



Civic Centre,  
Arnot Hill Park,  
Arnold,  
Nottinghamshire,  
NG5 6LU

# Agenda

## Cabinet

Date: **Thursday 8 January 2015**

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Time: **12.30 pm**

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Place: **Reception Room**

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For any further information please contact:

**Lyndsey Parnell**

Senior Elections and Members' Services Officer

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# Cabinet

## Membership

<b>Chair</b>	Councillor John Clarke
<b>Vice-Chair</b>	Councillor Michael Payne
	Councillor Peter Barnes Councillor Kathryn Fox Councillor Darrell Pulk Councillor Henry Wheeler
<b>Observers:</b>	Councillor Chris Barnfather Councillor Paul Hughes

## **AGENDA**

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- 2 To approve, as a correct record, the minutes of the meeting held on 18 December 2014.** 1 - 4
- 3 Declaration of Interests.**
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Report of Corporate Director (Chief Financial Officer).
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Report of the Service Manager Elections and Members' Services.
- 6 Progress Reports from Portfolio Holders.**
- 7 Member's Questions to Portfolio Holders.**
- 8 Any other items the Chair considers urgent.**

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## MINUTES CABINET

Thursday 18 December 2014

Councillor John Clarke (Chair)

Councillor Michael Payne  
Councillor Peter Barnes

Councillor Darrell Pulk

Observers: Councillor Chris Barnfather and Councillor Paul Hughes

Absent: Councillor Kathryn Fox and Councillor Henry Wheeler

Officers in Attendance: J Robinson, H Barrington, S Bray, A Dubberley, J Gray, L Juby, M Kimberley and D Wakelin

**179 APOLOGIES FOR ABSENCE.**

Apologies for absence were received from Councillors Fox and Wheeler.

**180 TO APPROVE, AS A CORRECT RECORD, THE MINUTES OF THE MEETING HELD ON 13 NOVEMBER 2014.**

**RESOLVED:**

That the minutes of the above meeting, having been circulated, be approved as a correct record.

**181 DECLARATION OF INTERESTS.**

None

**182 SUSTAINABILITY PROGRESS REVIEW**

Stephen Bray, Corporate Director, presented a report which had been circulated prior to the meeting, giving an update on work being done around the council on sustainability.

**RESOLVED to:**

- 1) Note progress with delivery of the Sustainability Strategy and Action Plan;

- 2) Agree that future work on sustainability is encompassed in the Gedling Plan and relevant Service Plans, with any continuing high-level targets incorporated in the Gedling Plan; and
- 3) Manage future sustainability performance through established performance management mechanisms, with any target changes to be put forward for member consideration through quarterly performance review processes.

**183 LOCALITY PLANS UPDATE AND KILLISICK DELIVERY PLAN.**

Dave Wakelin, Corporate Director introduced a report, which had been circulated prior to the meeting, updating Cabinet on locality plan progress in Netherfield and Newstead and introducing a new plan for Killisick. Lance Juby, Service Manager for Community Relations, highlighted some of the key points in the plans.

All Members paid tribute to the work of the Locality Coordinators who were doing excellent work to building stronger communities in their areas.

**RESOLVED to:**

- 1) Note the progress report for the Netherfield and Newstead Locality Plans
- 2) Endorse the Killisick Delivery Plan
- 3) Note the Public Realm Survey and schedule of improvements for consultation across Netherfield.

**184 FIVE YEAR HOUSING LAND SUPPLY ASSESSMENT 2014**

Stephen Bray, Corporate Director, introduced a report which had been circulated prior to the meeting, giving information about the Council's five year land supply.

**RESOLVED:**

To note the report.

**185 FORWARD PLAN**

Consideration was given to a report of the Service Manager, Elections and Members' Services, which had been circulated prior to the meeting, detailing the Executive's draft Forward Plan for the next four month period.

**RESOLVED:**

To note the report.

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## **PROGRESS REPORTS FROM PORTFOLIO HOLDERS.**

### **Councillor Peter Barnes (Environment)**

- Congratulations to the Parks and Street Care Team who were awarded the most improved street cleaning team at the APSE awards. The team were also finalists in the Best Performing Street Care Team category.
- Work on improving measures to combat flooding in the Arnold area was progressing well.
- Work on the new Gedling Country Park was also progressing well and on schedule.

### **Councillor Darrell Pulk (Leisure and Development)**

- Congratulations to Calverton Leisure Centre which was a finalist in the best small leisure centre category at the APSE awards. Congratulations also to the Community Centres team who had been shortlisted as finalist for the Burton Road Centre and won the prize for Pondhills Centre as the most improved community centre.
- Work was ongoing to examine the council's leisure offer in the context of affordability versus service level.

### **Councillor Michael Payne (Public Protection and Communications)**

- Thanks to the team in Customer Services for the excellent work done over the past year including taking approximately 250,000 telephone calls, seeing 20,000 customers face to face and dealing very professionally with the increased footfall caused by the co-location of the Arnold Job Centre. Customer satisfaction with the service had also been consistently high.
- The cash office had recently been replaced by an automated pay point which although not initially popular, was necessary to save the council money.
- Concern remained over the plans to close Carlton Police Station. Work was still ongoing, led by the Chief Executive, to identify measures to ensure a continued police presence in the area.

### **Councillor Clarke shared the following from Councillor Henry Wheeler's (Health and Housing) portfolio area:**

- He was supportive of a campaign to give landlords greater flexibility to carry out vital gas safety work in properties.

- Barnardos has released a protocol to assist young people when leaving local authority care
- Demand for service in relation to from the homelessness and temporary housing remained high.

**Councillor John Clarke (Finance and Performance)**

- Lots had been happening recently in Economic Development with discussions still ongoing for the creation of a combined authority.
- A letter of thanks from a Borough resident praising the good services on offer in Gedling was read out. All staff were thanked for their efforts.

**187 MEMBER'S QUESTIONS TO PORTFOLIO HOLDERS.**

In response to a question from Councillor Barnfather, Councillor Payne advised that he would provide a written response on how funding for Christmas lightning was allocated across the whole area.

**188 ANY OTHER ITEMS THE CHAIR CONSIDERS URGENT.**

None.

The meeting finished at 1.55 pm

Signed by Chair:  
Date:



## **Report to Cabinet**

**Subject:** Provisional Local Government Finance Settlement 2015/16

**Date:** 8 January 2015

**Author:** Corporate Director and Chief Financial Officer

### **Wards Affected**

Borough-wide

### **Purpose**

The report provides details of the Provisional Local Government Finance Settlement and New Homes Bonus income for 2015/16. The report also seeks approval to passport the original full notional amount of Council Tax Reduction Scheme grant on to Parish Councils and that an increase in Fees and Charges of 3% to be applied in 2015/16.

Once expenditure estimates have been set the Council will then need to determine its Council Tax increase, if any, at the Budget Council meeting on 2 March 2015.

### **Key Decision**

This is not a key decision.

### **Background**

- 1.1 The Local Government Finance Settlement determines how much grant funding Central Government provides to each local authority in England.
- 1.2 The Chancellor of the Exchequer presented his annual Autumn Statement to Parliament on 3 December 2014. It provided an update on the Government's projections for the economy based on the latest forecasts from the Office for Budget Responsibility. Further details of the Autumn Statement as provided by the Local Government Association are attached at Appendix A.

- 1.3 Public spending control is central to the Government's commitment to reducing the deficit. The Chancellor confirmed that local services will not receive additional cuts to those previously announced for 2015/16, however, the Government's fiscal assumption is that Totally Managed Expenditure (TME) for 2016/17 and 2017/18 will fall in real terms at the same rate as between 2010/11 and 2014/15 which for Gedling equates to 34%. TME will then stay flat in real terms in 2018/19 and 2019/20.
- 1.4 The Chancellor announced that business rates rises will be capped at 2%. Otherwise it would have risen by 2.3% in line with the increase in the September 2014 Retail Prices Index. The temporary extension of small business rate relief which was due to expire on 31 March 2015 will be extended until April 2016 and will be fully funded by Government and will not impact upon resources available to local government.

## **Proposal**

### **2.1 Local Government Finance Settlement Announcement 2015/16**

#### **2.1.1 2015/16 Settlement**

The annual local government finance settlement is concerned with the distribution of revenue raised from business rates and other funding streams through Revenue Support Grant and Business Rates Retention.

The 2015/16 Settlement determines how much Revenue Support Grant Central Government will give to each local authority in England in 2015/16. A full analysis of the Settlement has been completed by the Local Government Association and is attached at **Appendix A** for information.

For Gedling Borough Council the provisional settlement figure for 2015/16, known as the **Settlement Funding Assessment**, totals £4,938,471. This represents the aggregate of Revenue Support Grant of £2,146,229 and estimated retained Business Rates of £2,792,242 (the actual amount of business rates funding will be determined by the actual amount of rates collected and movements in the business rates base in accordance with the business rates retention scheme). The Settlement Funding Assessment of £4,938,471 which includes non-ringfenced specific grants, represents a cash reduction of £865,594 or 14.93% from the comparative 2014/15 figure.

Non-ringfenced specific grants are detailed below:

- the Council Tax Freeze grant of £137,753 was to be received for a period of 4 years to finance the Council Tax freeze implemented in 2011/12, this now continues in baseline funding along with £60,621 in

respect of the 2014/15 Council Tax Freeze grant;

- Homelessness grant of £76,564 (a small reduction of 0.4% compared to 2014/15);

The consultation period on the Settlement closes on 15 January 2015.

#### 2.1.2 Future Spending Review Period

As detailed in paragraph 1.3 Settlement grant reductions equating to 34% in cash terms are anticipated over 2016/17-2017/18. Inflationary increases in Settlement grant of 2% in cash terms are projected for 2018/19-2019/20 resulting a neutral budget position in real terms.

#### 2.1.3 Council Tax Freeze Grant

The Government have announced that funding will be available to local authorities which freeze council tax for 2015/16, which will be built into the baseline for subsequent years. Councils that do so will get a grant equivalent to raising their council tax by 1% in each year.

#### 2.1.4 Council Tax Reduction Scheme Grant

The Council Tax Benefit system was replaced on 1 April 2013 with the Council Tax Reduction Scheme (CTRS) which provides a discount on the council tax bill for eligible applicants. Gedling's initial scheme, which was approved by Council on 19 December 2012, was devised to ensure the most vulnerable are protected by making the discount receivable equivalent to the benefit which would have been payable under the previous system. The basis of the original scheme is proposed to continue for the 2015/16 financial year.

The CTRS is funded partly by Government Grant, initially set at a rate 10% less than previously available as benefit subsidy, and the remainder by introducing new tax charges for empty properties. The Council Tax Reduction Scheme non-ringfenced grant, was previously specified at £706,325 for 2013/14, but this has now been incorporated into the base Settlement funding assessment and specific grant figures for CTRS are no longer identifiable.

The non-ringfenced CTRS grant includes an amount to fund the impact of taxbase reductions on local parish precepts, initially predicted at £47,500. The impact of the initial scheme on 2013/14 taxbase figures, when adjusted for Gedling's own technical changes, resulted in a precept reduction of £28,400 for Parish Councils as a whole and grant of this amount was paid to Parish Councils to ensure no financial loss was suffered from the implementation of CTRS. The remainder of the grant was used to part

establish a hardship fund for vulnerable claimants. Demand on that fund is lower than anticipated and despite the Council facing a further cut of 15.8% in its funding for 2015/16, it is now proposed to make an additional grant payment to the Parish Councils of £19,100 in recognition of the work they do in their communities.

Total grant support to Parish Councils is therefore proposed to be £47,500 for 2015/16.

As the CTRS grant is not protected from future funding reductions the amount of grant to be paid to Parish Councils will need to be determined on an annual basis.

#### 2.1.5 Council Tax Increase Referendum Trigger

The Localism Act 2011 gives powers to the local community to either endorse or veto Council Tax rises that are above a limit which is to be set annually by the House of Commons. If a local authority decides to implement a council tax increase above the government set limit this will trigger a referendum so that local voters can either support or reject the proposed rise.

The referendum limit for 2015/16 has been set at 2%. In previous years it has also been set at 2.0%. Any Council which sets an increase greater than the referendum limit and does not get support from the electorate via the referendum will have to revert to a council tax level that is compliant.

## 2.2 New Homes Bonus

During 2011/12 Central Government introduced the New Homes Bonus (NHB) which is now a significant and permanent feature of future local government funding. The Government have committed to funding NHB from the centrally retained share Business Rates income which will continue to be paid as a separate non-ringfenced grant.

The principles of the grant are to reward local authorities for each new property completed within their boundary. The value of the reward is linked to the average council tax band D property and each individual award will be for a six year period.

Gedling has provisionally been awarded £467,744 for 2015/16 which is in addition to the £1,563,784 awarded for 2011/12-2014/15, giving a total cumulative New Homes bonus of £2,031,528. The Council's Medium Term Financial Plan assumes a further increase in grant of £350,000 in 2016/17, reaching a cumulative total of £2,381,528 by 2016/17 which is the end of the six year period after which it is expected to stabilise at this level.

The receipt of the New Homes Bonus has enabled the Council to protect core services and to respond to local priorities by investing in its Economic Development activities through the introduction of free town centre car

parking, investment in Arnold leisure centre and theatre facilities and the establishment of an increased and permanent staffing resource for general economic development work.

### 2.3 Income Inflation

The Medium Term Financial Plan currently being developed includes income inflation at 3% on discretionary income, (excluding leisure DNA and Trade Waste, Building Control), which equates to £88,800, and the increase per Portfolio is shown in the table below. Each additional 1% increase will raise a further £29,600.

It is suggested that the Portfolio Holder agrees individual charges with the relevant Corporate Director, with discretion to vary the percentage increase, as long as the overall cash amount for that Portfolio is raised.

Portfolio	Discretionary Income £	1% increase £	3% increase £
Community Development	(81,300)	(800)	<b>(2,400)</b>
Health and Housing	(0)	(0)	<b>(0)</b>
Public Protection & Communication	(504,100)	(5,000)	<b>(15,000)</b>
Environment	(495,500)	(5,000)	<b>(15,000)</b>
Leisure & Development	(1,569,200)	(15,700)	<b>(47,100)</b>
Finance & Performance	(311,100)	(3,100)	<b>(9,300)</b>
<b>Total</b>	<b>(2,961,200)</b>	<b>(29,600)</b>	<b>(88,800)</b>

Some of the services operated by the Council are not included in the general fee inflation increase due either to: the sensitivity of demand to price changes e.g. Leisure DNA or; being operated on a commercial basis and therefore required to breakeven e.g. Trade Waste Services and Building Control. The levels of fees which are set in these areas are considered separately and the base budget amended to ensure appropriate fees are set.

### 2.4 Consultation with Business Ratepayers

As major providers of the resources which fund Local Government services

there is a statutory duty to consult Business Ratepayers. To fulfil that requirement it is proposed that the draft letter attached at Appendix B be sent on behalf of the Leader to a broad selection of local business ratepayers. Any feedback received will be reported to Budget Cabinet on 19 February 2015.

### **Alternative Options**

- 3 Members could choose a different percentage increase in fees and charges. However, 3% is considered to be the optimum figure in terms of producing a balanced medium term financial plan. The financial impact of alternative fee increases is detailed at paragraph 2.3.

### **Financial Implications**

- 4 As detailed in the report.

### **Appendices**

- 5 Appendix A – Local Government Association, Local Government Finance Settlement Briefing  
  
Appendix B – Draft Letter Business Ratepayer Consultation

### **Background Papers**

- 6 None identified.

### **Recommendation(s)**

**THAT** Cabinet:

- (a) Notes the Provisional Local Government Finance Settlement;
- (b) Approves in principle the payment of £47,500 grant funding to the Parish Councils as detailed in paragraph 2.1.4;
- (c) Approves a 3% income inflation increase for the individual portfolios shown in the table at paragraph 2.3;
- (d) Approves the draft letter attached at Appendix B for circulation to a selection of Business Ratepayers.

## **Reasons for Recommendations**

- 7 To contribute to the delivery of a balanced budget both in 2015/16 and in the medium term and to satisfy statutory requirements.

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# Local Government Association (LGA) briefing: *Provisional Local Government Finance Settlement 2015-16*

18 December 2014



## LGA KEY MESSAGES

- Today's Provisional Local Government Finance Settlement confirms that councils will continue to face significant spending cuts and huge financial challenges. Initial analysis by the LGA shows that:
  - Central government grant to run local services will fall by 3.7 per cent next year, when the Better Care Fund (BCF) is included in full. Without including that element of BCF which will not be spent on social care or commissioned by local authorities, the reduction is 8.8 per cent.
  - Savings of £2.6 billion will need to be found from council budgets for 2015-16.
  - The cut announced today brings the total reduction in core government funding to councils since 2010 to 40 per cent. Over this period councils will have made £20 billion worth of savings.
- Research carried out by the LGA earlier this year found 60 per cent of councils said they were considering stopping at least some services next year because efficiency savings are fast running out. This was based on the expected cut for 2015-16 set out in last year's Local Government Finance Settlement.
- By the end of this Parliament, local government will have to have made £20 billion worth of savings. Councils have so far largely restricted the impact of the cuts on their residents. They have worked hard to save those services that people most value and have protected spending on social care for children and the elderly, but even these areas are now facing reductions. Continuing reductions of the same order to the end of the decade, as set out by the Office of Budget Responsibility and by the Institute for Fiscal Studies, are unsustainable.
- By deciding not to lower the council tax referendum threshold, the Government has at least acknowledged councils' warnings about the significant additional strain this would have placed on services. However, it should not be the place of Whitehall to interfere in discussions between councils and their residents about how local services are paid for.
- It is hugely disappointing that the Government has not listened to councils and charities who have called for funding to support local welfare assistance. Instead of providing separate money for councils to help the vulnerable, the Government has instead suggested that councils will have to find this money from existing budgets, at a time when these are being cut by more than £2.5 billion.
- At a time when local authorities are contending with the biggest cuts in living memory, the introduction of the BCF will help the efforts of some local

# Briefing

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authorities in protecting vital everyday services. However it is double counting for the Government to include the whole of the BCF in local government's revenue spending power figures as at most £1.97 billion will be spent on social care or be commissioned by local authorities.

- Once again there has been a top-slice, this time of £50 million, to pay for the difference between income from the business rates levy and that from the safety net. This is because of provision from appeals, most of them from before 2013 when the business rates retention system was introduced. The LGA calls for the Government to meet the cost of appeals from before 2013 in full.
- It is unacceptable that once again, councils have had to wait until a week before Christmas to find out the centrally imposed referendum limit for the next year. This prevents local authorities from being able to properly consult with residents and deprives local areas of the long-term certainty needed to run important local services to a high standard.

### **KEY FACTS**

- The Department for Communities and Local Government (DCLG) has announced the provisional local government finance settlement for 2015-16.
- The closing date for responses to DCLG is 15 January 2015.
- There is a cut in net Aggregate External Finance of 13.9 per cent in 2015-16, on a like for like basis when compared with 2014-15
- There is an overall reduction of revenue spending power of 1.8 per cent in 2015-16. This includes the BCF in full. Excluding council tax income this is a cut of 3.7 per cent in 2015-16. This is a greater reduction than the 3.5 per cent reduction announced in December 2013's illustrative 2015-16 settlement.
- Confirmation that the Government will pay in full for the further business rates 2 per cent freeze and other changes announced in the Autumn Statement through a section 31 grant.
- The Government has announced that council tax increases of 2 per cent or over will be subject to a referendum.

### **THE SETTLEMENT IN DETAIL**

This is a one year settlement covering 2015-16 only. It largely confirms the illustrative settlement announced last year. The Government has announced the following:

- Settlement Funding Assessment (SFA) figures for 2015-16. This is a cut of 13.9 per cent in 2015-16, or 14.6 per cent if the GLA is taken out of the figures.

- Revenue spending power (RSP) figures for 2015-16 for each council. These show an overall cut in RSP of 1.8 per cent in 2015-16. These figures include council tax income. If you leave council tax out, this is a cut of 3.7 per cent in 2015-16. After removing ringfenced and social care new burdens funding the reduction is 11.8 per cent.
- The main difference between RSP and SFA is explained by:
  - The RSP figures include the New Homes Bonus (NHB) grant which is top-sliced from the SFA.
  - An estimate of the revenue impact of the BCF of £3.46 billion in 2015-16 as well as Care Act new burdens funding of £285 million in addition to a £11.2 million grant for social care in prisons.
  - The effects of changes to business rates announced in the Autumn Statement, including the 2 per cent cap.
- The Government has confirmed that it will pay Efficiency Support Grant to councils which would otherwise have a RSP cut of more than 6.4 per cent. The grant is worth £2.29 million and 19 councils are eligible in 2015-16.
- They will also continue to pay a grant to the most sparsely populated authorities; this is estimated at £15.5 million in 2015-16. This is incorporated into the SFA. They have published research into funding in rural areas.

### **New Homes Bonus**

The provisional amounts of £1,167 million for the NHB 2015-16 have been announced by DCLG. This will continue to be funded through £250 million in specific grant with the rest in top-sliced funding.

£32.7 million of returned new homes bonus funding will be paid as a separate grant in proportion to the SFA – this is included in the RSP figures.

As previously announced £70 million will be transferred from London Boroughs and the City to the Greater London Authority in 2015-16.

### **LGA View**

- The NHB represents a considerable addition to funding for some authorities, mainly shire districts. However for many other authorities the effect of its being mainly funded through top-sliced funding is a net reduction in resources.

### **Business rates**

There are no changes to the business rates retention scheme which is now in its third year, other than an announcement on pooling. DCLG is consulting on

28 proposals for pools in 2015-16, 4 more than in 2014-15.

Income from business rates will be affected by the measures announced in the 2014 Autumn Statement. These are:

- The 2.3 per cent RPI increase for 2014-15 will be reduced to 2 per cent.
- A £1,000 discount for all retail, pubs, cafes (excluding banks and betting offices) with rateable values below £50,000 will be increased to £1500 for 2015-16.
- The doubling of Small Business Rate Relief will continue for a further year.

The Government will pay for this through a section 31 grant so that councils are fully compensated. Figures reflected in the settlement aggregate this grant into local business rates.

The multiplier will therefore be 49.3 pence, with the small business multiplier being 48.0 pence. Top-ups and tariffs will be uprated by 1.91 per cent; rather than the September Retail Price Index of 2.3 per cent.

The Government issued further consultations on business rates administration and business rates avoidance on 10<sup>th</sup> December. These close on 28<sup>th</sup> February 2015. More information on the review of the structure of business rates is expected early in the new year.

#### **LGA view**

- It is good news that councils will continue to be fully compensated for the loss of income from the business rate measures. However, this reduces the buoyance of the taxbase. We look forward to playing a part in the review on the structure of business rates.
- The extension of the small business rates relief extension and other measures to help small businesses is good news as is the Government's commitment to paying for this through the New Burdens Doctrine.
- The amount of holdbacks for the safety net has not changed since the proposals in the summer technical consultation. The Government should set all appeals up to 31<sup>st</sup> March 2013 against the old business rates pool, thus reducing the need for a safety net top-slice.

#### **Council tax**

The Provisional Local Government Finance Settlement announces the following on council tax:

- The freeze grant will be extended for 2015-16. This grant is equivalent to a one per cent increase in council tax.

- The Government has announced that council tax increases of 2 per cent or over will be subject to a referendum. The Government is asking for views on whether some parish and town councils should be subject to referendums.

#### **LGA view**

- **Referendums on council tax are an unnecessary and a costly burden that will put growth generating investment at risk.**

#### **Local Council Tax Support**

Funding for local council tax support schemes is now included in the SFA.

- As was the case in 2014-15, the funding for council tax support in 2015-16 is not separately identified. If councils decrease funding to their local council tax support schemes in line with the reduction in SFA over £1 billion will be taken out of external funding by the end of 2015-16.
- DCLG has also announced additional New Burdens funding for local council tax support of £12.47 million and this will go to billing authorities.

#### **LGA view**

- The National Audit Office has said that councils have implemented local council tax support schemes well. Nevertheless, we feel the way in which the support figures have not been identified at individual authority level in 2014-15 means that it is not clear how much of local schemes are being externally funded. **The Government should be more transparent about the level of external funding.**
- DCLG are paying for the changes to local council tax support through New Burdens money which is something the LGA has called for. **However, allowance should be made for the increased costs of enforcement.**

#### **Local Welfare Assistance**

The settlement announces that there is no additional funding for local welfare. Instead the Government has separately identified £129.6 million which will be incorporated into the SFA in 2015-16.

#### **LGA view**

- This announcement is disappointing as the LGA and charities had called for the Government to provide additional funding to support local welfare assistance. Separately identifying funding for local welfare from within the existing core grant (that is reducing by £42.5 million) effectively represents a cut that will put additional pressure on existing council services. As a result many councils will be unable to continue to run their local welfare schemes. LGA research shows that without additional

funding as many as three quarters of local welfare schemes will be scaled back or scrapped<sup>1</sup>. The LGA will continue to urge the Government to reconsider its decision ahead of this settlement being finalised in February.

### **The Better Care Fund**

The settlement confirms the Government has not adjusted its estimate of the revenue impact of the BCF on local authority finances, quantified at £3.46 billion.

#### **LGA view**

- The BCF is showing signs of success, with a net financial benefit to local government of up to £440 million in comparison to 2014-15 at this early stage of the integration journey. The benefits are non-financial too - increased cooperation and new ways of working will potentially improve service quality as well as result in financial gains. The Government must focus its efforts on allowing local areas to shape the next iteration of a bigger BCF over a longer period of time and with an accompanying transformation fund of new money. This must be free from Whitehall interference so that real transformation can be achieved on the basis of investing to save, rather than saving to invest.
- However, we call on the Government to be honest about its impact in the settlement. In its revenue spending power calculation, the Government included a BCF value of £3.46 billion. This is misleading as not all BCF spending is on social care services or commissioned by local authorities. We estimate the value of the BCF attributable to social care or local authority commissioning to be £1.97 billion at most before councils' own contribution in addition to the original specification of the Fund is taken into account. Adjusting the revenue spending power calculation accordingly means that the actual reduction in full revenue spending power for England is 4.8 per cent, or 8.8 per cent after stripping out council tax.

### **Social care funding for 2015-16**

The settlement confirms the size of the 2015-16 adult social care new burdens grant remains £285 million, with an additional grant of £11.2 million for social care in prisons. However, individual council allocations for this funding have changed substantially since last year's indicative settlement as a result of reviews of the Care Act implementation impact assessment and the relative needs formulae.

#### **LGA view**

- Councils are already working to an extremely challenging timetable on the

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<sup>1</sup> [http://www.local.gov.uk/web/quest/media-releases/-/journal\\_content/56/10180/6583322/NEWS](http://www.local.gov.uk/web/quest/media-releases/-/journal_content/56/10180/6583322/NEWS)

Care Act so receiving confirmed funding allocations for the 2015-16 duties just four months before implementation – and less than three months before councils have to plan and set their budgets – only compounds this pressure.

- The pressure has already been exacerbated by the fact that some councils have had very little certainty on what level of funding to expect for the 2015-16 reforms. The difference between the 2014 exemplified allocations in the funding formulae consultation and the indicative allocations in the 2013 settlement ranged from growth of up to 51 per cent to reductions of up to 60 per cent.
- We welcome the recognition by the Department of Health that Care Act reforms on carer services constitute a constant and increasing burden, reaching almost £300 million by 2019-20, and look forward to seeing this burden addressed as part of the next Spending Review.
- Adult social care is facing a funding gap of £1.6 billion in 2015-16, rising to £4.3 billion by 2019-20, and in order to keep adult social care spending under control over the last four years departmental budget savings of 26 per cent have been made (equivalent to £3.53 billion) as well as £900 million 'cross-subsidy' savings from other council services. In this context – and given that some councils may have less funding for implementation than they were expecting – affordability of the Care Act in 2015-16 remains a principle concern for the LGA and councils. It is therefore essential that the Department of Health works with the LGA and others to monitor the cost of the Act next year. More importantly, where that monitoring shows that councils are incurring costs over and above their allocation, funding must be made available to compensate for the shortfall.
- It is extremely disappointing that the Autumn Statement and local government settlement have failed to recognise the additional cost pressure councils are facing as a result of the March 2014 Supreme Court judgment on deprivation of liberty safeguards. The LGA estimates that the cost to councils of this ruling will be £96.8 million in 2014-15. The Government must commit to funding this new burden; without this the sector can have little confidence that the Government will honour its commitment to fully fund the Care Act.

### **Schools and Children's Services Funding**

Schools funding is through ring-fenced resources – the Dedicated Schools Grant and the Pupil Premium. Most Children's Services Funding is included within the SFA.

- Provisional figures for Dedicated Schools Grant for 2015-16 were published on 17 December, including the addition previously announced for the 69 councils which the Government considers to be the least well funded; for other councils the settlement is cash flat per pupil. The allocation to councils of Education Services Grant of £582 million has also been published, this

includes the cut of £200m on which the Department for Education consulted earlier in the year. The figures can be found on [the Department's website](#).

- Early Intervention funding within the SFA has been decreased by 8.9 per cent in 2015-16.
- £19.1 million has been announced for extended rights to free travel. However this is a decrease of 24 per cent on the £25 million which was paid in 2014-15.
- £31.7 million has been announced for funding SEN reform

### **LGA View**

- Continuing cuts to education grants outside the DSG and to early intervention funding risk under-resourcing local authorities in their delivery of early support to children, young people and families. Cutting core funding is counter-productive and will lead to significant cost pressures in the longer term, due to increased demand for more costly longer-term/lifelong interventions. **Local authorities will be less able to provide support for children and families affected by disabilities or existing / potential development delays.**
- Continuing funding for SEN reform is welcome; councils need to be properly funded if parents' expectations are to be met. Councils will be working to ensure that all children get a good start in life and we will be monitoring closely to see whether DfE estimates are accurate in practice.'

### **Public health funding**

It has been confirmed that the pre-existing public health grant has effectively been frozen in cash terms.

### **LGA view**

- We are disappointed with the Department's decision not to protect the main public health grant in real terms for 2015-16 by making it inflation proof. Investing in prevention saves money for other parts of the public sector by reducing demand for hospital, health and social care services and it ultimately improve the public's health and wellbeing of our communities. Local government has so far borne the brunt of cuts to public spending; any reduction in the public health budget could prove counterproductive.

### **Police Funding**

The [police grant report](#) for 2015-16 has been published. It confirms that there will be a headline reduction of 4.9 per cent in central government funding for the police; a total cash reduction of £299 million. Every police force will have a reduction in core funding of 5.1 per cent, the difference is explained by various

small grants such as the Police Innovation Fund, which will be increased from £50 million to £70 million.

### **LGA View**

- These further reductions in police funding leave police and crime commissioners with difficult decisions about how to deliver on the priorities in their police and crime plans, sustain frontline policing and make the efficiencies and savings needed.
- Closer collaboration with councils and other partners to intervene early to prevent offending and re-offending will be crucial in reducing the demands on police time and resources going forward. The pooling of budgets and co-commissioning of services will also be vital to reduce for example domestic violence, and better support offenders with mental health or substance misuse problems.

### **Fire Funding**

The settlement announced a decrease to fire SFA of 9.0 per cent in 2015-16. This reflects decisions taken as part of the Spending Round.

In addition, the government has announced that employer contributions to the Firefighters' Pension Schemes will be reduced to 18.9 per cent from the previous expected rate of 19.1 per cent. The resultant reduction in fire authority costs will be met by a £2.1 million reduction in SFA to make the change revenue neutral.

### **LGA view**

- **The reduction in funding for fire services continues to put pressure on the delivery of fire services.** This will only be heightened by the additional reductions in 2014-15 and 2015-16 and the expectation that this trend will continue into subsequent years. Future resourcing for fire and rescue services and the application of cuts to that resourcing needs to be based upon a clearly understood risk assessment. The national and local impact of proposed changes to funding needs to be properly assessed against risk.

The LGA will continue analysing settlement figures in order to develop a deeper understanding of the effect on councils before replying to the consultation. We would welcome sight of responses from individual members councils and groupings. Please send to [lgfinance@local.gov.uk](mailto:lgfinance@local.gov.uk)

There will be a session on the local government finance settlement at the LGA's finance conference on 6 January 2015 which will provide in-depth analysis of the figures announced today. You can find out more about the event and book your place by [following this link](#).

### **Further Information**

For further information on this briefing paper please contact Mike Heiser, Senior Adviser (Finance) ([mike.heiser@local.gov.uk](mailto:mike.heiser@local.gov.uk)/ 020 7664 3265); or Tamsin Maddock, Public Affairs and Campaigns Adviser (020 7664 3171 / [tamsin.maddock@local.gov.uk](mailto:tamsin.maddock@local.gov.uk))

**Annex A: Tables showing key numbers**

**Table 1. Change in revenue spending power by authority type**

Authority type	Change in RSP, 2014/15 to 2015/16
England average*	-1.8%
Shire districts	-3.1%
Shire counties	0.8%
Met districts	-3.8%
London boroughs*	-3.4%
English unitaries**	-1.8%
Combined fire authorities	-2.9%

\*Excludes the GLA

\*\*Excludes the Isles of Scilly

**Table 2. Composition of revenue spending power**

	2014/15, announced December 2013, £m	2015/16, announced December 2013, £m	2014/15 adjusted, £m	2015/16, announced December 2014, £m
Council tax (net of council tax support)	20,221	20,356	20,580	20,738
Settlement funding assessment	22,627	19,498	22,948	19,605
plus Adjustment to reflect Section 31 grants for business rates cap	108	108	108	151
minus Council Tax Support Funding to Parishes	-40	-40	-40	-40
New Homes Bonus - prior year adjustment	34	86	33	33
New Homes Bonus - current year	916	1,164	917	1,167
Public health grant	2,794	2,794	2,794	2,801
Efficiency Support Grant	9	10	-	2
Adult Social Care New Burdens	285	285	285	285
Pooled NHS and LA Better Care Fund	1,645	3,460	1,665	3,460
Department of Health revenue grant	-	-	43	44
Commons Pioneer Authorities/Commons Registration Authorities	-	-	0	0
Inshore Fisheries Conservation Authorities	3	3	3	3
Lead Local Flood Authorities	15	10	15	10
Fire Revenue Grant (FireLink and New Dimension elements)	28	29	27	27
Community Right to Challenge	3	-	3	-
Local Welfare Provision (Admin + Programme funding) 2014-15	172	-	-	-
Local Council Tax Support and Housing Benefit Administration Subsidy	-	-	363	329
Council Tax Support New Burdens Funding	35	-	35	12
LA Social Housing Fraud	5	-	5	-
City of London Offset	11	11	11	11
Community Right to Bid	3	-	3	-
Council Tax Freeze Grant 2014/15	235	235	-	-
Council Tax Freeze Grant 2015/16	-	236	-	239
Local Reform and Community Voices	43	43	-	-
<b>Total revenue spending power</b>	<b>49,152</b>	<b>48,288</b>	<b>49,796</b>	<b>48,877</b>
<b>Change in spending power from 2014/15 to 2015/16</b>		<b>-1.8%</b>		<b>-1.8%</b>
<b>Change in spending power less council tax from 2014/15 to 2015/16</b>		<b>-3.5%</b>		<b>-3.7%</b>

## Annex B – Glossary of Local Government Finance Technical Terms

<b>Aggregate External Finance</b>	Government grant (including specific grants) and business rates together.
<b>Better Care Fund</b>	Previously known as the integration and transformation fund, this is a single pooled budget for health and social care services to work more closely together in local areas, based on a plan agreed between the NHS and local authorities
<b>Central Share</b>	The percentage share of locally collected business rates that will be paid to central government by billing authorities. This will be set at 50 per cent. The central share will be re-distributed to local government through grants including the Revenue Support Grant.
<b>Dedicated Schools Grant</b>	The Dedicated Schools Grant was introduced in 2006-07, and is the principal source of funding for schools and related activities in England. The grant was introduced in place of funding previously allocated via the Formula Grant and a number of smaller specific grants.
<b>Education Services Grant</b>	This replaced the LA block of LACSEG (local authority central support equivalent grant) and the corresponding element of local government revenue funding from 2013-14. The ESG is allocated on a simple per-pupil basis to local authorities and academies according to the number of pupils for whom they are responsible. It has been cut by £200 million in 2015-16.
<b>Efficiency Support Grant</b>	A revenue grant which will help those authorities most affected by reductions in spending power to support long term changes to bring costs down whilst continuing to deliver the services that their citizens expect.
<b>Local Council Tax Support</b>	In April 2013 the national system of Council Tax Benefit was replaced by local support schemes in each billing authority. Authorities receive a fixed amount of funding and are free to design schemes as they wish, as long as pensioners' entitlement is protected.
<b>Local share</b>	The percentage share of locally collected business rates retained by local government. This is set at 50 per cent. At the outset, the local share of the estimated business rates aggregate will be divided between billing authorities on the basis of their proportionate shares (This is the percentage of the national business rates yield which a billing authority has collected - on the basis of the average rates collected by authorities over the two years 2010-11 and 2011-12).
<b>New Burdens Doctrine</b>	The Cabinet agreed that all new burdens on local authorities must be properly assessed and fully funded by the relevant department.
<b>New Homes Bonus</b>	A grant paid to local councils for increasing the number of homes and their use, paid each year for 6 years. It's based on the amount of extra Council Tax revenue raised for new-build homes, conversions and long-term empty homes

brought back into use. There is also an extra payment for providing affordable homes.

<b>Pupil Premium</b>	The pupil premium was introduced in April 2011 and is allocated to schools to work with pupils who have been registered for free school meals at any point in the last six years ('Ever 6 FSM'). Schools also receive funding for children who have been looked after continuously for more than six months, and children of service personnel.
<b>Revenue Spending Power</b>	Broadly speaking, spending power from council tax, Government revenue grants and NHS funding for social care.
<b>Safety Net</b>	A mechanism to protect any authority which sees its business rates income drop, in any year, by more than 7.5 per cent below their baseline funding level.
<b>Section 31 Grant</b>	A grant paid to local councils under Section 31 of the Local Government Finance Act 2003, under such conditions as the minister may determine.
<b>Settlement Funding Assessment</b>	Previously known as start-up funding assessment, this is a local authority's share of the local government spending control total which will comprise its Revenue Support Grant for the year in question and its baseline funding level.
<b>Small Business Rate Relief</b>	Until 31 March 2016 businesses receive 100 per cent relief (doubled from the usual rate of 50 per cent) for properties with a rateable value of £6,000 or less. This means business rates are not payable on properties with a rateable value of £6,000 or less. The rate of relief gradually decreases from 100 per cent to 0 per cent for properties with a rateable value between £6,001 and £12,000.
<b>The (business rates) multiplier</b>	The business rates multiplier when multiplied by the rateable value of a property determines a ratepayer's business rate bill. There are two multipliers – one for small businesses and one for larger businesses. These are set nationally. The small business multiplier is updated annually by the retail prices index (although exceptionally a lesser increase may be imposed) and the other multiplier adjusted accordingly.
<b>Top-ups and Tariffs</b>	The difference between an authority's business rates baseline (the amount expected to be collected through the local share of business rates) and its baseline funding level (the amount of SFA provided through the local share). Tariff authorities make a payment and top-up authorities receive a payment. Tariffs and top-ups are self funding at the outset of the scheme and updated by inflation each year.



## Finance

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Our Ref: MK/SMH/Ratepayers  
Your Ref:

Date:

Dear

### **Consultation with Non Domestic Ratepayers 2015/16**

Each year, the Council consults with its Non Domestic Ratepayers with regard to its overall financial position, and on its plans for the year ahead. Consultation is made in writing with organisations representing businesses within the Borough.

Gedling Borough Council is anticipating a further cut of 15.8% in its funding from Central Government in 2015/16, together with a further reduction of 17.6% anticipated over the following two years, 2016/17 and 2017/18. This is in addition to the very significant cuts already experienced over the last few years.

Leader of the Council, Councillor John Clarke, has reaffirmed the Council's intention to maintain top quality services despite the continuing budgetary pressures, and the Council is well on its way to delivering budget reductions and efficiencies of £2.4m over a three year period. The Council is not proposing to increase its council tax for 2015/16.

The Council remains committed to economic development throughout the borough and is proposing to maintain the economic development fund for investment in infrastructure and businesses, and to support opportunities for apprenticeships.

The Council again proposes to retain two hour's free car parking across the borough in 2015/16, in recognition of the continued importance placed on its impact on local shopping centres.

Cabinet is expected to agree its budget recommendations to Council at its meeting on Thursday 19 February 2015, with Council meeting to decide the budget on Monday 2 March 2015. If you would like to make any comments regarding the budget for 2015/16 please write to Mark Kimberley Corporate Director and Chief Financial Officer, at the address given above, or email him at [mark.kimberley@gedling.gov.uk](mailto:mark.kimberley@gedling.gov.uk). It would be helpful to receive any such responses by Tuesday 17 February 2015.

**Mark Kimberley**  
**Corporate Director and Chief Financial Officer**



## **Report to Cabinet**

**Subject:** Forward Plan

**Date:** 8 January 2015

**Author:** Service Manager, Elections and Members' Services

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### **Wards Affected**

Borough-wide.

### **Purpose**

To present the Executive's draft Forward Plan for the next four month period.

### **Key Decision**

This is not a Key Decision.

### **Background**

- 1 The Council is required by law to give to give notice of key decisions that are scheduled to be taken by the Executive.

A key decision is one which is financially significant, in terms of spending or savings, for the service or function concerned (more than £500,000), or which will have a significant impact on communities, in two or more wards in the Borough.

In the interests of effective coordination and public transparency, the plan includes any item that is likely to require an Executive decision of the Council, Cabinet or Cabinet Member (whether a key decision or not). The Forward Plan covers the following 4 months and must be updated on a rolling monthly basis. All items have been discussed and approved by the Senior Leadership Team.

### **Proposal**

- 2 The Forward Plan is ultimately the responsibility of the Leader and Cabinet as it contains Executive business due for decision. The Plan is therefore presented at this meeting to give Cabinet the opportunity to discuss, amend or delete any item that is listed.

### **Alternative Options**

- 3.1 Cabinet could decide not agree with any of the items are suggested for inclusion in the plan. This would then be referred back to the Senior Leadership Team.
- 3.2 Cabinet could decide to move the date for consideration of any item.

### **Financial Implications**

- 4 There are no financial implications directly arising from this report.

### **Appendices**

- 5 Appendix 1 – Forward Plan

### **Background Papers**

- 6 None identified.

### **Recommendation(s)**

It is recommended THAT Cabinet note the contents of the draft Forward Plan making comments where appropriate.

### **Reasons for Recommendations**

- 7 To promote the items that are due for decision by Gedling Borough Council's Executive over the following four month period.

<b>Issue</b>	<b>Key Decision or Council Decision?</b>	<b>Who will decide and date of decision</b>	<b>Documents to be considered (only applicable to executive Key decisions)</b>	<b>Who will be consulted?</b>	<b>From whom can further information be obtained and representations made?</b>
Creation of a combined authority for Nottingham and Nottinghamshire.	Key	Council 21 January 2015  Cabinet 12 February 2015		n/a	John Robinson, Chief Executive john.robinson@gedling.gov.uk
Quarter 3 Budget and Performance	Key	Cabinet 12 February 2015		n/a	Alison Ball, Service Manager Finance alison.ball@gedling.gov.uk
Gedling Plan (including Budget) 2015/16	Key	Cabinet  Council 19 February 2015  2 March 2015	Gedling Plan (including Budget) 2015/16		Alison Ball, Service Manager Finance alison.ball@gedling.gov.uk
Capital Programme 2015/16	Key	Cabinet 19 February 2015  Council 2 March 2015	Capital Programme 2015/16		Alison Ball, Service Manager Finance alison.ball@gedling.gov.uk

<b>Issue</b>	<b>Key Decision or Council Decision?</b>	<b>Who will decide and date of decision</b>	<b>Documents to be considered (only applicable to executive Key decisions)</b>	<b>Who will be consulted?</b>	<b>From whom can further information be obtained and representations made?</b>
Quarter 4 Budget and Performance	Key	Cabinet June 2015		n/a	Alison Ball, Service Manager Finance alison.ball@gedling.gov.uk