

TO: Policy and Resources Committee

FROM: Director of Resources - Matthew Warren

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Guidance on Four Year Settlements

1. Purpose

- 1.1 To present the Policy and Resources Committee with an update on guidance published by the Department for Communities and Local Government (CLG) on how the four year financial settlements will operate.

2. Recommendation

- 2.1 The Committee is asked to note the paper.

3. Risk Assessment

- 3.1 **Economic/Political** – there continues to be a push to drive efficiency across the public sector. The proposal to introduce an efficiency programme linked to known grant income is key to the current settlement. There is a risk that should the Authority not sign up to the four year settlement its grant income could change.

4. Background

- 4.1 The Draft Revenue Support Grant (RSG) settlement was received on 20 December 2015. The settlement offered the opportunity for all local authorities to accept a four year settlement, provided an efficiency plan for the same period was submitted and approved by Treasury. At the time no detail was provided as to what would be an acceptable efficiency plan.
- 4.2 CLG has now published guidance on how the four year financial settlements promised in December 2015 will operate.

5. The Proposal

- 5.1 The offer of the four year settlement covers all types of local authority that receive RSG, including the Greater London Authorities and Fire and Rescue Authorities, from 2017/18 to 2019/20.
- 5.2 The scope of the offering appears at this stage to be restricted to RSG, transitional funding and Rural Service Delivery Grant. The proposal also highlights that Business Rate tariffs and top-ups in 2017/18, 2018/19 and 2019/20 will not be altered for reasons related to the relative needs of local authorities.
- 5.3 The proposal raises some uncertainty that if an Authority was not to sign up to the proposal, the Business Rate element may be reviewed, for which the impact on funding is unknown.

6. The Efficiency Plan

- 6.1 The only condition that is attached to the four year offer is that we must publish an efficiency plan. This can be combined with the medium term financial strategy and transformation programmes, such as the Comprehensive Spending Review project we are currently formulating.
- 6.2 The Government will not be offering guidance and do not *appear* to have a mechanism in place to accept or reject the plans; CLG says that the Home Office is providing guidance, criteria and sign off for single purpose authorities.
- 6.3 In addition, it is highlighted that all Fire Authorities should clearly set out how they will collaborate with the Police and other partners to improve their efficiency.

BIBLIOGRAPHY

Source Document	Location	Contact Officer
Fire Authority Estimates 2016/17	Hinchingbrooke Cottage Brampton Road Huntingdon	Matthew Warren 01480 444619 matthew.warren@cambsfire.gov.uk