

**FUNDING ADJUSTMENTS FOR 2017-18 BUSINESS PLANNING**

*To:* **General Purposes Committee**

*Meeting Date:* **13 June 2017**

*From:* **Chief Finance Officer**

*Electoral division(s):* **All**

*Forward Plan ref:* **Not applicable**      *Key decision:* **No**

*Purpose:* **To provide an update to the committee on the funding adjustments as announced in the Final Local Government Finance Settlement.**

*Recommendations:* **It is recommended that the Committee note the impact of the Final Local Government Finance Settlement on the Council's 2017-18 Business Plan.**

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## **1. BACKGROUND**

- 1.1 The Council's Business Plan was discussed and approved at the meeting of Full Council on 14 February 2017. At the time of the meeting, the Final Local Government Finance Settlement had not been published. Delegation was given to the Chief Finance Officer, in consultation with the Leader of the Council, to make technical revisions to the Business Plan to reflect any changes deemed appropriate as a result of the final settlement.
- 1.2 An overview of the announcements in the final settlement and the implications of those for the Council is set out below.

## **2. ANNOUNCEMENTS IN THE FINAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2017-18**

- 2.1 On 22 February 2017, Sajid Javid, the Secretary of State for Communities and Local Government, announced the publication of the final 2017-18 settlement in an oral statement to the House of Commons.

### **Business Rates**

- 2.2 The Government has committed to devolving 100% of business rates to local government and announced plans to undertake further pilot areas in 2018 to 2019. The nationwide roll-out of 100% business rates retention is still planned to take place across England in 2019 to 2020.

### **Adult Social Care**

- 2.3 The final settlement confirmed the already announced £240 million new adult social care support grant. The allocation for Cambridgeshire was advised in the report to General Purposes Committee on 10 January 2017, and remains unchanged. Further funding was later announced for the Better Care Fund (see section 4)

### **Council Tax**

- 2.4 The referendum principles announced in the provisional settlement remain unchanged, and are outlined in paragraphs 2.7 to 2.10 in the report to General Purposes Committee on 10 January 2017.

## **3. IMPLICATIONS FOR THE 2017-18 BUSINESS PLAN**

- 3.1 The final settlement figures were largely unchanged from those announced in the provisional settlement and therefore included within the Council's 2017-18 Business Plan. Overall there was an £8k change in expected funding.
- 3.2 Shown below is the 2017-18 revenue impact of the adjustments in corporate grants between the provisional settlement figures and those announced in the final settlement.

	£000		
	Provisional Settlement	Final Settlement	Difference
Revenue Support Grant	15,312	15,312	-
Transitional Support Grant	3,170	3,170	-
New Homes Bonus	4,276	4,273	-3
Adult Social Care Support Grant	2,334	2,334	-
Public Health Grant	26,946	26,946	-
Independent Living Fund	1,270	1,270	-
Lead Local Flood Grant	46	46	-
Extended Rights to Free Travel	466	477	11
<b>Change in funding</b>			<b>8</b>

- 3.3 As previously outlined, one of the key changes announced in the Schools Revenue Funding Settlement was transitional arrangements for the end of the Education Services Grant (ESG) in September 2017. The ESG is currently treated as a separate corporate grant in our accounting, but going forward this will be replaced by a combination of transitional grant for 2017-18, a top slice of Dedicated Schools Grant (DSG) funding and an increase in income from maintained schools. The total of these funding streams will change during the financial year (2017-18) based on the number of maintained schools and academy conversions up to September 2017. An update on the sources of and revised amounts of funding will therefore be provided to the Committee through the Integrated Resources and Performance Report in the Autumn once transitional funding amounts have been finalised.

#### 4. FUNDING ANNOUNCEMENTS AFTER THE SETTLEMENT

- 4.1 In the Spring Budget on 8 March 2017, the Chancellor announced further funding for Adult Social Care, described as supplementary improved Better Care Fund grant. The impact for Cambridgeshire is detailed below. (These figures are absolute rather than cumulative, i.e. the grant peaks in 2017-18 and then decreases in the following two years).

	2017-18 £000	2018-19 £000	2019-20 £000
Additional funding for Adult Social Care	8,339	6,568	3,274

- 4.2 The conditions of grant, provided so far, require the local authority to:
- pool the grant funding into the local Better Care Fund;
  - work with the Clinical Commissioning Group and care providers to meet the national conditions around managing transfers of care from hospital; and
  - provide quarterly reports as required by the Secretary of State
- 4.3 The government has made clear that part of this funding is intended to enable local authorities to provide stability and extra capacity in local care systems. Although at the time of writing the full national BCF policy framework and planning requirements for 2017-19 are awaited, the Council is progressing plans to deploy the funding with the Clinical Commissioning Group. This will need to be submitted back to government and agreed through each organisation's governance processes. This funding is essentially "one-off" in

nature, which adds a complication, and the Council is considering the one-off investments agreed by General Purposes Committee in Adult Social Care as part of this planning process.

- 4.4 On 9 March 2017, the Public Health Minister announced the ring fence on public health grants will be retained until 2019.

## **5. ALIGNMENT WITH CORPORATE PRIORITIES**

- 5.1 The Business Plan's purpose is to consider and review the Council's vision and priorities and therefore no additional comments are made here.

## **6. SIGNIFICANT IMPLICATIONS**

### **6.1 Resource Implications**

This report sets out the financial implications that the final grant settlement will have on the Council's resources as contained within the Business Plan.

### **6.2 Procurement/Contractual/Council Contract Procedure Rules Implications**

There are no significant implications within this category.

### **6.3 Statutory, Legal and Risk Implications**

There are no significant implications within this category.

### **6.4 Equality and Diversity Implications**

There are no significant implications within this category.

### **6.5 Engagement and Communications Implications**

There are no significant implications within this category.

### **6.6 Localism and Local Member Involvement**

There are no significant implications within this category.

### **6.7 Public Health Implications**

There are no significant implications within this category.

<b>Implications</b>	<b>Officer Clearance</b>
<b>Have the resource implications been cleared by Finance?</b>	Yes Tom Kelly
<b>Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by Finance?</b>	Not applicable
<b>Has the impact on statutory, legal and risk implications been cleared by LGSS Law?</b>	Not applicable
<b>Have the equality and diversity implications been cleared by your Service Contact?</b>	Not applicable
<b>Have any engagement and communication implications been cleared by Communications?</b>	Not applicable
<b>Have any localism and Local Member involvement issues been cleared by your Service Contact?</b>	Not applicable
<b>Have any Public Health implications been cleared by Public Health</b>	Not applicable

#### **Source Documents**

Local Government Finance Settlement 2017-18 – [report to General Purposes Committee on 10 January 2017](#)