

## **CABINET – 18 December 2018**

### **Service & Resource Planning 2019/20 to 2022/23**

#### **ADDENDA Provisional Local Government Finance Settlement**

##### **Introduction**

1. On 13 December 2018, the Secretary of State for Housing, Communities and Local Government, James Brokenshire MP, made a statement to Parliament on the Provisional Local Government Finance Settlement for 2019/20.
2. The impact of this announcement on the overall financial position is set out in paragraph 12.

##### **Business Rate Top-Up and Negative Revenue Support Grant (RSG)**

3. The Government has confirmed the outcome of the consultation published in July 2018 to remove negative RSG. There will be no adjustment, therefore the additional £6.2m funding is confirmed. This had already been assumed in the overall financial position for 2019/20 as set out in the main report.

##### **Additional Social Care Funding (Announced Budget 2018)**

4. As announced in the Autumn Budget, the additional £650m for Adult's and Children's Social Care in 2019/20 was confirmed. The winter pressures element is £2.3m and the un-ringfenced Social Care Support Grant is £3.9m.

##### **New Homes Bonus**

5. The Government announced funding to maintain the New Homes Bonus baseline at 0.4%. Oxfordshire's provisional allocation for 2019/20 is £3.6m, £0.4m higher than the existing MTFP assumption.

##### **Levy Account Surplus**

6. The government will distribute the £180m surplus in the business rates levy account to all councils based on need. Oxfordshire's share of this one-off funding is £1.1m in 2019/20.

##### **75% Business Rate Retention Pilots**

7. 15 local authorities were named as pilots for the 75% business rate retention scheme in 2019/20. Oxfordshire's bid to be a pilot authority was not successful.
8. The 15 authorities are Berkshire; Buckinghamshire; East Sussex; Hertfordshire; Lancashire; Leicestershire; Norfolk; Northamptonshire; North and West Yorkshire; North of Tyne; Solent Authorities; Somerset; Staffordshire and Stoke; West Sussex; and Worcestershire.

### **Council Tax Referendum Principles**

9. There is no change to the 3% Council Tax referendum limit in 2019/20. The Adult Social Care precept increase will also remain at 6% for the period 2017/18 to 2019/20.

### **Rural Services Delivery Grant**

10. The Rural Services Delivery Grant will increase by £16m in 2019/20. Oxfordshire does not receive a share of this funding.

### **Consultations**

11. Alongside the Provisional Settlement the Government published two consultations on the Fair Funding Review and Business Rates Retention. It will take time to understand the details of these, therefore, a further update will be given in the January 2019 Cabinet report.

### **Revised Overall Financial Position**

12. The impact of the Provisional Local Government Finance announcement on the overall financial position is set out in the table below.

	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>TOTAL £m</b>
<b>Net Pressure (+) /Saving (-)</b>	<b>8.1</b>	<b>21.1</b>	<b>8.5</b>	<b>2.0</b>	<b>39.7</b>
Business Rate Account Surplus Share	-1.1	1.1			<b>0.0</b>
Additional New Homes Bonus Grant	-0.4				<b>-0.4</b>
<b>Revised Net Pressure (+) /Saving (-)</b>	<b>6.6</b>	<b>22.2</b>	<b>8.5</b>	<b>2.0</b>	<b>39.3</b>

13. The remaining net pressure has reduced to £6.6m from £8.1m in 2019/20. The Council is awaiting the final information from district councils before addressing this position in order that a balanced budget can be set on 12 February 2019. At this stage, it is anticipated that, the remaining net pressure in 2019/20 will be met in part, on a one-off basis, by the use of reserves or balances.

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