

COUNCIL SEMINAR 28th January, 2014

Present:- Councillor Akhtar (in the Chair); Councillors Atkin, Clark, Currie, Dalton, Dodson, Doyle, Godfrey, Gosling, Goulty, J. Hamilton, N. Hamilton, Kaye, McNeely, Pickering, G. A. Russell, Sims, Smith, Stone, Swift, Wallis, Whelbourn, Wootton and Wyatt.

Apologies for absence were received from Councillor Jepson.

BUDGET.

Councillor J. Akhtar, Deputy Leader, introduced the Chief Finance Manager (Financial Services, Resources Directorate), to the seminar to give a presentation to Elected Members about the 2014/2015 Budget. An invitation had been extended to all Elected Members to attend the meeting; it was noted that no Opposition Members were present, and only one Opposition Member had submitted their apologies.

The Chief Finance Manager recalled the Budget Seminar that had taken place in September, 2013. This Seminar had covered the funding outlook, old and new budget principles, inflation assumptions and the financial impact of the June spending round and the July technical consultation.

Rotherham's savings/cuts history and projected saving/cuts requirements between 2010/2011 to 2015/2016 was outlined. From 2016/2017, it was expected that there would be a 9% year-on-year funding reduction required to at least 2020.

A public consultation process had formed part of the budget setting for the 2014/2015 financial year. The promotional events and information sources had included reference to the proposed revised Council's Corporate Priorities: -

- The Rotherham Show;
- For the first time, an on-line forum that ran alongside a suggestion scheme;
- Area Assemblies and Parish Council meetings;
- Fairs Fayre and Carers' Rights Day;
- Consultation event at the New York Stadium on 13th November, 2013, hosted by Councillor R. Stone, Leader of the Council, with over 100 individuals in attendance;
- Media campaign promoting events and on-line consultation availability.

The Autumn Statement, 2013, had included a number of announcements relevant to Rotherham: -

- Further public spending cuts were due, but Local Government spending would be exempt;
- There would be a 2% cap on the Business Rates Multiplier (there would be no RPI increase);
- The 100% Small Business Rates Relief would be extended for a further year to cover 2014/2015;
- Retail Relief in the form of a special discount of up to £1,000 would be made available for up to two-years for occupied retail and food and drinks premises that had a rateable value of up to £50,000;
- Plans to top-slice the New Homes Bonus and transfer to Local Economic Partnerships were withdrawn (apart from London Authorities);
- Free School Meals would be available for all children in the Reception, Year One and Year Two age-groups from September, 2014.

There were no obvious initial changes to the provisional 2014/2015 Settlement for Rotherham. It was announced that a £108 million Grant would be available nationally to fund the 2% cap on Business Rates Multiplier. Subsequent to the publication of the Provisional Settlement, fifteen papers had been published. Examination of these identified the following implications for Rotherham: -

- Refund of the New Homes Bonus - £800,000;
- Capitalisation Application Outcomes - £152,000.

The Final Settlement was expected in February, 2014, along with Council Tax Referenda Principles and Methodology.

Rotherham's 2014/2015 Budget Challenge was considered. It was now estimated that there would be a funding gap of £23 million. The savings proposals to meet the £23 million pressure were also summarised.

The remaining dates in the budget setting timetable were shared, the Council Annual Budget and Council Tax level and Capital Programme for 2014/2017 would be agreed at the Council meeting of 5th March, 2014.

Discussion ensued on the presentation, and the following questions were raised: -

- The savings proposals had been considered by the Self-Regulation Select Commission. It was noted that this presentation was the forum for all Elected Members to hear the budget proposals and influence the process.
- Which indicator of inflation was being funded via the Government given the 2% Cap announced on the Business Rates Multiplier?
 - RPI.
- The terms of the 'Better Care Fund' were still awaited and the funding stream was expected to do a lot. The Fund would not be

'new' money and would be a complex system. A briefing for all Members had been requested.

- Terms of Reference around potential council tax referenda.
- Where would the universal Free School Meals for Infant-aged school children be funded from?
 - Funding had been ring fenced and the Central Government would provide it directly to schools.
- When would the expected tri-ennial revaluation of pensions be settled?
 - This was unlikely to be agreed until after the budget had been finalised and future budgets would need to be adjusted accordingly.

Councillor Akhtar thanked the Chief Finance Manager for his informative presentation and contribution to the discussion.

Resolved: - That the information shared be noted.