

# **Market Towns Forum HC Financial Planning for 16/17 to 19/20**



# Settlement headlines

- Government budget surplus by 2019/20
- 2010 councils 80% grant funded
- 2020 100% locally funded
- Four year settlement

# Overall impact

- RSG cuts deeper and steeper than expected
- RSG redistribution, 2016/17 reductions:
  - Overall 25%
  - Metropolitans 21%
  - Inner London 19%
  - Counties 30%
  - Herefordshire 34%, £9m (30% after allowing for rural grant)
- Rural grant, £1.3m
- 2% precept, £1.7m
- Rolling in of Care Act funding, £1.2m in 2015/16

# Adults additional costs

	2016/17 £000
Demographic growth	888
Preventative measures (including Care Act)	800
Other Care Act legislative pressures	190
Legislative changes	610
Children transitioning to adults	100
Inflation	724
<b>Total adults pressures</b>	<b>3,312</b>

# Savings

Half way through the austerity measures, £59m of savings to date and £28m forecast to 2019/20....

**Total £87m of savings between 2010 and 2020**

## Current Savings Proposals

<b>Directorate</b>	<b>2016-17</b> <b>£m</b>	<b>2017-18</b> <b>£m</b>	<b>2018-19</b> <b>£m</b>	<b>2019-20</b> <b>£m</b>	<b>Total 16-20</b> <b>£m</b>
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 (ECC)	5.2	3.4	2.3	2.3	13.2
<b>Total</b>	<b>10.9</b>	<b>7.0</b>	<b>5.5</b>	<b>5.0</b>	<b>28.4</b>

# Future funding of the Library service

- New way of operating libraries and customer services being explored.
- retaining the services important to residents, acknowledges the health, well being and economic value of libraries.
- Different options for funding the service including fundraising, joint funding by partners and income generation as well as looking at cost savings.
- £380k reduction in 2017/18 and a further £380k in 2018/19

# Future funding of the Lengthsman and P3 services

- Planned to continue same funding in 2016/17
- Phased reductions, £100k pa, 17/18 – 19/20



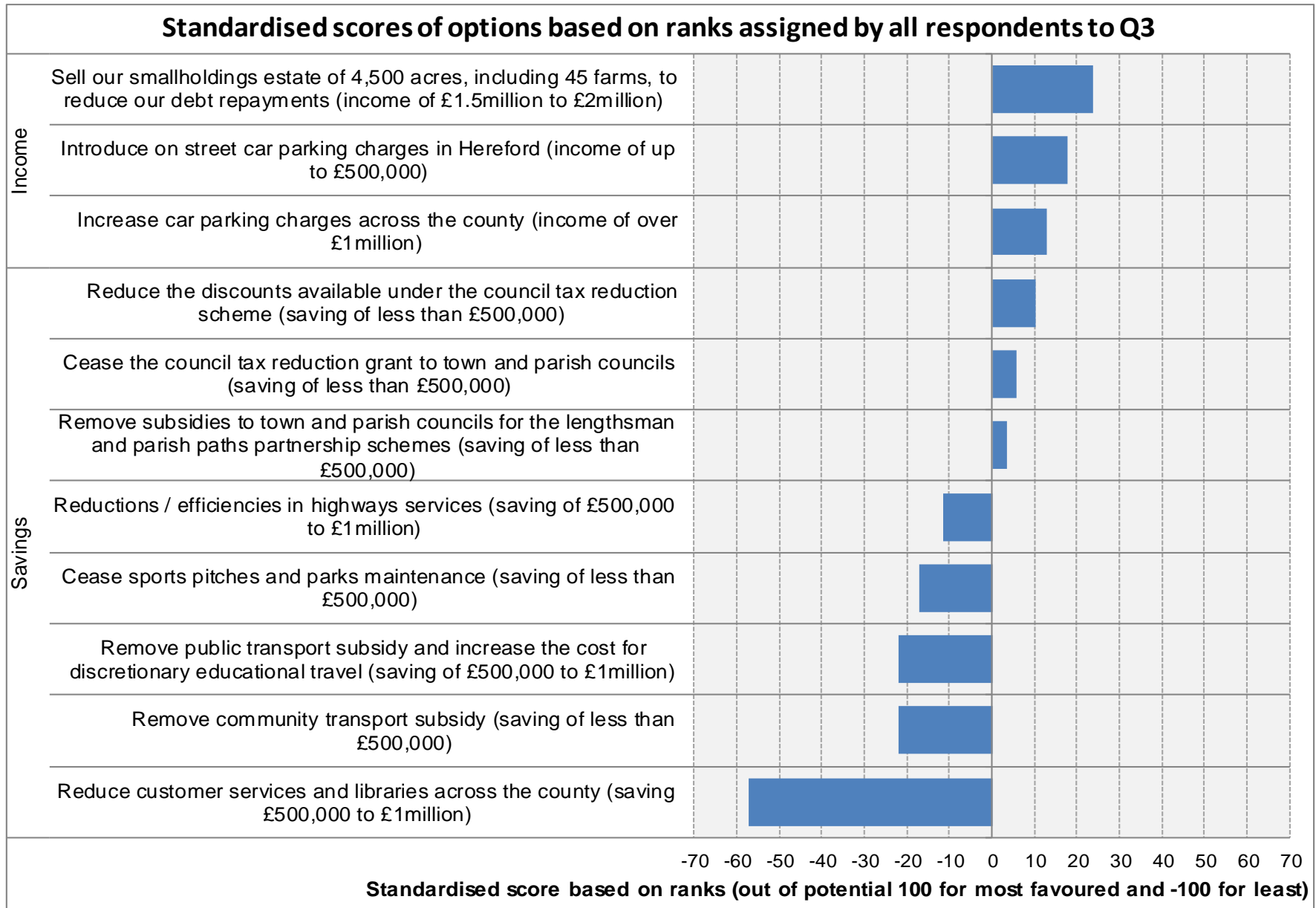
# The future of Business Rates

- Proposal that local authorities would be able to retain 100% of business rates by the end of the parliament, 2019/20.
- Herefordshire currently retains 50% £23m
- Changes are to be fiscally neutral across the country
- Further responsibilities and services will be devolved to local government: Public Health grant £7m, £20m of attendance allowance paid to older people with care needs

# Council Tax 2016/17

- Fire Service proposing a 1.96% increase, Police deciding 2/2/16
- 2% Herefordshire Council Tax increase for Social Care;
- 1.9% increase as planned, 3.9% in total
- 90% + of Counties planning the same increase
- Tax base and respective calculations including future changes;

# Public consultation results and clarification as to how those results informed the budget setting



# Working with Town Councils

- Asset transfers of income generators such as car parks, markets etc to local councils to help them fund devolved services;
- Council Tax support grant update;
- Precept setting for Town and Parish Councils (timings and process);
- Developing Service Level Agreements between town and parish councils and Herefordshire Council to deliver services locally;
- Discussion around the City and Market Towns position with regard to the Unitary authorities idea of devolution and our own wishes and what mechanisms need to be in place for us all to have greater control of our own areas financially within whatever proposals may come our way;

**Questions?**