

AGENDA

General Overview & Scrutiny Committee

Date: **Monday 19 September 2016**

Time: **2.00 pm**

Place: **Council Chamber, The Shire Hall, St Peter's Square,
Hereford, HR1 2HX**

Notes: Please note the time, date and venue of the meeting.

For any further information please contact:

Tim Brown, Governance Services

Tel: 01432 260239

Email: tbrown@herefordshire.gov.uk

If you would like help to understand this document, or would like it in another format, please call Tim Brown, Governance Services on 01432 260239 or e-mail tbrown@herefordshire.gov.uk in advance of the meeting.

Agenda for the meeting of the General Overview & Scrutiny Committee

Membership

Chairman	Councillor WLS Bowen
Vice-Chairman	Councillor CA Gandy
	Councillor JM Bartlett
	Councillor MJK Cooper
	Councillor J Hardwick
	Councillor EPJ Harvey
	Councillor JF Johnson
	Councillor MT McEvelly
	Councillor AJW Powers
	Councillor NE Shaw
	Councillor EJ Swinglehurst
	Councillor A Warmington
	Councillor SD Williams

Co-optees	Mr P Burbidge	Roman Catholic Church
(education issues)	Mrs A Fisher	Parent Governor Representative: Primary Schools
	Mr P Sell	Church of England

AGENDA

- | | Pages |
|---|--------|
| <p>1. APOLOGIES FOR ABSENCE
To receive apologies for absence.</p> | |
| <p>2. NAMED SUBSTITUTES
To receive details of members nominated to attend the meeting in place of a member of the committee.</p> | |
| <p>3. DECLARATIONS OF INTEREST
To receive any declarations of interest by members.</p> | |
| <p>4. MINUTES (TO FOLLOW)
To receive the minutes of the meeting held on 5 September 2016.</p> | |
| <p>5. SUGGESTIONS FROM THE PUBLIC
To consider suggestions from the public on issues the committee could scrutinise in the future.

(There will be no discussion of the issue at the time when the matter is raised. Consideration will be given to whether it should form part of the committee's work programme when compared with other competing priorities.)</p> | |
| <p>6. QUESTIONS FROM THE PUBLIC
To note questions received from the public and the items to which they relate.

(Questions are welcomed for consideration at a scrutiny committee meeting subject to the question being directly relevant to an item listed on the agenda below. If you have a question you would like to ask then please submit it no later than 5.00 pm on Wednesday 14 September 2016 to tbrown@herefordshire.gov.uk)</p> | |
| <p>7. FOUR YEAR FINANCIAL SETTLEMENT
To seek the views of the general overview and scrutiny committee on the four year central government funding deal.</p> | 7 - 24 |
| <p>8. DATE OF NEXT MEETING
The next scheduled meeting is Tuesday 27 September at 10:00 am.</p> | |

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- Attend all Council, Cabinet, committee and sub-committee meetings unless the business to be transacted would disclose 'confidential' or 'exempt' information.
- Inspect agenda and public reports at least five clear days before the date of the meeting.
- Inspect minutes of the Council and all committees and sub-committees and written statements of decisions taken by the Cabinet or individual Cabinet Members for up to six years following a meeting.
- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. (A list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
- Access to a public register stating the names, addresses and wards of all Councillors with details of the membership of Cabinet and of all committees and sub-committees.
- Have a reasonable number of copies of agenda and reports (relating to items to be considered in public) made available to the public attending meetings of the Council, Cabinet, committees and sub-committees.
- Have access to a list specifying those powers on which the Council have delegated decision making to their officers identifying the officers concerned by title.
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The Chairman or an attendee at the meeting must take the signing in sheet so it can be checked when everyone is at the assembly point.



Meeting:	General overview and scrutiny committee
Meeting date:	19 September 2016
Title of report:	Four year financial settlement
Report by:	Head of corporate finance

Classification

Open

Key decision

This is not an executive decision.

Wards affected

County-wide

Purpose

To seek the views of the general overview and scrutiny committee on the four year central government funding deal.

Recommendation

THAT:

- (a) the committee determines whether to recommend to cabinet acceptance of the four year central government funding deal for 2016-17 through to 2019-20; and**
- (b) the committee determines whether there are any specific matters it wishes cabinet to consider in making its recommendation to full council.**

Alternative options

- 1 It is open to the committee to recommend alternatives to accepting the four year deal. However, should not accepting the deal result in further funding reductions, compensatory savings proposals must be identified.

Reasons for recommendations

- 2 General overview and scrutiny committee considered the 4 year settlement at its meeting on the 5 September 2016, and requested additional information and a further meeting before coming to a view on any recommendation to cabinet. Appendix 4 sets out the currently known information.
- 3 The council's budget and policy framework rules require that cabinet have regard to the views of overview and scrutiny in developing their recommendations to Council on budget and policy framework items.

Key considerations

- 4 The four year financial settlement offer was made as part of the 2016/17 final central government funding settlement in February 2016. The offer, if accepted, will confirm Herefordshire's revenue support grant, rural services delivery grant and transitional grant funding up to and including 2019/20.
- 5 The Secretary of State wrote to all local authorities' leaders and chief executives in March 2016 with further details of the four year settlement offer, a copy of the letter and annex are provided at appendix 1 and 2. The offer requires an efficiency plan to be produced showing the benefits that will be gained from those that wish to accept it.
- 6 The offer excludes the current business rate income top up grant that Herefordshire receives (£6.9m in 2016/17). The offer letter goes on to say that for those that accept the four year offer there will be no changes to the business rate tariffs and top-ups will "not be altered for reasons related to the relative needs of local authorities". This implies that there may be changes as a result of the 2017 revaluation of business rates, new rateable values are due to be shared later in September 2016. The result of revaluation changes are expected to remain fiscally neutral but in doing so may mean a change to the value of any top up grant.

Background

- 6 The council has seen significant funding reductions and budget pressures since 2010. The council has risen to this challenge by delivering £59m of savings in the financial years 2010-11 to 2015-16, and is targeting an additional £28m in the financial years 2016-17 through to 2019-20. This gives total savings for the financial period 2010-11 to 2019-20 of £87m.
- 7 The current savings plan is shown below; by accepting the funding offer this plan remains appropriate.

Directorate	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	Total 16-20 £m
Adults and wellbeing	4.1	2.3	1.8	1.7	9.9
Children's wellbeing	1.6	1.3	1.4	1.0	5.3
Economy, communities and corporate	5.2	3.4	2.3	2.3	13.2
Total	10.9	7.0	5.5	5.0	28.4

Further information on the subject of this report is available from
Josie Rushgrove, head of corporate finance tel (01432) 261867

- 8 Successfully delivering savings of this scale requires longer term planning; knowing the grant element of longer term plans enables increased accuracy in targeting the financial challenges ahead.
- 9 If the offer were not accepted council funding would continue to be allocated under the current existing yearly process. The annual allocations could be subject to additional reductions to the current offer dependant on the fiscal climate and the need for central government to make further savings to reduce the national deficit. There is at this stage no indication of the potential levels of support which could be expected under such a system, and the council would be less able to rely on longer term plans. It is also possible, although currently not considered likely, that if national policy changed during the settlement period funding allocations could increase.

The four year funding deal: 2016-17 to 2019-20

- 10 The four year funding offer is shown below. The offer excludes a number of significant grant funding streams but does provide a degree of increased funding certainty. The offer has been labelled as a guaranteed minimum grant funding envelope however central government reserves the right to change the settlement due to unforeseen circumstances.

	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000
Revenue Support Grant	17,470	10,090	5,370	620
Rural Services Delivery Grant	5,069	4,93	3,149	4,093
Transitional Grant	572	576	0	0
Total	23,111	14,759	8,519	4,713

Efficiency statement and business rate retention

- 11 The funding offer is conditional on the publication of an efficiency statement. There are no mandatory requirements for the efficiency statement however the published plan must demonstrate increased efficiency over the four year period.
- 12 The draft efficiency statement is included at appendix 3 and is based on the current medium term financial strategy (MTFS) approved by Council in February 2016, <https://www.herefordshire.gov.uk/media/4506617/medium-term-financial-strategy-2016-20.pdf>.
- 13 The efficiency statement supports the council's journey to self-sufficiency; from 2019-20 it is intended that all councils will be funded locally from council tax and full business rate retention. The exact details of how this funding mechanism will be implemented is yet to be shared and the council is currently preparing a response to the open consultation process. The intended timetable in respect of moving to full local business rate retention is as shown below:

Summer 2016	Consultation on the approach to 100% retention
Autumn 2016	Further technical consultation on the specific workings of the reformed system
Early 2017	Legislation introduced
April 2017	Pilots of the new approach
Before May 2020	100% business rates implemented

Implications of not accepting the offer

- 14 The funding offer confirms the implications of not accepting the offer as follows:

“Those councils that chose not to accept the offer, or do not qualify, will be subject to the existing yearly process for determining the local government finance settlement. Allocations could be subject to additional reductions dependent on the fiscal climate and the need to make further savings to reduce the deficit. At present we do not expect any further multi-year settlements to be offered over the course of this parliament”.

Timeline

- 15 The offer must be accepted before 14 October, with this in mind the following timetable has been set:

Date	Action
5 September 2016	General overview and scrutiny committee
19 September 2016	Cabinet
30 September 2016	Council
14 October 2016	Deadline

Community impact

- 16 The MTFS, associated budget and funding demonstrates how the council is using its financial resources to deliver the priorities within the agreed corporate plan.

Equality duty

- 17 The Public Sector Equality Duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying “due regard” in our decision making in the design of policies and in the delivery of services. This funding offer is in line with our current MTFS therefore there would be no additional adverse impact on different protected characteristics if the offer is accepted.

Financial implications

- 18 As set out in the report.

Further information on the subject of this report is available from Josie Rushgrove, head of corporate finance tel (01432) 261867

Legal implications

- 19 There is no requirement to accept the four year settlement. If the council chooses not to accept the offer, or does not qualify, we will be subject to the existing yearly process for determining the local government finance settlement. The only legal requirement under the Local Government Finance Act 1992 requires a council to set a balanced budget which should be possible under either settlement process however accepting the offer provides increased longer term certainty and improved planning opportunities.

Risk management

- 20 By accepting a longer term funding offer, the risk of unbudgeted spend is decreased. The most substantial risks have been assessed as part of the budget setting process and reasonable mitigation has been made. Risks will continue to be monitored through the year and reported to cabinet as part of the budget setting and monitoring process.

Consultation

- 21 Consultation on the budget proposals for 2017/18, based on the indicative funding allocations within the funding offer, have commenced and the outcome of the consultation will be used to guide decisions within a balanced budget. A link to the live consultation can be found here

<http://newsroom.herefordshire.gov.uk/2016/july/council-launches-budget-consultation.aspx>

and the 2017/18 budget setting timetable is shown below:

Date	Action
29 July to 7 October	Budget consultation open
14 November 2016	Both scrutiny committees
1 December 2016	Cabinet – capital budget
16 December 2016	Council – capital budget
19 January 2017	Cabinet – budget, MTFS & Treasury Management Strategy
3 February 2017	Council – budget, MTFS & Treasury Management Strategy
3 March 2017	Council – council tax setting

Appendices

Appendix 1 – letter from secretary of state to council leaders

Appendix 2 – annex to letter from secretary of state to council leaders

Appendix 3 – draft efficiency statement

Appendix 4 – General overview and scrutiny committee request

Background papers

- None identified.

Further information on the subject of this report is available from
Josie Rushgrove, head of corporate finance tel (01432) 261867



Department for
Communities and
Local Government

The Rt Hon Greg Clark MP
*Secretary of State for Communities and Local
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10 March 2016

Dear Colleagues

MULTI-YEAR SETTLEMENTS AND EFFICIENCY PLANS

On 17 December I announced a historic opportunity for councils to achieve greater certainty and confidence from a 4-year budget. I see this as a key step to supporting you to strengthen your financial management, at the same time as working collaboratively with your local partners and reforming the way services are provided.

The settlement consultation process showed great support for this approach and identified a number of queries about what the offer includes and the requirements for applying to accept this offer. I have therefore set out some further details in the attached annex. But I want to reiterate that I want this offer, and the production of an efficiency plan, to be as simple and straightforward as possible, and reassure you that this is not about creating additional bureaucracy.

If you wish to apply to accept the offer you simply need to send an email or letter to MultiYearSettlements@communities.gsi.gov.uk by **5pm on Friday 14th October** and include a link to your published efficiency plan.

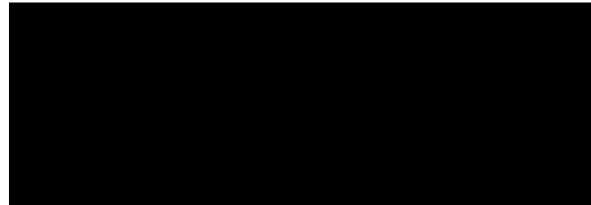
I do not intend to provide further guidance on what efficiency plans should contain – they should be locally owned and locally driven. But it is important that they show how this greater certainty can bring about opportunities for further savings. They should cover the full 4-year period and be open and transparent about the benefits this will bring to both your council and your community. You should collaborate with your local neighbours and public sector partners and link into devolution deals where appropriate.

Of course this offer is entirely optional. It is open to any council to continue to work on a year-by-year basis, but I cannot guarantee future levels of funding to those who prefer not to have a four year settlement.

I have been delighted by the response of councils all over the country to the offer of four year budgets and I look forward to hearing from you if you would like to avail yourself of it.

For any further queries, please contact officials at the above address.

Yours sincerely



THE RT HON GREG CLARK MP

Annex

Conditions of the multi-year settlement

The Government will offer any council that wishes to take it up a four-year funding settlement to 2019-20. This includes:

- Common Council of the City of London
- London borough councils
- district councils
- county councils
- Council of the Isles of Scilly
- Greater London Authority
- metropolitan county fire and rescue authorities
- combined fire and rescue authorities.

The Government is making a clear commitment to provide minimum allocations for each year of the Spending Review period, should councils choose to accept the offer and if they have published an efficiency plan.

What the offer includes

On 9 February we provided summaries and breakdown figures for each year to your s151 Officer. From those figures the relevant lines that are included in the multi-year settlement offer, where appropriate, are:

- Revenue Support Grant;
- Transitional Grant; and
- Rural Services Delivery Grant allocations.

In addition, tariffs and top-ups in 2017-18, 2018-19 and 2019-20 will not be altered for reasons related to the relative needs of local authorities, and in the final year may be subject to the implementation of 100% business rates retention.

The Government is committed to local government retaining 100% of its business rate revenues by the end of this Parliament. This will give them control over an additional £13 billion of tax that they collect.

To ensure that the reforms are fiscally neutral local government will need to take on extra responsibilities and functions. DCLG and the Local Government Association will soon be publishing a series of discussion papers which will inform this and other areas of the reform debate.

The new burdens doctrine operates outside the settlement, so accepting this offer will not impact on any new burden payments agreed over the course of the four years.

The Government will also need to take account of future events such as the transfer of functions to local government, transfers of responsibility for functions between local authorities, mergers between authorities and any other unforeseen events. However, barring exceptional circumstances and subject to the normal statutory consultation process for the local government finance settlement, the Government expects these to be the amounts presented to Parliament each year.

Process for applying for the offer

Interest in accepting this offer will only be considered if a link to a published efficiency plan is received by 5pm Friday 14th October. We will provide confirmation of the offer shortly after the deadline.

Efficiency Plans

Efficiency plans do not need to be a separate document. They can be combined with Medium Term Financial Strategies or the strategy set out in the guidance (<https://www.gov.uk/government/publications/guidance-on-flexible-use-of-capital-receipts>) on how you intend to make the most of the capital receipt flexibilities if appropriate.

The Home Office will provide guidance on the criteria and sign off process for efficiency plans for single purpose Fire and Rescue authorities. All Fire and Rescue authorities, including those which are county councils, should set out clearly in their efficiency plans how they will collaborate with the police and other partners to improve their efficiency.

Process for those who do not take up the offer

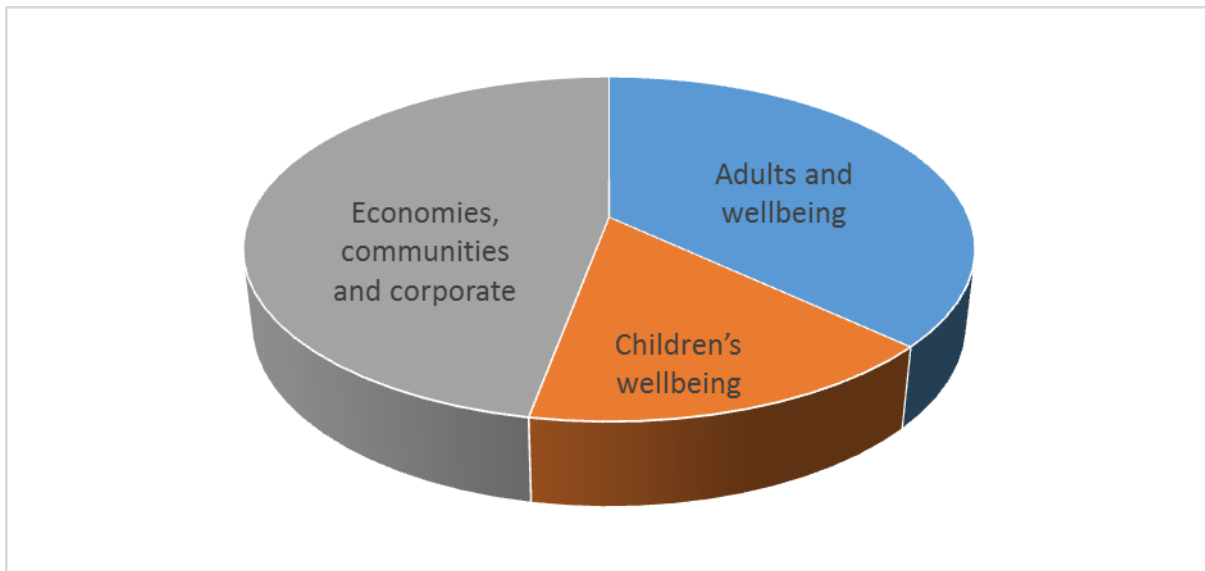
Those councils that chose not to accept the offer, or do not qualify, will be subject to the existing yearly process for determining the local government finance settlement.

Allocations could be subject to additional reductions dependant on the fiscal climate and the need to make further savings to reduce the deficit.

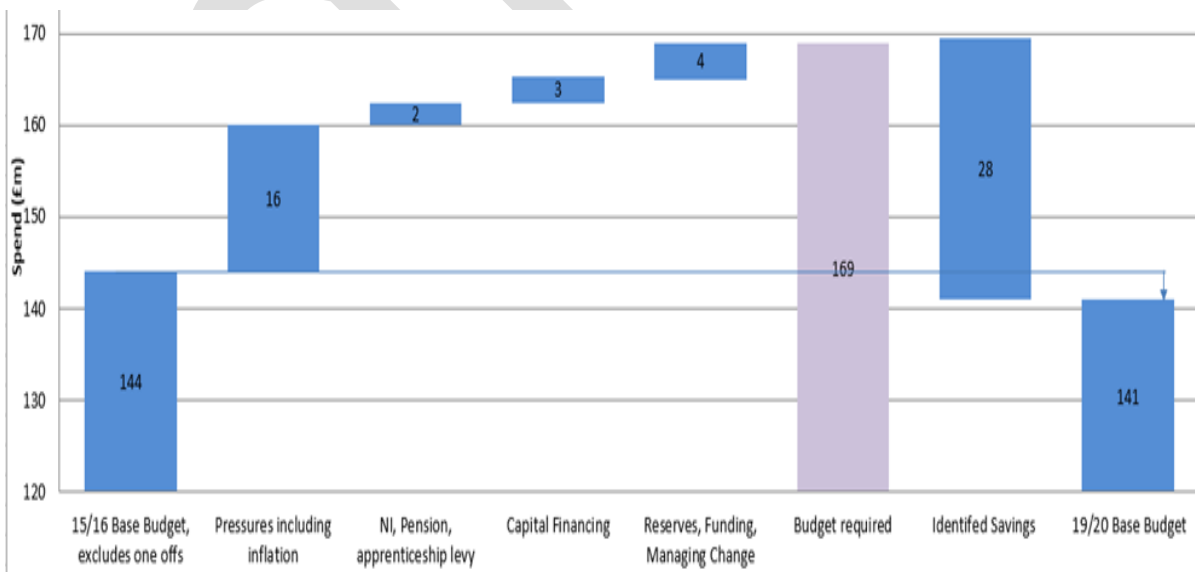
At present we do not expect any further multi-year settlements to be offered over the course of this parliament

Herefordshire council’s draft efficiency statement: 2016/17 to 2019/20

Herefordshire council provides public services costing approximately £328m per annum alongside capital investment in the county of approximately £75m per annum. Since 2010 Herefordshire council has delivered essential savings whilst protecting and enhancing the services it provides to the county’s citizens. The majority of the council’s net budget requirement funds providing essential services to the vulnerable citizens of Herefordshire.



The council is focussing on become self-reliant, being funded wholly through local resources, from 2019-20. It has set its plans in line with this and how this will be achieved whilst ensuring essential services continue to be provided in recognition of increasing budget pressures. To achieve this will require the delivery of savings over the intervening period to ensure the budget available is enough to fund local demand.



Focussing on the longer term enables different service delivery modules to be considered and implemented providing longer term sustainability.

Following consultation the council has reconfirmed its priorities, which are to:

- Enable residents to live safe, healthy and independent lives
- Keep children and young people safe and give them a great start in life
- Support the growth of our economy
- Secure better services, quality of life and value for money

These objectives set out our priorities to focus on to make sure we make the best use of resources and deliver services that make a difference to people in Herefordshire.

Herefordshire council has approved its medium term financial strategy (MTFS) and corporate plan both to 2019-20.

https://www.herefordshire.gov.uk/media/8060372/corporate_plan_2016-20.pdf

<https://www.herefordshire.gov.uk/media/4506617/medium-term-financial-strategy-2016-20.pdf>

The MTFS specifically addresses the financial challenges being faced over the period. The council has already delivered savings of £59m and is targeting a further £28m ahead of 2020, a total of £87m between 2010 and 2020. Herefordshire intends to deliver these savings through growing its local economy, reducing costs, managing current and future demand. Details can be reviewed here: <http://councillors.herefordshire.gov.uk/documents/s50031032/App%204%20Directorate%20Savings%20plan%20to%2019-20.pdf>

The Corporate Delivery Plan identifies the key projects planned for the year to achieve progress towards the council's priorities in the Corporate Plan.

https://www.herefordshire.gov.uk/media/4763825/2016-17_corporate_delivery_plan.pdf

Directorates within the council produce a business plan which sets out how they will progress the achievement of the corporate objectives, the objectives specifically for the directorate, the changes it will go through to achieve them and the performance targets it will monitor to check its progress.

<https://www.herefordshire.gov.uk/government-citizens-and-rights/performance-and-risk/performance-reports>

Both plans will be continuously reflected upon as more of the anticipated changes and their effects become known. For example, the implications of leaving the European Union, localising business rates, additional responsibilities, the future of new homes bonus and pension fund reviews. These changes are largely outside the council's control however the council will play an active role in consultations and reflect on the implications on a regular basis in tandem with the delivery of local savings already targeted.

The council recognises it can't successfully navigate the journey alone and understands the importance of working effectively with its partners. Herefordshire has in place a Better Care Fund with Herefordshire clinical commissioning group; it is an active member of the Marches Local Enterprise Partnership; it is working on a devolution deal and its Sustainability Transformation Plans. In addition to this Herefordshire has recently become a non-constitution member of the west midlands combined authority. This ensures collaborative working delivers the best outcomes.

Herefordshire council is currently in the process of consulting on the 2017/18 budget and has a number of specific consultations live to ensure we consider the full views of residents of the county when changing the delivery of the services we provide.

<https://www.herefordshire.gov.uk/government-citizens-and-rights/democracy/council-finances/budget-consultation-2017>

Herefordshire council reported its 2015/16 outturn on 16 June delivering a small under-spend which has been added to reserves. This means that Herefordshire's prudential general reserve balance at 31 March 2016 was £7.3m, representing 5% of the 2016/17 net budget.

<http://councillors.herefordshire.gov.uk/documents/s50035709/End%20of%20year%20corporate%20performance%20and%20budget%20report.pdf>

The general reserve balance is expected to increase by £4.5m in 2016/17 to give an estimated total general fund reserve of £11.8m as at 31 March 2017. The increase is due to the additional rural and transitional grant funding received in the final 2016/17 funding settlement from government confirmed after the budget for 2016/17 was approved by Council in February 2016. This one off grant funding will be used to provide increased resilience in the MTFS supporting rural service delivery.

The audit of the 2015/16 statement of accounts is almost complete, the draft statements and annual governance statement are available to view here: <https://www.herefordshire.gov.uk/media/4740382/unaudited-accounts-201516-and-draft-ags.pdf>

The previous year's audit reviewed the financial resilience, value for money and statement of accounts of the council by looking at key indicators of financial performance, its approach to strategic financial planning, its approach to financial governance and its approach to financial control. The overall conclusion was rated as green in all of these areas, meaning adequate arrangements are in place.

Monthly reviews of the budget position, performance to targets and challenge are held in tandem with public reporting. The budget setting timetable and monitoring reporting is shown below.

	Health and wellbeing overview scrutiny committee	General overview and scrutiny committee	Cabinet	Audit and governance committee	Council
2015/16 financial and performance outturn			16.06.16		
2016/17 Q1 finance and performance			21.07.16	22.09.16	
Draft 2017/18 budget and medium term financial strategy (MTFS)	14.11.16	14.11.16			
2016/17 Q2 finance and performance			01.12.16		

2017/18 capital programme			01.12.16		16.12.16
Detailed 2017/18 budget, MTFS and treasury management strategy			19.01.17		03.02.17
2016/17 Q3 finance and performance			09.02.17	20.03.17	
Council tax for 2017/18					03.03.17

This efficiency plan demonstrates how Herefordshire council is using its vision, policies, opportunities and challenges in its journey to local financial sustainability. The key to this success will be delivering the councils priorities and plans which will ensure Herefordshire council moves to:

- self-reliant, vibrant communities;
- growing the economy;
- supporting the most vulnerable through ensuring their families, friends and communities can support them;
- people helping themselves through the choices they make.

Approved for publication on by:

.....

Leader of the council

.....

Chief executive of the council

I confirm that the above efficiency statement is likely to achieve and sustain a balanced budget position, subject to the delivery of targeted savings, over the four years to 2019-20.

.....

S151 of the council

General overview and scrutiny committee request

Information requested on 5 September	Information currently available
<p>Is there scope to make representations at “Council for Europe” in relation to the UK being in breach of the Charter of local government in providing the four year funding offer?</p>	<p>It would have to be established what legal basis the Charter of Local Government has and whether a breach can be identified and whether it can be actionable.</p>
<p>Additional information is requested in relation to business rates including information on the numbers of small businesses, the impact of business rate proposals on them and the current business rate consultation paper.</p>	<p>The four year funding offer is entirely separate to 100% local business rate retention in the final year of the offer. The intended timetable for implementation of full local rate retention is provided in paragraph 14 of the covering report and commences with two consultations:</p> <ol style="list-style-type: none"> <li data-bbox="699 860 1401 927"> <p>1. Self-Sufficient local government: 100% business rates retention</p> <p><i>This consultation is being run by the Department for Communities and Local Government (DCLG) and seeks views on the implementation of the Government’s commitment to allow local government to retain 100% of the business rates that they raise locally.</i></p> <li data-bbox="699 1146 1401 1214"> <p>2. Fair Funding Review: Call for evidence on Needs and Redistribution</p> <p><i>As announced at the time of the 16-17 settlement the government is conducting a fair funding review of what the needs assessment formula should be following the implementation of 100% business rates retention.</i></p> <p>Both consultations close on 26 September and further technical consultation is expected to begin thereafter. The acceptance of the four year funding offer deadline, 14 October, will be ahead of the government’s response to the consultations.</p> <p>In early August the Society of County Treasurers and the Society of District Council Treasurers submitted a joint response to DCLG, LGA and HMT outlining their key priorities and issues. The letter raised concerns about the complexity of the system and how this will be exacerbated by asymmetrical devolution of services across the country. The two societies also highlighted the levels of uncertainty around the quantum available and how this would be affected by pilots and devolution deals before any unfunded pressures could be considered.</p> <p>Herefordshire is currently preparing a response addressing the</p>

	<p>local specifics of the consultation questions.</p> <p>Additional business rate reliefs from April 2017 were announced in the last budget. The actual impact of these cannot be shared yet because we do not know the new rateable values (revaluation to be based on 2015 rentals, current billing is based on 2008 rentals) which also come into force in April 2017. We also do not know what the taper will be for businesses with a rateable value of between £12k and £18k but the main impact is where small business rate relief of 100% is awarded to businesses with a rateable value of £12k, previously £6k. Although we cannot provide an accurate assessment at this time indications are that small business rate relief currently allocated at £6m pa could increase to £13m pa, an increase of £7m pa. Herefordshire loss of income due to additional reliefs is expected to be compensated through specific central government grant funding.</p>
Confirmation of the views of other local authorities, in particular comparator authorities.	A recent survey of unitary authorities concluded that 47% have accepted the four year deal, a further 32% confirmed that they intend to accept and none stated that they will not accept the offer. The main reason given for accepting the offer is to provide certainty in forward planning.
Sharing of the current information on lobbying/what the LGA is doing.	The LGA announced on 15 January 2016 that it <i>“welcomes the offer of a four year settlement. We have long called for local government to have the same planning horizon as government itself. This is a step towards financial certainty.”</i> In February Lord Porter, Chairman of the Local Government Association, went on to say <i>“Giving councils the option to fix longer-term funding settlements is hugely significant. The LGA has long-argued that it is crucial for councils to be able to plan ahead for more than 12 months at a time. This is an important step towards the financial certainty councils need to run important local services to the high standard our residents deserve and will allow councils to review the level of financial reserves they need to hold.”</i>
Is there any clarity on whether council tax capping and additional 2% adult social care precept will remain?	There have been no indications of changes to the current capping and adult social care precept setting restrictions on council tax increases.
Confirmation of Rural Services Network stance.	The Rural Services Network (comprising SPARSE Rural, the Rural Assembly, the wider Rural Services Partnership and the RSN Community Group working with Rural England) welcomed the recognition of the particular costs of providing services in sparse rural areas by increasing the Rural Services Delivery Grant by more than fivefold from £15.5m in 2015/16 to £80.5m in 2016/17 (see table below). The network will continue its work in ensuring fair funding for rural communities through supporting the review of the needs assessment moving towards the 100% business

	<p>rates retention.</p> <table border="1" data-bbox="711 250 1377 658"> <thead> <tr> <th data-bbox="711 353 963 412"></th> <th data-bbox="963 250 1182 353">Provisional Settlement</th> <th data-bbox="1182 250 1377 353">Final Settlement</th> </tr> </thead> <tbody> <tr> <td data-bbox="711 353 963 412">2015-16</td> <td data-bbox="963 353 1182 412">£15.5m</td> <td data-bbox="1182 353 1377 412">£15.5m</td> </tr> <tr> <td data-bbox="711 412 963 470">2016-17</td> <td data-bbox="963 412 1182 470">£20.0m</td> <td data-bbox="1182 412 1377 470">£80.5m</td> </tr> <tr> <td data-bbox="711 470 963 528">2017-18</td> <td data-bbox="963 470 1182 528">£35.0m</td> <td data-bbox="1182 470 1377 528">£65.0m</td> </tr> <tr> <td data-bbox="711 528 963 586">2018-19</td> <td data-bbox="963 528 1182 586">£50.0m</td> <td data-bbox="1182 528 1377 586">£50.0m</td> </tr> <tr> <td data-bbox="711 586 963 658">2019-20</td> <td data-bbox="963 586 1182 658">£65.0m</td> <td data-bbox="1182 586 1377 658">£65.0m</td> </tr> </tbody> </table>		Provisional Settlement	Final Settlement	2015-16	£15.5m	£15.5m	2016-17	£20.0m	£80.5m	2017-18	£35.0m	£65.0m	2018-19	£50.0m	£50.0m	2019-20	£65.0m	£65.0m
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<p>Sharing of more analysis of options.</p>	<p>Paragraph 15 of the covering report states that not accepting the four year funding deal would result in annual funding settlements. More analysis of the funding offer was provided at the all member seminar held on 26 July which confirmed the advantages of accepting the offer are:</p> <ul style="list-style-type: none"> • A step in the direction of what LAs have been asking for • Provides a degree of certainty over the longer term • Increase focus on the longer term • Enables better financial planning <p>And the drawbacks are:</p> <ul style="list-style-type: none"> • The amount guaranteed is relatively small & excludes other significant funding streams • Acceptance of reduced funding • Year 5 is probably the most uncertain in living memory • Requirement of an 'efficiency plan' • Funding not guaranteed – government reserves the right to change the settlement due to unforeseen circumstances 																		

