



Report for: ACTION/INFORMATION
Item Number:

Contains Confidential or Exempt Information	NO
Title	Efficiency Plan and Multi-Year Settlement
Responsible Officer(s)	Ian O'Donnell
Author(s)	Ross Brown
Portfolio(s)	Finance, Performance and Customer Services
For Consideration By	Council
Date to be Considered	11 October 2016
Implementation Date if Not Called In	
Affected Wards	All
Keywords/Index	Finance, Budget, Efficiency

Purpose of Report:

This report presents the Council's Efficiency Plan for approval. This summarises the approach to balancing the budget as detailed in the medium term financial strategy agreed by Full Council on 23 February 2016.

The Efficiency Plan is to be submitted to the government as part of the acceptance of the offer of a four year financial settlement.

1. Recommendations

1.1 That the Council:

1.1.1 Notes the Efficiency Plan attached at Appendix 1, which is in line with the medium term financial strategy approved by the Council in February 2016

1.1.2 Agrees to accept the government's offer of a multi-year settlement

2. Reason for Decision and Options Considered

2.1 As part of the 2016/17 finance settlement the government provided allocations for core funding to individual local authorities up to 2019/20.

2.2 On 10 March 2016 the Secretary of State for Communities and Local Government wrote to all councils, inviting them to apply to accept the offer of

greater certainty over funding over the four year period. The application process requires the council to publish its efficiency plan.

- 2.3 The multi-year settlement would provide a degree of protection from any further reductions in excess of those already announced and a clearer basis for undertaking financial planning. Any council that chooses not to accept the offer will be subject to the existing yearly process for funding settlements.

3. Key Implications

- 3.1 The government has not been prescriptive about the content of efficiency plans and stressed that it wants to keep the process of producing the plan as straightforward as possible.
- 3.2 The Efficiency Plan set out in Appendix 1 summarises the medium term financial position for the council and the approach to securing future savings. Given the nature of the plan it is proposed to incorporate it within the next refresh of the medium term financial strategy, due to be considered by Council on 21 February 2017.
- 3.3 The government's offer of a multi-year settlement primarily relates to Revenue Support Grant (RSG). In addition business rate top-ups will not be altered due to changes in the relative needs of local authorities, but are expected to change as a result of the implementation of 100% business rates retention in 2019/20.

4. Financial

- 4.1 The medium term financial strategy approved by Council contains the following projections for RSG and business rate top-up.

	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
RSG	48.371	35.007	26.167	17.167
Business Rate Top-up	29.509	30.090	30.976	31.967
Total	77.880	65.097	57.143	49.134

5. Legal

- 5.1 There is no statutory requirement to accept the government's offer of a multi-year settlement and produce an efficiency plan. The government has confirmed that it is open for councils to continue to work on an annual basis, without any guarantees about future funding levels.

6. Value For Money

- 6.1 The multi-year settlement provides greater financial certainty to facilitate effective medium term financial planning. It will also provide some protection from further funding reductions over the period to March 2020.

7. Sustainability Impact Appraisal

- 7.1 No direct impact.

8. Risk Management

- 8.1 At this stage it is not clear what the impact would be of not accepting this offer. However the offer provides a greater level of certainty over future funding.

9. Community Safety

- 9.1 None directly

10. Links to the 6 Priorities for the Borough

- 10.1 None directly.

11. Equalities, Human Rights and Community Cohesion

- 11.1 None directly.

12. Staffing/Workforce and Accommodation implications

- 12.1 None directly.

13. Property and Assets

- 13.1 None directly.

14. Any other implications

- 14.1 None

15. Consultation

- 15.1 The Efficiency Plan (attached as Appendix 1) reflects feedback from discussions with Cabinet members and Corporate Board on content.

16. Timetable for Implementation

- 16.1 The deadline for accepting the offer of a multi-year settlement and publishing the efficiency plan is 14 October 2016.

17. Appendices

Appendix 1 – Efficiency Plan

18. Background Information

Local Government Finance Settlement 2016/17

<https://www.gov.uk/government/collections/final-local-government-finance-settlement-england-2016-to-2017>

Consultation

Name of consultee	Post held	Date sent to consultee	Date response received	Comments appear in paragraph:
Internal				
Paul Najsarek	Chief Executive			
Ian O'Donnell	Executive Director of Corporate Resources			
Pat Hayes Keith Townsend Judith Finlay	Executive Directors			
Helen Harris	Director of Legal and Democratic Services			
Cllr Julian Bell	Leader of the Council			
Cllr Yvonne Johnson	Cabinet Member for Finance, Performance and Customer Services			