

**COUNCIL SEMINAR  
8th December, 2015**

Present:- Councillor Read (in the Chair); The Mayor (Councillor M. Clark), Councillors Alam, Atkin, Beck, Buckley, Cowles, Cutts, Ellis, Godfrey, Gosling, Hamilton, Hughes, Jepson, Lelliott, Mallinder, McNeely, Parker, Russell, Sansome, John Turner, Wallis, Whelbourn, Wyatt and Yasseen.

Apologies for absence were received from Councillors Elliot, Fleming and Reeder.

**AUTUMN STATEMENT, SPENDING REVIEW, BUDGET AND MTFS.**

Councillor Read, Leader of the Council, introduced Pete Hudson, Chief Finance Manager, Financial Services, and Stuart Booth, Interim Strategic Director, Resources and Transformation Directorate, to the seminar to provide Elected Members with an update on the Autumn Statement, Spending Review, 2016/2017 budget and the Medium Term Financial Strategy document.

The presentation covered: -

- £41.083m of savings were required over three years (£19.648 in 2016/2017);
- Growth requirements – some are unavoidable or essential additional spends, such as the social worker re-grade;
- Pension triennial re-evaluation, effective from April, 2017;
- 15<sup>th</sup>–18<sup>th</sup> December for provisional Settlement for one year only 2016-2017. This will allow the Government further time to consult;
- Key headlines of the Autumn Statement and Spending Review – 25<sup>th</sup> November, 2015: -
  - Business rates: - Retain 100% of rates by the end of the parliament;
  - Council Tax – 2% levy to be able to fund Adult Social Care (ringfenced). Referendum level set at 2% in 2015/2016, the level for 2016/2017 has not yet been announced. Will raise £2bn nationally. In Rotherham it would add £20.55 to a Band D bill and raise £1.7-1.8m. There was a £3.3m cost to Adult Social Care providers to pay their staff the Living Wage. Rotherham was unfairly disadvantaged due to low tax base and high levels of deprivation and need;
  - The Police and Crime Commissioner for South Yorkshire was allowed to increase the precept by £5, rather than 2%. There has been, as yet, no information on the increase to be set by the SYPCC;
  - Review of the New Homes Bonus. Reduce from six years to four, and a reduction in the amount paid. This funding would be recycled to partially fund the increase in funding to the Better Care Fund from 2017;
  - Public Health;

- Apprenticeship Levy was a PAYE commitment and would be a further £1m pressure on Rotherham's budget;
- Fixed assets - will be able to spend up to 100% of capital receipts on the revenue costs of reform projects;
- Schools – all become academies.

Budget process: -

- Major projects and Adult Social Care Development Plan were to feed into the process in December, 2015, and January, 2016;
- Some proposals are working through the process and being considered by the Overview and Scrutiny Management Board;
- Other options to be considered: -
  - Level of Council Tax;
  - Use of Reserves;
  - Revenue / Technical adjustments as one-offs;
  - Government Support?
  - Have to set the Budget and Council Tax base by 2<sup>nd</sup> March, 2016, for the 2016/2017 financial year.

Discussion followed and the following questions and answers were made:-

Councillor Wyatt referred to the Better Care Fund and its principles of reduced admissions, improving discharge and prevention. Had there been analysis as to whether Rotherham would be a winner or loser if the New Homes Bonus funded the BCF?

Stuart Booth – Confirmed that this had not yet been done to detail. NHS funding, at a time when the NHS was in the most acute financial situation in its history, came with long-term risks. Accident and Emergency was coming to its most pressurised point of the year. The Local Authority had provided seven day social worker support at the hospital to enable discharges to be successful.

Councillor Parker asked about the announcement that local authorities would keep 100% of Business Rates. What was the detail behind this?

Stuart outlined the Business Rates Retention Scheme whereby there was a 50/50 share between local and national government (with a small percentage to fire authorities). 100% of the Business Rates levied would be kept under the Localism agenda. It was likely that this would lead to the ceasing of other schemes because local authorities would be thought to be £13bn better off. Was this a credible figure? There was further work to do on this. An in-principle deal of the Sheffield City Region's 'Stretch Target' related to additional growth being kept by Sheffield City Region local authorities.

## REPORT FOR INFORMATION - 08/12/15

Councillor Turner thanked the Officers for their presentation. He did not feel any optimism and viewed the Local Authority as totally vulnerable. What was available in the Reserves?

Stuart explained that there was just over £11m. There were pressures in the system in the current year and potential further cuts down the line in future years. Overall, other local authorities were also not able to fully realise required savings in the same way.

Councillor Ellis asked what was a reform project?

Stuart explained that there had been no confirmed details yet. Further details, along with terms and conditions, were to follow.

Councillor Alam asked about the £1m apprentice levy on the Local Authority and asked if it would come back to local employers?

Stuart confirmed that it was applicable on all organisations with a pay bill in excess of £3m. He was not aware of recycle benefits to the local area.

Councillor Turner asked if there was a target for the sale of fixed assets?

Stuart confirmed that analysis was being undertaken on rationalising assets, with £22m available. In the current economic conditions values may not be easily realised.

Councillor Read thanked Peter and Stuart for their informative presentation and contribution to the discussion.

Resolved: - That the information shared be noted.