

The Fair Funding Review 2.0
Consultation Questions

1. What are your views on the updated SFA resulting in zero allocations, and the use of mitigations to avoid zero allocations?
2. Do you agree with how the government proposes to determine the Council of the Isles of Scilly's Settlement Funding Assessment?
3. Do you agree with the government's plans to simplify the grant landscape?
4. Do you agree with the formulae for individual services the government proposes to include?
5. Do you agree with the areas of need the government proposes to no longer include in the assessment through the Foundation Formula?
6. Do you agree with the government's approach to calculating the control total shares for the relative needs formulae?
7. Do you agree with the Labour Cost Adjustment (LCA) and Rates Cost Adjustment (RCA) equations set out in this chapter?
8. What are your views on the proposed approach to the Area Cost Adjustment (ACA)?
9. Do you agree or disagree with the inclusion of the Remoteness Adjustment? Do you have any evidence to support or contradict the theory that rural areas face additional costs due to separation from major markets?
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?
11. Do you agree with the government's proposal to fully include the impact of mandatory discounts and exemptions in the measure of taxbase?
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?
13. What are your views on the proposed statistical approach to proxy for the impact of Working Age Local Council Tax Support?
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?
15. Do you agree with the government's proposal to apply a uniform Council Tax collection rate assumption to all authorities?

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?
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?
18. Do you agree with the government's proposal to end the New Homes Bonus in the Settlement from 2026-27 and return the funding currently allocated to the Bonus to the core Settlement, distributed via the updated Settlement Funding Assessment?
19. What measures could the government use to incentivise local authorities to specifically support affordable and sub-market housing?
20. Are there any further flexibilities that you think could support local decision-making during the transitional period?
21. What are the safeguards that would need to go alongside any additional flexibilities?
22. Do you agree or disagree that we should move local authorities to their updated allocations over the multi-year Settlement?

Please provide any additional information, including the impact this measure could have on local authorities' financial sustainability and service provision.

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?

Please provide any additional information, including on:

- The level of protection or income baseline, considerate of the trade-off with allocating funding according to the updated assessment of need and resources; and
- The possible impacts on local authorities' financial sustainability and service provision.

24. Do you agree or disagree with including projections on residential population?
25. Do you agree or disagree with including projections on Council Tax level?
26. Do you agree or disagree with including projections on Council Tax base?
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?
28. Do you agree with the proposed above approach to determining allocations for areas which reorganise into a single unitary authority along existing geographic boundaries?

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?

Please provide any supporting information, including any further information areas would find helpful in guidance.

30. Do you agree that the government should work to reduce unnecessary or disproportionate burden created by statutory duties? If you agree, what specific areas of statutory duties impose significant burden without significant value for residents?

Please provide any examples of changes you would like to see to statutory duties, being as specific as possible.

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

Please provide any additional information, for example any additional considerations which would strengthen this proposed assessment framework, and any data which would be used to assess against it.

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.

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?

Please provide a rationale or your response. We are also interested in any further mechanisms which could be applied to fees that are updated or devolved, that will help strike a balance between those objectives.

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?

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.

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

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?

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)?

If you disagree, what other weightings would you use? Please provide details for why you would use these weights and what data it would be based on?

39. Do you agree that ethnicity should be removed as a variable in the CYPS formula? Please explain your reasoning.
40. Do you agree overall that the new formula represents an accurate assessment of need for children and family services? Please share any reflections or suggested changes.
41. Do you believe that the components of daytime population inflow should be weighted to reflect their relative impact on demand for services?
42. Do you agree with/have any comments on the design of the Foundation Formula?
43. Do you agree with/have any comments on the design of the Fire and Rescue Formula?
44. Do you agree with/have any comments on the design of the formula for Highways Maintenance?
45. Do you agree with/have any comments on the design of the formula for Home-to-School-Transport?
46. Do you have any views on the potential impacts of the proposals in this consultation on persons who share a protected characteristic?