to do so.</p> <p>We expect GPs to come together to provide greater access, more innovative services, share data and offer better facilities, while ensuring care remains personal – particularly for older and more vulnerable people – with named GPs accountable for individual patients. We will support GPs to deliver innovative services that better meet patients’ needs, including phone and on-line consultations and the use of technology to triage people better so they see the right clinician more quickly. We will ensure appropriate funding for GPs to meet rising costs of indemnity in the short term while working with the profession to introduce a sustainable long-term solution.</p>
Lib Dem	<p>Promote easier access to GPs, expanding evening and weekend opening to meet the needs of local patients, encouraging online, phone and Skype appointments, encouraging GPs to work together in federations and allowing people more choice.</p> <p>Provide national support to struggling GP practices, preventing mass practice closures.</p> <p>Use innovation funding to promote GP-led multidisciplinary health and care hubs, including mobile services to keep people out of hospital.</p> <p>Ensure that any changes to the way pharmacies are funded do not leave local areas without reasonable access to a community pharmacist.</p>

Tackling Fuel Poverty	
Labour	<p>Introduce an immediate emergency price cap to ensure that the average dual-fuel household energy bill remains below £1,000 per year, while we transition to a fairer system for bill payers.</p> <p>Labour will insulate four million homes as an infrastructure priority to help those who suffer in cold homes each winter. This will cut emissions, improve health, save on bills, and reduce fuel poverty and winter deaths.</p>
Conservative	<p>Alongside giving individuals greater control over their energy bills and protecting customers from unfair bills, we will help them to save energy. An energy efficient home is a more affordable and healthy home. We will improve the energy efficiency of existing homes, especially for the least well off, by committing to upgrading all fuel poor homes to EPC Band C by 2030. We will also review requirements on new homes.</p>
Lib Dem	<p>Liberal Democrats will reduce energy bills permanently by improving home insulation and encouraging small-scale, community and local-authority renewable schemes. We will make saving energy a top infrastructure priority, slashing energy bills and carbon emissions, creating thousands of jobs and helping end the fuel poverty crisis once and for all. Ensure that at least four million homes are made highly energy efficient (Band C) by 2022, with priority given to fuel-poor households.</p>

The Rural Economy	
Labour	<p>Labour is the party of devolution and we believe in handing back power to communities. We will devolve powers over economic development, complete with the necessary funding.</p>
Conservative	<p>We will bring sustainable growth to the rural economy and boost our rural areas, so that people who live in the countryside have the same opportunities as those who live in our towns and cities.</p> <p>First, we recognise the value of institutions to the vitality of towns and cities. As we explain in chapter two, it is why we are determined to move many of the functions of central government out to cities around Britain where possible and to see our vast cultural assets reach people around our country too. It is also why we will support local growth through combined authorities, mayoralities and local enterprise partnerships. We will make each partnership and combined authority responsible for co-ordinating their own local industrial strategy in alignment with our national industrial strategy, bringing together local businesses, political and public sector leaders to drive growth and economic regeneration. We will wherever possible deliver growth funding through these organisations. We will give local enterprise partnerships greater weight by backing them in law.</p>
Lib Dem	<p>Reviewing the Business Rates system, prioritising reforms that recognise the development of the digital economy, lessening the burden on smaller businesses, and ensuring high streets remain competitive. We will also consider the implementation of Land Value Taxation.</p>

Viable Village Services	
Labour	<p>Under the Conservatives, nearly £400 million has been cut from youth services and over 600 youth centres have closed. Labour will end the cuts to youth services.</p> <p>We will set up a national review of local pubs to examine the causes for their large-scale demise, as well as establishing a joint taskforce that will consider future sustainability.</p> <p>Libraries are vital social assets, valued by communities across the country. We will ensure libraries are preserved for future generations and updated with wi-fi and computers to meet modern needs. We will reintroduce library standards so that government can assess and guide councils in delivering the best possible service.</p>
Conservative	<p>We will also take steps to enhance the provision of public services in rural areas. We will safeguard the post office network, to protect existing rural services and work with the Post Office to extend the availability of business and banking services to families and small businesses in rural areas. A third of all SMEs in rural areas use their post office weekly and our ambition is that all routine small business and consumer banking services should be available in rural post offices. We will support pharmacies and village schools in rural areas.</p> <p>we will immediately institute a capital fund to help primary schools develop nurseries where they currently do not have the facilities to provide one. We will introduce a presumption that all new primary schools should include a nursery. And we will continue to support maintained nurseries and allow them to take on academy freedoms, supporting them to grow independently or as part of a multi-academy trust.</p>
Lib Dem	<p>Commit to preventing Post Office closures and protect Royal Mail's Universal Service Obligation to deliver across the UK for the same price.</p> <p>Set up a £2 billion Rural Services Fund of capital investment to enable communities to establish a local base from which to co-locate services such as council offices, post offices, children's centres, libraries and visiting health-care professionals.</p> <p>Increase community policing in England and Wales by giving an additional £300 million a year to local police forces to reverse the increase in violent crime, boost community confidence and increase the flow of community intelligence.</p>

Broadband and mobile	
Labour	Labour's national investment plans include coastal protections, better flood management and the broadband and 4G extensions that will underpin the future success of rural small businesses.
Conservative	<p>By the end of this year, 19 out of 20 premises will have access to superfast broadband and our Universal Service Obligation will ensure that by 2020 every home and every business in Britain has access to high speed broadband. We will work to provide gigaspeed connectivity to as many businesses and homes as possible. We will introduce a full fibre connection voucher for companies across the country by 2018 and by 2022 we will have major fibre spines in over a hundred towns and cities, with ten million premises connected to full fibre and a clear path to national coverage over the next decade.</p> <p>We have similar ambitions for mobile phone coverage. By 2022 we will extend mobile coverage further to 95 per cent geographic coverage of the UK.</p> <p>We will therefore create a new presumption of digital government services by default and an expectation that all government services are fully accessible online, with assisted digital support available for all public sector websites. We will publish far more information about public services online, including relevant information about local issues and public transport so that every person can find out up to date information about roadworks, planning applications and bus routes online, without the hassle and delay that currently exists.</p>
Lib Dem	<p>A programme of installing hyperfast, fibre-optic broadband across the UK.</p> <p>Invest to ensure that broadband connections and services to be provided before 2020 have a speed of 2 Gbps or more, with fibre to the premises (FTTP) as standard and unlimited usage by 2020 across the whole of the UK. SMEs should be prioritised in the roll-out of hyperfast broadband.</p> <p>Ensure that every property in the UK is provided, by 2022, with a superfast broadband connection with a download speed of 30Mbps, an upload speed of 6Mbps, and an unlimited usage cap.</p> <p>Invest £2 billion in innovative solutions to ensure the provision of high-speed broadband across the rural UK, working with local authorities and providing grants to help areas replicate the success of existing community-led projects.</p> <p>Work with Ofcom to ensure that mobile phone companies provide fast and reliable coverage in rural areas.</p>

Rural Proofing	
Labour	We will introduce a 'rural proofing' process so that all our laws, policies and programmes consider their impact on rural communities
Conservative	
Lib Dem	

Brexit	
Labour	We will ensure there is no drop in Structural funding as a result of Brexit until the end of the current EU funding round in 2019/20. As part of Labour's plans to rebalance and rebuild the economy, we will ensure that no region or nation of the UK is affected by the withdrawal of funding for the remainder of this Parliament.
Conservative	<p>We have huge ambitions for our farming industry: we are determined to grow more, sell more and export more great British food. We want to provide stability to farmers as we leave the EU and set up new frameworks for supporting food production and stewardship of the countryside. So we will continue to commit the same cash total in funds for farm support until the end of the parliament.</p> <p>We will use the structural fund money that comes back to the UK following Brexit to create a United Kingdom Shared Prosperity Fund, specially designed to reduce inequalities between communities across our four nations. The money that is spent will help deliver sustainable, inclusive growth based on our modern industrial strategy. We will consult widely on the design of the fund, including with the devolved administrations, local authorities, businesses and public bodies.</p>
Lib Dem	Continue our long campaign to reform agricultural subsidies – making sure British farming remains competitive and doesn't lose out in the event of Britain leaving the EU, rebalancing away from direct subsidy and refocusing support towards the public benefits that come from effective land management including countryside protection, flood prevention, food production and climate-change mitigation.

Local Govt Organisation	
Labour	<p>We will restore regional offices to increase contact between central and local government on the ground. Labour will be guided by public opinion when determining whether to include directly elected mayors in future devolution deals. Labour will create a role for a Minister for England, who will sit under the Secretary of State for Communities and Local Government, and will work with the Secretaries of State for Scotland, Wales and Northern Ireland.</p>
Conservative	<p>With devolution now established in London and other parts of England, we will consolidate our approach, providing clarity across England on what devolution means for different administrations so all authorities operate in a common framework. We will support those authorities that wish to combine to serve their communities better. For combined authorities that are based around our great cities, we will continue to support the adoption of elected mayors, but we will not support them for the rural counties.</p>
Lib Dem	<p>Devolve further revenue-raising powers away from Westminster, to regions from Cornwall to the north-east. We will ensure that any powers devolved are matched by the funding to deliver on the needs of local people. Devolve more decision-making power over key levers of economic development including transport, housing and skills. Aim to increase the number of neighbourhood, community and parish councils and promote tenant management in social housing.</p> <p>Establish a government process to deliver greater devolution of financial responsibility to English local authorities and any new devolved bodies in England, building on the work of the Independent Commission on Local Government Finance. Any changes must balance the objectives of more local autonomy and fair equalisation between communities.</p> <p>Replace Police and Crime Commissioners, elected at great expense in elections with very low turnout, with accountable police boards made up of local councillors.</p> <p>In some areas of England there is a greater appetite for powers, but not every part of the country wants to move at the same speed and there cannot be a one-size-fits-all approach. All areas should however have access to the same opportunities and mayoral authorities should not be ranked higher in terms of the powers with which they can be granted. We will therefore introduce 'devolution on demand', enabling even greater devolution of powers from Westminster to councils or groups of councils working together – for example to a Cornish Assembly or a Yorkshire Parliament.</p>

Funding Advisory Service

Post-General Election Analysis

1. We had hoped to be able to issue a post-Election briefing note outlining how the new government's plans would affect local government finance. At the time of writing, though, a new government has yet to be confirmed. The most likely outcome is for the Conservatives to get support from the Democratic Unionist Party on a "confidence and supply" basis. Under this arrangement the DUP would support the government on its money bills – principally the Budget – and on votes of confidence. We have to assume that there would be no formal support for the Conservatives' other planned legislation.

Queen's Speech

2. The delay of the Queen's Speech is another sign that getting parliamentary support for the new government is going to be difficult, and that the legislative programme might be slimmed down. No new date has been published as yet, but a Queen's Speech will be a requirement for a new government to show that it has the support of the House of Commons. It is unlikely to be delayed for long.

Ministerial team

3. Sajid Javid has been re-appointed as secretary of state for communities and local government. His continuation in this role suggests that there will be no change of direction on 100% rate retention. However, his support for this policy never really seemed particularly strong, so there must be a small risk that there is a rethink, if not a change in direction.
4. Some of the promises in the Conservative manifesto might lead some new thinking. The manifesto talked about making longer-term reforms to the way the system works, particularly with the move to more online shopping, and having more frequent revaluations. But none of this is necessarily incompatible with 100% retention.
5. The rest of the ministerial team has yet to be announced.

Local Government Finance Bill

6. Of immediate concern is whether the Local Government Finance Bill will be re-introduced in the new session. The Bill that was introduced in February this year "fell" when parliament was dissolved prior to the General Election. The Bill itself dealt mostly with the introduction of the 100% rate retention system, as well as other proposals around levies and Infrastructure Supplements.

7. If the new government does decide to keep its legislative programme down to the absolute minimum then this Bill could well be a casualty. Whilst it is important for the development of local government finance, it is not a crucial Bill for a new government.
8. Having said this, the Bill itself is not particularly controversial and much of the work to support it has already been done. And most important of all, as an England-only matter, it should be able to command support in the House of Commons if only English MPs were to vote.

100% Rate Retention

9. On balance we are still expecting 100% business rate retention to be implemented. The delay in the Bill only makes it more likely that the date of implementation will slip to 2020-21 (although this is more to do with problems on the Fair Funding review, of which more later).
10. A further point in support of 100% retention is that it does not actually require primary legislation. Changes in the baselines and in the top-ups and tariffs can be handled through secondary legislation, as we have seen in the 2017-18 100% pilots. It might be, therefore, that 100% retention could survive even if the Bill does not. As we understand it, the reason for enshrining 100% retention in primary legislation was to emphasise the government's commitment to it rather than because it required such legislation.
11. Many authorities will also be concerned about the fate of 100% pilots. Again, on balance, we would expect the next wave to still be developed for 2018-19. No new legislation is required and we understand that the guidance had already been written prior to the announcement of the General Election. There is still sufficient time between now and the 2018-19 final settlement (which is the effective cut-off date for agreeing pilots), and so unless there is a change of direction on 100% retention, or a serious delay in government business, we should see a new wave of pilots in 2018-19. Our advice for any authority who is interested in making an application to be a pilot is to continue with your plans and to contact the DCLG in the near future.
12. Another reason for the government continuing with 100% retention is that, by 2020-21, local authorities could collectively be up to £2bn above baseline. With a full baseline reset, this puts up to £2bn in play for the government to redirect and/ or to re-badge as ringfenced funding for, say, adult social care. This temptation might be too good to resist.
13. Delay will present a problem over how to deal with the "tariff adjustments" for authorities in 2019-20. The government had expected that the introduction of 100% retention in 2019-20 would allow this problem to be smoothed away.

Fair Funding

14. The Fair Funding review will almost certainly continue because the funding formulae are in need of a review (the last attempt was in 2013-14, and this was only partial) and, more importantly, there is political pressure to implement a “fairer” methodology. Stopping the review now would be very unpopular with a large number of Conservative MPs.
15. Where the new parliamentary arithmetic might make a difference is that, with a smaller majority in the House of Commons, a new government will have to be more sensitive to how changes in funding affect its own MPs. In recent years there has been successful pressure applied by MPs representing county and rural constituencies, and the government’s reduced majority makes this problem more acute.
16. It was already apparent that the review was unlikely to be completed in time for implementation in 2019-20. Despite the process starting more than a year ago (May 2016), there have not yet been any serious formulae or papers published on the adult social care or children’s social care, the two services where funding will be under the most scrutiny. The lead-in time for this sort of work is at least 18 months, and so an implementation date of 2019-20 looks almost impossible.

Local government funding

17. After the Budget in March 2017, the government was forced to abandon its plans to increase national insurance for the self-employed. The chancellor had said that he would have to come back in the Autumn Budget with plans to fund in full the lost £2bn. Such a Budget will now require support from the DUP or another party. As a result, the chancellor might find that he has to be less hawkish about balancing the budget, and about making changes to taxation and benefits.
18. The Conservative manifesto promised to continue with the same fiscal rules and to balance the budget by the middle of the next decade. The manifesto leaves some scope for making changes to taxation in order to balance the budget, including removing the triple-lock on pensions. The DUP, however, support the continuation of the triple-lock and are in favour of maintaining various other benefits. Their views on the Budget will be particularly important because they will be required to support any future Finance Bill.
19. It is too early to assess what effect the new government will have on funding to local government because there are just too many variables to consider. However, some changes are likely to the way that adult social care is funded. Social care has been one of the most important issues in the Election campaign, and has underlined why it is an issue that has to be addressed, either by fundamentally resolving how the current system works, or simply by throwing more cash at the problem. Given the difficulties

that the Conservatives had over reform, the second option might now seem more attractive.

Discretionary Rate Relief

20. In the context of some of the major national issues we have discussed above, the fate of the discretionary rate relief scheme might seem unimportant. But it is the one issue that was not resolved by the previous government that needs a definitive statement by the new government. As we have reported in previous updates, the DCLG has done as much as it can to assure local authorities that they can implement the new scheme [see letter sent to chief executives on 15 May 2017].

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