

Government Consultations and Function changes

- a) **Council tax referendums** – (consultation closes 10 September). This consultation is on local referendums to veto excessive council tax increases. The Government intends to introduce legislation for council tax referendums at the earliest opportunity; this is likely to be in the Localism Bill which will be presented to Parliament in autumn 2010. The consultation outlines proposals for the criteria by which a referendum would be triggered and the arrangements for holding a referendum. This would replace council tax capping and the arrangements may affect our future council tax setting decisions.
- b) **Lead Local Flood Authorities** – (consultation closes 17 September). Lead Local Flood Authorities will be established by the Flood and Water Management Act 2010. The Government recognises that this represents a new pressure and, as part of the Spending Review, is considering how to distribute funding to local government to support it in delivering its new roles and responsibilities once the Act commences. The consultation presents options for funding this new role. Effects are comparatively small (£0.3m to £0.4m), though important for this new service.
- c) **Closure of the Independent Living Fund** - (consultation closes 25 September). The Independent Living Fund was set up as a national resource dedicated to the financial support of disabled people to enable them to choose to live in the community rather than in residential care. It has been closed to new applicants. We have been consulted about the actual and possible effects on Social Services. Responsibility for making payments to existing ILF claimants may be transferred to local authorities. The scale of the effects has not been assessed at this stage.
- d) **Equity and Excellence: Liberating the NHS Health White Paper** – (consultation closes 5 October). The White Paper outlines the Government's plans to reform the NHS, establish a Public Health Service, and covers the Government's strategy to run healthcare "from the bottom up"; looking at the current Parliamentary term and beyond. This will give local authorities a much greater role in the health and social care system, particularly the responsibility for public health which transfers in 2012/13. Local authorities will also get greater responsibilities in four areas:
- Leading joint strategic needs assessments (JSNA) to ensure coherent and co-ordinated commissioning strategies
 - Supporting local voice, and the exercise of patient choice through a Local HealthWatch body
 - Promoting joined up commissioning of local NHS services, social care and health improvement
 - Leading on local health improvement and prevention activity

- e) **Formula grant distribution methodology 2011/12 onwards**– (consultation closes 6 October). The Government reconfirmed in the consultation paper that the 2010 Formula Review mainly looked “to update and [finely] tune the existing system”. It therefore does not represent a fundamental review of the distribution system. A range of proposals to change the Formula grant system have been proposed. One key issue is the transfer of funding for Concessionary fares from districts to counties (at least £8m in Oxfordshire). These changes could have a considerable effect on our Formula grant – with the worst options reducing our underlying grant (before damping) by up to £9m and the best options increasing it by £3m. Ministers decisions will be announced in the draft Local Government Finance Settlement, expected late November/early December 2010. Final figures will not be available until January 2011, with implementation from 1 April 2011.
- f) **Distribution of three social care grants** - (consultation closes 6 October). The October Spending Review will consider whether these grants should continue in their current form or whether they should be brought into Formula Grant. If the grants are to continue the Department proposes to change the way in which the grants are allocated. These grants fund Learning disability commissioning (around £19m), Preserved rights (£2m or £3m) and AIDS support (around £0.2m). Effects are significant for these services.
- g) **Local Transport funding** – (consultation closes 6 October). The consultation focuses on proposed changes to the calculation, data and distribution of the Integrated Transport and Highways Maintenance Blocks. In addition, there are proposals to merge the Primary Route Network and Capital Detrunking Grants into the Highways Maintenance Block formula from 2011/12. As a grant floor authority, there could be a significant impact on the Council of this transfer, unless the grant floor is adjusted accordingly.
- h) **School funding 2011/12 and the ‘Pupil Premium’** – (consultation closes 18 October). This supersedes the previous Government’s consultation on the Dedicated Schools Grant (DSG) formula review, announced in March 2010. Funding arrangements through DSG may be slightly changed in 2011/12. The government wishes to move to a ‘simpler and more transparent funding system’ in the longer term, so more consultation is expected about that. The ‘Pupil premium’ will be introduced in September 2011. More detailed estimates of the amounts involved must wait for the Spending Review. The effects of having a ‘Pupil premium’ will be significant for schools.
- i) **New homes bonus** – (consultation deadline yet to be set, it will be after the Spending Review on 20 October 2010). We have been told that there will be further consultation about this proposal to give local authorities the extra council tax raised by new housing for six years. This will give local councils an incentive to encourage house building locally.

- j) **Freeze council tax** – (consultation deadline yet to be set, it will be after the Spending Review on 20 October 2010). Consultation on the details of this scheme is expected after the Spending Review. It is likely to have very significant effects for the Council.
- k) **Social Care Reform White Paper** – (consultation deadline yet to be set). A commission is being established to consider the funding of long term care, and it should report within a year. It is expected that consultation will be after that. This will be a significant issue for the Council.
- l) There may also be changes affecting Student support, Independent medical assessments for blue badges and possibly other areas as a result of the Spending Review.