

**COUNCIL SEMINAR
9th September, 2014**

Present:- Councillor Buckley (in the Chair); Councillors Atkin, Burton, Clark, Cowles, Currie, Cutts, Dalton, Ellis, Gosling, J. Hamilton, N. Hamilton, Jepson, Kaye, Reynolds, Sangster, Sansome, Sims, Swift, Vines, Vines, Whelbourn and Wootton.

Apologies for absence were received from Councillors Ahmed, Ali, Doyle, Hussain, Johnston, Lakin, McNeely, Rushforth, Smith and Wyatt.

FINANCE SEMINAR.

Councillor Buckley introduced the Director of Finance and the Chief Finance Manager who gave a presentation to Elected Members about the Council's Budget, entitled "The Financial Challenge: 2015/16 to 2016/17 Revenue Budget". The presentation and subsequent questions included the following salient issues:-

: the overall context – the changes made by the coalition Government's to the local government finance system;

: the removal of welfare funding assistance, provided to local authorities;

: the cap on funding levels to 2018/19; universal credits to be fully implemented by 2016;

: during the period 2015 to 2018, there will be an 18% fall in benefit claimants (per Office for Budget Responsibility estimates);

: the continued funding reductions in 2015/16 and in 2016/17 and beyond, a process which will continue in spite of any change of political control of central Government;

: the New Homes Bonus – potential top-slicing of the funding for City Garden Schemes;

: other changes may be announced in the Autumn 2014 : Education Support Grant reductions; further pension reforms; significant planned changes to the funding of Adult Social Care; implementation of the Care Act 2014 and of the Better Care Fund;

: the Independent Living Fund grant will be provided directly to local authorities, but it is expected that this is likely to be at a lower level than previously;

: comparison of changes to planned level of local government funding from April 2013 to April 2014;

: overall, there will be significant year-on-year funding reductions in future years (9% average per year);

- : Councillor Currie questioned the use of the 'graph of doom', which is currently being revised (this model assumes that if the costs of waste services, capital financing, levies, adult and children's social care are taken into account, given the planned reductions in funding over the next few years, there will be a point where no funding would theoretically be available to meet any other Council costs/services);
- : the shrinking of the public sector will continue, irrespective of the political control of central Government and of the local authorities;
- : perhaps in future there may be a smaller Council (fewer employees, delivering fewer services); spending within the reduced level of funding;
- : the duty of local authorities to support the growth of employment in their areas;
- : the imperative to spend money according to budget principles;
- : local authorities to work with partners in the public sector and also in the private sector and the voluntary sector (home care service being one example);
- : the Council's revised budget principles (Minute No. 15 of the meeting of the Cabinet held on 9th July 2014 refers):-
 - Focus and deliver on the growth of business and jobs
 - Help people to help themselves, wherever possible
 - Provide early support to prevent needs becoming more serious
- : the Council has to prioritise spending on the most important issues affecting local people : 'crime and grime';
- : promoting local enterprise, spending money to support local businesses – 'investing in Rotherham' (nb: 'local' is interpreted as being the Sheffield City Region);
- : the recent implementation of a moratorium on spending by the Council;
- : Medium Term Financial Strategy forecasts and items which are not included (eg: formula grant adjustments, such as the Education Support Grant);
- : Council decisions on the level of Council Tax and whether any increases will be approved (the Council Tax Freeze Grant available from central Government);
- : inflationary increases in costs; employee costs; utilities' costs;
- : the recurrent use of additional New Homes Bonus payments;

: Funding Gap – estimates for 2015/2016 and 2016/2017 (assumptions that savings will be year-on-year);

: seeking absolute best value for money; the careful use of resources to protect the most vulnerable people in society;

: the Council's communications with local people about the impact of budget and service reductions;

: learning from the other local authorities and the way in which they are managing budget and service reductions and communicating with the residents of their areas;

: managing the redesigning of services (eg : libraries) including the option to use volunteers for service delivery;

: details of the budget setting timetable, prior to approval of the 2015/16 budget at the Council meeting on 4th March 2015, which will include scrutiny of the process (sometimes the timing of the process is dependent upon announcements by the coalition Government and the Chancellor of the Exchequer – with the Government's Autumn Statement about the budget expected to be made on 3rd December 2014);

: the Government's technical consultation, about local authority budgets, which took place during July 2014 and this year had no significant impact on the Council's budget planning;

: assumed fall in benefits claimants – it was confirmed that this assumption was based on central Government's Office of Budget Responsibility statistics; a study had also been undertaken in 2013, by Sheffield Hallam University, which predicted that £90 millions will have been taken out of Rotherham's economy by 2016/17; media coverage of the number of claimants reducing and the coalition Government's intention to reduce the 'welfare bill'; local authorities are still required to protect the most vulnerable people in the society; the use and subsequent termination of 'crisis loans' which provided financial support to vulnerable residents;

: the financing of long-term support services for the victims of child sexual exploitation (it was acknowledged that the precise level of demand for such services is not yet known); a holistic service will be required, involving the Council and its partner agencies; the costs of such services had not yet been factored in to the Council's own budget planning process;

: the contingent liability note, within the Council's accounts, relating to complaints about the issue of child sexual exploitation in the Borough area; the impact upon other statutory agencies (eg: NHS Rotherham, South Yorkshire Police) was acknowledged;

: some Members commented that services for victims of child sexual exploitation are already in place

: the impact of budget and service planning upon town and parish councils within the Borough area; appropriate information will be made available by the Borough Council during the budget setting process.

The officers were thanked for their informative presentation.