


RESPONSE FROM WEST SUFFOLK COUNCILS – FOREST HEATH DISTRICT COUNCIL AND ST EDMUNDSBURY BOROUGH COUNCIL

Note: This response assumes that from 1 April 2019, Forest Heath District Council and St Edmundsbury Borough Council will have been replaced by a single West Suffolk Council, in line with the current Parliamentary process.

<p>Question 1): What are your views on the Government’s proposals to simplify the relative needs assessment by focusing on the most important cost drivers and reducing the number of formulas involved?</p>	<p>West Suffolk Councils welcome the Government’s proposals to simplify the relative needs assessment by focusing on the most important drivers and reducing the number of formulas. However, this simplification must not be at the expense of transparency or accuracy, especially where individual councils’ circumstances are affected by unique considerations (see below).</p> <p>West Suffolk Councils’ past experience is of a lack of transparency in funding formulas, as exemplified by our attempts to understand the funding allocated by the Ministry of Defence in lieu of council tax foregone due to overseas military personnel in the district (see letter from</p> <div style="text-align: right;">  <p>Adobe Acrobat Document</p> </div> <p>DCLG).</p> <p>MHCLG is urged to ensure that in future there is greater transparency over the basis on which funding is allocated to individual councils.</p>
<p>Question 2): Do you agree that the Government should use official population projections in order to reflect changing population size and structure in areas when assessing the relative needs of local authorities?</p>	<p>The Councils do not agree with the use of the Government’s official population projections in all cases.</p> <p>West Suffolk is host to the largest population of US Visiting Forces in the UK, which poses significant challenges to population forecasting and measurement. The Office for National Statistics has agreed to put in place a Special Population Adjustment for Forest Heath District Council but this has not yet been finalised, and so it is not clear whether it will mean that Sub-National Population Projections can be used for a future West Suffolk Council.</p> <p>A background paper outlining the challenges associated with forecasting future population growth in West Suffolk is submitted alongside this response. But the key issue is the extreme</p>

	<p>variability of the projected growth patterns due to the artificially high birth rate associated with US Visiting Forces, and the presence of high numbers of younger adults who remain in the area for around 3 years. This variability has led to percentage changes in mid-year population estimates of between -0.9% and +2.6% between adjacent years within an 8 year period (2006 and 2014), when the baseline population change in the county as a whole has remained between +0.3% and +0.7% and there has been no major observable change in the military population.</p> <p>Using Office for National Statistics estimates as a basis for needs assessment in West Suffolk could therefore lead to anomalous funding levels between different years, due to artificial changes in population.</p>
<p>Question 3): Do you agree that these population projections should not be updated until the relative needs assessment is refreshed?</p>	<p>Please see response to question 2 above regarding the use official population projections.</p> <p>On balance we support that any population projections should not be updated until the relative needs assessment is refreshed. We only support this in the context of ensuring medium term financial certainty for local authorities.</p>
<p>Question 4): Do you agree that rurality should be included in the relative needs assessment as a common cost driver?</p>	<p>The councils strongly agree that rurality should be included as a common cost driver in a relative needs assessment. The current councils are Mainly Rural (Forest Heath – 100% rural) and Largely Rural (St Edmundsbury – 61.4% rural); and a new West Suffolk Council would be largely rural (74.9%) using the current Defra classifications.</p> <p>Recent national research (e.g. from Rural Services Network and Public Health England) has highlighted the challenges facing rural populations in accessing opportunities, and it is our experience that delivering services in these areas is more challenging and costly than in areas of higher population density.</p> <p>In West Suffolk, there is a particular issue around the interaction of an ageing population with a largely rural one. In some of our rural wards, over one third of our population will live in households where everyone is aged over 65 by the year 2037, increasing the demand for services such as assisted waste collections and the need for community capacity building work to reduce isolation and vulnerability.</p>

<p>Question 5): How do you think we should measure the impact of rurality on local authorities' 'need to spend'? Should the relative needs assessment continue to use a measure of sparsity or are there alternative approaches that should be considered?</p>	<p>West Suffolk Councils believe that a simple local authority level measure of rurality is not the best indicator of sparsity and that the Government should also use Lower Super Output Area and/or Output Area measures to assess sparsity.</p> <p>For example, by using the Defra classification West Suffolk Councils would have a district-level percentage of rural population 74.9%, according to the Defra classifications.</p> <p>When looked at the Output Area level, around 24% of West Suffolk's output areas fall into the categories of E1 (rural villages) and F1 (rural hamlets and isolated dwellings).</p> <p>Using the current Forest Heath classifications as a comparison, it can be seen that an area with a higher concentration of E1 and F1 output areas (i.e. those that have additional service challenges) would actually appear to be <i>less</i> rural than one with its population more concentrated in hub towns, where there are fewer additional service delivery costs.</p> <table border="1" data-bbox="622 730 2042 949"> <thead> <tr> <th>District</th> <th>LA level rural %</th> <th>% of Output Areas in villages, hamlets and isolated dwellings (E1 and F1)</th> </tr> </thead> <tbody> <tr> <td>West Suffolk Council</td> <td>74.9% (largely rural)</td> <td>24</td> </tr> <tr> <td>Forest Heath District Council</td> <td>100% (predominantly rural)</td> <td>12</td> </tr> </tbody> </table> <p>This example shows that a more sophisticated measure of rurality is needed than simply the LA level Defra classification.</p>	District	LA level rural %	% of Output Areas in villages, hamlets and isolated dwellings (E1 and F1)	West Suffolk Council	74.9% (largely rural)	24	Forest Heath District Council	100% (predominantly rural)	12
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West Suffolk Council	74.9% (largely rural)	24								
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<p>Question 6): Do you agree that deprivation should be included in the relative needs assessment as a common cost driver?</p>	<p>The councils strongly agree that deprivation should be included as a common cost driver in a relative needs assessment.</p>									
<p>Question 7): How do</p>	<p>The councils do not agree that the Index of Multiple Deprivation alone should be used</p>									

<p>you think we should measure the impact of deprivation on 'need to spend'? Should the relative needs assessment use the Index of Multiple Deprivation or are there alternative measures that should be considered?</p>	<p>to measure the impact of deprivation on the need to spend. As agreed by officials at the (then) DCLG, the Index of Multiple Deprivation as currently constructed does not take account of the presence of US Visiting Forces in West Suffolk, and artificially dampens the levels of deprivation in the area.</p> <p>The policy paper submitted with this response sets out the issue in more detail, but put simply, the total "at risk" population for some IMD indicators (denominator) includes US Visiting Forces personnel and dependents, when they are not in actual fact able to be "at risk". For example, the income indicator includes data on the proportion of the working age population in receipt of Income Support, whereas US military personnel and dependents are not eligible for Income Support, so need to be removed from the Working Age Population denominator.</p> <p>The Councils would therefore wish to see other measures of deprivation used for the purposes of calculating need; or an exception applied to the case of West Suffolk.</p>
<p>Question 8): Do you have views on other common cost drivers the Government should consider? What are the most suitable data sources to measure these cost drivers?</p>	<p>West Suffolk Councils would like to propose that a specific cost driver / Area Cost Adjustment be developed to deal with Overseas Military populations whose exemption from council tax and unique patterns of service use significantly affect the cost of service delivery.</p> <p>Data obtained direct from the Ministry of Defence could be used for this purpose</p>
<p>Question 9): Do you have views on the approach the Government should take to Area Cost Adjustments?</p>	<p>See answer to question 8, above.</p>
<p>Question 10a): Do you have views on the approach that the Government should take when considering areas</p>	<p>Levies paid by councils to Internal Drainage Boards for inland flood defence should be taken account of in the relative needs assessment.</p> <p>In 2017-18, West Suffolk Councils paid £78,919 in levies to the Mildenhall, Lakenheath and Burnt Fen internal drainage boards. These payments need to be factored into the relative needs</p>

Appendix A

which represent a small amount of expenditure overall for local government, but which are significant for a small number of authorities?	assessment as they are significant for small district authorities.
Question 10b): Which services do you think are most significant here?	NO RESPONSE PROPOSED
Question 11a): Do you agree the cost drivers set out above are the key cost drivers affecting adult social care services?	NO RESPONSE PROPOSED

Question 11b): Do you have views on what the most suitable data sets are to measure these or other key cost drivers affecting adult social care services?	
Question 12a): Do you agree that these are the key cost drivers affecting children's services?	NO RESPONSE PROPOSED
Question 12b): Do you have views on what the most suitable data sets are to measure these or other key cost drivers affecting children's services?	NO RESPONSE PROPOSED
Question 13a): Do you agree that these are the key cost drivers affecting routine highways maintenance and concessionary travel services?	NO RESPONSE PROPOSED
Question 13b): Do you have views on what the most suitable data sets are to measure these or other key cost drivers affecting routine highways maintenance	NO RESPONSE PROPOSED

or concessionary travel services?	
Question 14a): Do you have views on what the most suitable cost drivers for local bus support are?	NO RESPONSE PROPOSED
Question 14b): Do you have views on what the most suitable data sets are to measure the cost drivers for local bus support?	NO RESPONSE PROPOSED
Question 15a): Do you agree that these are the key cost drivers affecting waste collection and disposal services?	In addition to the cost drivers proposed, West Suffolk Councils would like to propose that the proportion of households where all residents are aged over 65 should be added as a cost driver, to take account of the additional costs associated with assisted bin collections.
Question 15b): Do you have views on what the most suitable data sets are to measure these or other key cost drivers affecting waste collection and disposal services?	ONS data on the proportion of households where all residents are aged over 65.
Question 16a): Do you agree these remain the key drivers affecting the cost of delivering fire and rescue services?	NO RESPONSE PROPOSED
Question 16b): Do you	NO RESPONSE PROPOSED

have views on which other data sets might be more suitable to measure the cost drivers for fire and rescue services?	
Question 17a): Do you agree these are the key cost drivers affecting the cost of legacy capital financing?	NO RESPONSE PROPOSED
Question 17b): Do you have views on what the most suitable data sets are to measure these or other key cost drivers affecting legacy capital financing?	NO RESPONSE PROPOSED
Question 18a): Are there other service areas you think require a more specific funding formula?	No
Question 18b): Do you have views on what the key cost drivers are for these areas, and what the most suitable data sets are to measure these cost drivers?	NO RESPONSE PROPOSED

Question 19): How do you think the Government should decide on the weights of different funding formulas?	NO RESPONSE PROPOSED
Question 20): Do you have views about which statistical techniques the Government should consider when deciding how to weight individual cost drivers?	NO RESPONSE PROPOSED
Question 21): Do you have any comments at this stage on the potential impact of the options outlined in this consultation document on persons who share a protected characteristic? Please provide evidence to support your comments.	NO RESPONSE PROPOSED