

# Corporate Issues Overview and Scrutiny Committee



28 September 2015

## Medium Term Financial Plan (6), Council Plan, Service Plans 2016/17 – 2018/19 and Review of the Council's Local Council Tax Reduction Scheme 2016/17, plus an update to the Discretionary Rate Relief Policy 2015/16

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### Report of Lorraine O'Donnell, Assistant Chief Executive

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#### Purpose of the Report

- 1 To inform the Corporate Issues Overview and Scrutiny Committee of the Cabinet report (15 July 2015) that presents the planning frameworks which will enable the Council to develop the 2016/17 Budget, Medium Term Financial Plan 6 (MTFP (6)) and Council Plan/Service Plans 2016/17 to 2018/19, with a view to the committee formulating a response on behalf of the Overview and Scrutiny Management Board (Cabinet Report attached at appendix 2).

#### Background

- 2 The attached report provides details on the development of the 2016/17 budget, the Medium Term Financial Plan (MTFP(6)) and Council Plan/ Service Plans 2016/17 to 2018/19. The development of MTFP(6) has taken into account an initial analysis of the impact of the Government's 8 July 2015 'Summer' Budget.
- 3 The report also provides details of a review of the Local Council Tax Reduction Scheme and provides details of an update to the Discretionary Rate Relieve Policy.
- 4 In accordance with the Council's Constitution, OSMB considerations (see 5) and the agreed Work Programme for Corporate Issues Overview and Scrutiny Committee, members of the committee are invited to consider and comment on the 2016/17 – 2018/19 Medium Term Financial Plan (MTFP) and Council Plan/Service Plans initial Cabinet report.
- 5 The Overview and Scrutiny Management Board considered this report at its meeting of 18 September 2015, and a verbal summary of its considerations will be provided to the meeting.
- 6 Members are also asked to note that since the attached Cabinet report was published there is a revised timescale for the national Spending Review, now expected on 25<sup>th</sup> November rather than in October (see attached report paragraph 35). This means that the Cabinet report, timetabled in the attached report for November is now expected in December.
- 7 This will impact on the December scrutiny session which is proposed to be combined with the CIOSC meeting on 26 January 2016 , incorporating both the December and January Cabinet report.

## **Recommendation**

- 8 Corporate Issues Overview and Scrutiny Committee is asked to note:
- (i) the forecast funding reductions for 2016/17 to 2018/19 resulting from the analysis of the Summer Budget.
  - (ii) the requirement to identify £102.875m of savings across the 2016/17 to 2018/19 period.
  - (iii) the approach to preparing the Council Plan and Service Plan.
  - (iv) the high level MTFP(6) and Council Plan timetable.
  - (v) the approach outlined for consultation.
  - (vi) the proposals to build equalities considerations into decision making.
  - (vii) that Cabinet recommend to Full Council that the Local Council Tax Reduction Scheme should remain unchanged for 2016/17, with a further review to be undertaken in Quarter 1 of 2016/17 to inform budget options for 2017/18 and beyond.
  - (viii) the revisions to the Discretionary Rate Relief Policy agreed under delegated powers.

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## **Appendix 1: Implications** (In line with the Cabinet Report of 15 July 2015)

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**Finance** – An analysis of funding reductions has been carried out. This has resulted in a £30.5m savings target for 2016/17 and £102.9m over the 2016/17 to 2018/19 period.

The revised Discretionary Rates policy takes into account the announcements in the Government's Autumn Statement with regards to Retail Relief and the extension of Transitional Relief for small and medium properties.

All awards in respect of Retail Relief and Transitional Relief will be refunded directly by the Government via s31 Grant.

**Staffing** – The savings proposals in MTFP(5) will impact upon employees. HR processes will be followed at all times.

**Risk** – In terms of the Discretionary Rate Relief Policy, given the scope and nature of the organisations supported through this policy any changes which would reduce entitlement would have reputational risks to the Council and financial risks to the individual organisations. The proposals set out in this report seek to extend and enhance current arrangements in line with Government policy

**Equality and Diversity/ Public Sector Equality Duty** – Equality considerations are built into the proposed approach to developing MTFP(6), Council Plan and Services Plans, as a key element of the process.

An equality impact assessment has not been completed at this stage in respect of the amendments to the Discretionary Rates Relief policy, as the amendments seek to extend and enhance current arrangements in line with Government policy, with regards to the increased Retail Relief and the extension of Transitional Relief for a two year period

**Accommodation** – None specific within this report.

**Crime and Disorder** – None specific within this report.

**Human Rights** – Any human rights issues will be considered for any detailed MTFP(6) and Council Plan proposals as they are developed and decisions made to take these forward.

**Consultation** – The approach to consultation on MTFP(6) is detailed in the report.

**Procurement** – None specific within this report.

**Disability Issues** – All requirements will be considered as part of the equalities considerations outlined in the main body of the report.

**Legal Implications** – Section 47 of the Local Government Finance Act 1988 and subsequent amending legislation provides the provisions and criteria for awarding discretionary rate relief. The Localism Act 2011 amended Section 47 Clause 69, of the Local Government Finance Act 1988 to allow local authorities to reduce the business rates of any local ratepayer (not just those who can currently be granted discretionary relief), via a local discount scheme.

Statutory guidance states that any discretionary rate relief or local discount scheme must be in the interests of the wider council taxpayer.

The proposals set out in this report only seek to amend / extend current policy arrangements to take account of changes in Government policy / funding arrangements. The amendments have been actioned under a delegated decision by the Corporate Director Resources, in consultation with the Deputy Leader and Cabinet Portfolio Holder for Finance but requires Cabinet approval.