

REPORT TO CABINET

Open	Would any decisions proposed :			
Any especially affected Wards	(a) Be entirely within Cabinet's powers to decide NO			
	(b) Need to be recommendations to Council YES			
None	(c) Be partly for recommendations to Council NO and partly within Cabinets powers –			
Lead Member: Brian Long		Other Cabinet Members consulted:		
E-mail: Brian.Long@west-norfolk.gov.uk		Other Members consulted: Corporate Performance Panel		
Lead Officer: Lorraine Gore E-mail: Lorraine.gore@west-norfolk.gov.uk Direct Dial: 01553 616432		Other Officers consulted: Management Team		
Financial Implications YES	Policy/Personnel Implications YES	Statutory Implications (incl S.17) YES	Equal Opportunities Implications NO	Risk Management Implications YES

Date of meeting: 7 September 2016

Financial Sustainability Plan 2016-2020

Summary

To consider the Financial Sustainability Plan 2016-2020 attached to the report. The plan has been prepared in response to the Government's offer of a four-year funding settlement.

Recommendation

Cabinet is asked to recommend to Council that the Financial Sustainability Plan 2016-2020 as attached to the report is approved.

Reason for the Decision

The Council is required to approve an efficiency plan, submit the plan to DCLG and publish the plan on the Council website by 14 October 2016 in order for the Council to take up the Government's offer of a four-year funding settlement.

1. Background

- 1.1 Local authorities have taken the biggest hit in terms of central government cuts since 2010. The scale of reduction, along with a degree of volatility around the phasing/ timing of these cuts to different authority types, can make it very difficult for authorities to plan their spending priorities strategically.

- 1.2 In response to these concerns the government made an offer as part of the funding settlement announcement in December 2015 to guarantee a minimum level of grant funding, paid to councils for a 4-year period from April 2016. This, the Secretary of State said, should increase local authority certainty and confidence and would be a key step towards supporting councils to strengthen financial management and work collaboratively with local partners when considering the way local services are provided in future.
- 1.3 It is important to note that the guaranteed minimum level of grant funding only relates to a limited number of funding streams. For this Council the relevant funding streams are Revenue Support Grant and Rural Services Delivery Grant. The offer does not provide any certainty about the funding available through Business Rates or New Homes Bonus. The Government is still considering the consultation responses on the proposed changes to New Homes Bonus.
- 1.4 As part of the budget setting process in February 2016 Council agreed that the Council takes up the option to 'fix' the four year settlement. The medium term Financial Plan 2015-2020 includes the guaranteed funding allocations.
- 1.5 On 10 March 2016 the Government provided further details about the criteria for Local Authorities wishing to secure this four year funding allocation. This includes a requirement for the preparation of an "Efficiency Plan". The Government has not provided detailed guidance on the content of an 'Efficiency Plan', although CIPFA and the LGA have facilitated the development of some common principles through the production of (sector-led) guidance.

2. 'Efficiency Plan'

- 2.1 In response to the Government's offer, an 'efficiency plan' has been developed for the Borough Council and is attached at Appendix 1 – Financial Sustainability Plan 2016-2020.

3. Financial Implications

- 3.1 An 'efficiency plan' is required to approved by Council, the plan submitted to DCLG and published on the Council's website by 14 October 2016 in order for the Council to take up the Government's offer of a four-year funding settlement.
- 3.2 In the event that an 'efficiency plan' is not produced the four-year funding settlement will not be guaranteed by the Government. The Council's funding would then be determined annually as part of the autumn statement. The funding included in the Council's medium term Financial Plan 2016-2020 may therefore be reduced.

4. Consultations

Portfolio Holder for Resources

Management Team

5. Access to Information

Financial Plan 2015-2020

Corporate Plan 2016-2020