

**LOCAL GOVERNMENT FINANCE FORMULA GRANT DISTRIBUTION:  
CONSULTATION PAPER  
July 2010**

**Response Form**

The Government would like your views on which of the options presented in the Local Government Finance Formula Grant Distribution consultation paper should go to updating and modifying the grant distribution system. This paper was published on the 28 July 2010, and can be found at the following address to <http://www.local.communities.gov.uk/finance/1112/sumcon/index.htm>

For convenience, this preformatted response form contains all the questions in the main consultation document. Please click on the relevant check boxes to activate the 'X' that will indicate your preference. Space is available after each question if you wish to include any additional comments to support your choice. There is no limit on the size of these spaces and the boxes will resize themselves. We also welcome any additional comments and alternative proposals, and these can be made in the section available at the end.

All responses, whether using this preformatted response form, or otherwise should reach us by **5pm on 6<sup>th</sup> October 2010**.

We particularly welcome responses submitted electronically. Please e-mail responses to [formulagrantsreview@communities.gsi.gov.uk](mailto:formulagrantsreview@communities.gsi.gov.uk)

If you are not able to respond by e-mail, please post your response to

Andrew Lock  
Formula Grant Review Team  
Communities and Local Government  
Zone 5/J2  
Eland House  
Bressenden Place  
London SW1E 5DU

Alternatively, they may be faxed to 0303 4443294.

**Confidentiality**

All information in responses, including personal information, may be subject to publication or disclosure under freedom of information legislation. If a correspondent requests confidentiality, this cannot be guaranteed and will only be possible if considered appropriate under the legislation. Any such request should explain why confidentiality is necessary. Any automatic confidentiality disclaimer generated by your IT system will not be considered as such a request unless you specifically include a request, with an explanation, in the main text of your response.

I would like my response to remain confidential (please cross)

Please say why in the box below.

**FORMULA GRANT DISTRIBUTION CONSULTATION RESPONSE**

Name

Position

Organisation

Address

E-mail

**CHAPTER 3: ADULTS' PERSONAL SOCIAL SERVICES**

Q1 Do you agree that we should update the Low Income Adjustment (OPPSS1)?

Agree

Disagree

Any further comments

**CHAPTER 4: POLICE**

Q2 Do you agree the activity analysis should be updated, and a three year average used instead of the current two year average (POL1)?

Agree

Disagree

Any further comments

Q3 Do you agree that the log of weighted bars per 100 hectares indicator should be used in place of log of bars per 100 hectares indicator (POL2)?

Agree

Disagree

Any further comments

Q4 Do you agree that the three elements of Additional Rule 2 Grant should be rolled into Principal Formula Police Grant (Main Grant) and therefore distributed as through the Police Allocation Formula (POL3)?

Agree

Disagree

Any further comments

No comments on this non-fire service formula change

Q5 Do you agree that the whole of Additional Rule 2 Grant should be rolled into Principal Formula Police Grant (Main Grant) and therefore distributed as through the Police Allocation Formula (POL4)?

Agree

Disagree

Any further comments

No comments on this non-fire service formula change

## CHAPTER 5: FIRE & RESCUE

Q6 Do you agree that the expenditure data used to determine the coefficients should be updated (FIR1)?

Agree

Disagree

Any further comments

Hampshire Fire and Rescue Authority (HFRA) supports the decision to update the formula.

Q7 Should annual cashable efficiency savings be added to the updated expenditure data used to determine the coefficients should be updated (FIR2)?

Yes

No

Any further comments

Q8 Would you prefer either FIR3 or FIR4 as an alternative to the current risk index?

FIR3

FIR4

Any further comments

HFRA supports the use of new indicators proposed in FIR3, as derived from the re-run fire risk index analysis and the use of more up-to-date data.

**CHAPTER 6: HIGHWAYS MAINTENANCE**

Q9 Do you agree that the daytime visitors component of daytime population per km should be removed (HM1)?

Agree

Disagree

Any further comments

No comments on this non-fire service formula change

Q10 Do you agree that the expenditure data used to determine the coefficients should be updated (HM2)?

Agree

Disagree

Any further comments

No comments on this non-fire service formula change

**CHAPTER 7: ENVIRONMENTAL, PROTECTIVE & CULTURAL SERVICES**

Q11 Do you agree that foreign visitor nights is a suitable replacement for day visitors in the district-level and county-level EPCS RNFs (EPCS1)?

Agree

Disagree

Any further comments

No comments on this non-fire service formula change

Q12 Do you agree that the new GIS-based flood defence formula should be used (EPCS2)?

Agree

Disagree

Any further comments

No comments on this non-fire service formula change

Q13 Do you agree that the new GIS-based coast protection formula should be used (EPCS3)?

Agree

Disagree

Any further comments

No comments on this non-fire service formula change

**CHAPTER 8: AREA COST ADJUSTMENT**

Q14 Do you agree with the proposal to update the weights given to the labour cost adjustment (ACA1)?

Agree

Disagree

Any further comments

HFRA supports the use of up-to-date information. Although not proposed in this consultation, current ACA geography should be revised to remove the Isle of Wight from any grouping for Hampshire. If that results in the Isle of Wight receiving an inadequate level of formula grant, then a judgemental ACA factor should be introduced for the Isle of Wight similar to the factor already in use for the Isles of Scilly. This would ensure that the cost of providing any additional grant to the Isle of Wight is shared nationally and not borne solely by the taxpayers of Hampshire.

**CHAPTER 10: SCALING FACTOR**

Q15 Do you agree think that the scaling factor for the central allocation should be close to one, so that equal importance is attached to the amounts above and below the threshold?

Yes  (if yes, please answer Q16)

No

Any further comments

The Government has not set out its rationale for the existing level of judgemental needs and resource equalisation. Until that basis has been documented and agreed, no further increases in needs and resources equalisation should be implemented.

Instead, needs equalisation should be reduced in 2011/12 and the central allocation block increased. This would reverse the current priority for funding so that basic costs are fully met with any residue of grant used to fund deprivation needs, instead of vice versa.

Q16 If so, would you prefer Ministers to be able to set judgemental weights for the Relative Needs Amount (CAS1) or the Relative Resource Amount (CAS2)?

CAS1

CAS2

Any further comments

Hampshire Fire and Rescue Authority would lose £0.200 million fromr CAS2 and urges the Government to opt for CAS1 if introducing this proposal.

More of the formula grant should be allocated as a basic amount per client and less as a top up to reflect higher assessed 'need' to spend per client in some areas.

## CHAPTER 11: FLOOR DAMPING LEVELS

Q17 Over the next Spending Review period, do you think that the floor level should be set close to the average change or such that it allows some formula change to come through for authorities above the floor?

Close to the average

Allows formula change to come through

Any further comments

HFRA currently loses 59.14% of its grant increases as a result of damping and supports changes to the methodology that allow more formula change to come through.

## CHAPTER 12: TRANSFERS AND ADJUSTMENTS

Questions 4 and 5 on Additional Rule 2 grant are shown in the Police section above and not repeated here.

Q18 Which of the four options for removing concessionary travel from lower-tier authorities do you prefer?

CONCF1

CONCF2

CONCF3

CONCF4

Any further comments

No comments on non-fire service formula change

Q19 Which of the six options for rolling in concessionary travel to upper-tier authorities do you prefer?

- CONCF5
- CONCF6
- CONCF7
- CONCF8
- CONCF9
- CONCF10

Any further comments

No comments on non-fire service formula change

Q20 Should concessionary travel have its own sub-block (within the EPCS block)?

- Yes
- No

Any further comments

No comments on non-fire service formula change

Q21 Do you agree with the methodology for adjusting the base position for unadopted drains?

- Yes
- No

Any further comments

No comments on non-fire service formula change

### CHAPTER 13: THE INCAPACITY BENEFIT AND SEVERE DISABLEMENT ALLOWANCE

Q22 Do you agree that the incapacity benefit and severe disablement allowance indicator should use quarterly data rather than annual data (DATA1)?

- Agree
- Disagree

Any further comments

No comments on non-fire service formula change

### CHAPTER 14: REPLACING THE CHILDREN'S INCOME SUPPORT BENEFIT INDICATOR

Q23 Do you agree that children in out-of-work families receiving Child Tax Credit (CTC) should replace the current children of Income Support / (income-based) Jobseeker's Allowance claimants (DATA2)?

Agree

Disagree

Any further comments

HRFA supports option FIR3 for updating the fire risk index in the Fire and Rescue RNF in preference to DATA3. If this option is adopted, it eliminates any direct impact on the Fire and Rescue RNF as children of families in receipt of child tax credit is not one of the new fire risk index categories.

If the fire risk index is not updated for either proposal FIR3 or FIR4, HFRA disagree with the introduction of the use of data measuring children in out-of-work families receiving child tax credit as this seems to introduce turbulence.

#### CHAPTER 15: STUDENT EXEMPTIONS AND THE COUNCIL TAXBASE

Q24 Would you prefer that May data only is used for the student exemptions adjustment in the taxbase projections (DATA3)?

Yes

No

Any further comments

Taxbase grows fairly steadily and historic taxbase is a reasonable predictor. This proposal seems to create turbulence with no clear evidence that changes to student exemptions data improves the accuracy of projecting taxbases.

#### CHAPTER 16: UPDATING DATA ON LOW ACHIEVING ETHNIC GROUPS

Q25 Do you agree that the new definition of secondary school pupils in low achieving ethnic groups should be used (DATA4)?

Agree

Disagree

Any further comments

No comments on non-fire service formula change

#### ANY OTHER COMMENTS

Do you have any alternative proposals?

See the comment in response to question 14.

Do you have any other comments?

Additional Question 1: Do you think we should treat the City of London as two notional authorities for floor damping purposes (Option DAMP1)?

No comments on this non-fire service formula change.

Other comments

The four-block model is too complex, open to political manipulation and lacks transparency. Government should introduce a simple, transparent, fair system.

Government support should be provided as far as possible as general formula grant, not as specific grants.

Service funding leakage - Hampshire Fire and Rescue Authority is concerned that fire funding is being adversely affected by formula changes not relating to fire and rescue services, such as Highways Maintenance. This issue highlights a flaw in the Government's current four-block model.

Thank you for completing this response form.