



**Cabinet
Tuesday, 17 September 2019**

ADDENDA

7. Service & Resource Planning Report - 2020/21 (Pages 1 - 2)

Addenda attached.

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CABINET – 17 SEPTEMBER 2019

Service & Resource Planning 2020/21 to 2023/24

ADDENDA Spending Review 2019

Introduction

1. The Chancellor of Exchequer, Sajid Javid MP, announced a one-year Spending Review on 4 September 2019. The key announcements for local government and the potential impact for Oxfordshire County Council are set out below. A technical local government finance settlement consultation is expected in the next few weeks.
2. The impact of the Spending Review and details of the technical local government finance settlement consultation will be set out in the Service & Resource Planning Report to Cabinet in December.

Settlement Funding Assessment (Business Rates and Revenue Support Grant)

3. Local Government's business rate baseline funding levels will increase in line with inflation. On this basis, it is assumed that negative RSG, which was £6.2m for Oxfordshire, will not be implemented.

Council Tax

4. As part of the technical local government finance consultation, Government will consult on allowing councils to raise a 2% basic precept and a 2% adult social care precept. In total, if all councils took up these flexibilities, this would raise £1bn nationally. An additional 2% increase in Council Tax in Oxfordshire would raise £7.6m.

Local Government Reforms

5. It has been confirmed that longer-term reforms including Business Rates Retention and the Fairer Funding Review have been delayed until 2021/22. The Business Rates reset, expected in April 2020, will also not now take place.

Additional Funding for Social Care

6. Government announced £1bn of additional social care funding which can be used for both adults and children's social care. The funding distribution will be consulted upon as part of the technical local government finance consultation. Depending on the distribution methodology, the allocation for Oxfordshire could range between £4.4m and £9.6m. The higher allocation reflects a distribution based on Adults Relative Needs Formula alone. The lower allocation reflects the distribution mechanism used for the iBCF which took into account both Adults Relative Needs Formula and the ability of councils to generate income from the Adult Social Care precept. The outcome of the consultation will not be known until the draft local government finance settlement is announced in mid-December.

Temporary Grants Rolled Forward to 2020/21

7. £2.5bn of 'temporary grants' received in 2019/20 (the £1.8bn Improved Better Care Fund (iBCF) & £650m Social Care Support/Winter Pressures grants) will continue in 2020/21 and baselined into government funding. It is understood that the distribution of these grants will remain unchanged. Oxfordshire received £8.1m of iBCF funding and £6.2m from Social Care Support and Winter Pressures funding in 2019/20.

Better Care Fund

8. The NHS contribution to adult social care through the Better Care Fund will increase by 3.4 per cent in real terms, in line with the overall NHS long-term settlement. This will mean around an extra £1.3m for Oxfordshire

Schools Funding

9. Funding for schools' budgets will rise by £2.6bn in 2020/21, £4.8bn in 2021/22 and £7.1bn in 2022/23. Some of this funding will be used to continue implementing the schools National Funding Formula with the minimum per pupil amount for 2020/21 increasing to £3,750 for primary schools and £5,000 for secondary schools. It will also be used to cover the increased costs of pension contributions as well as the cost of increasing the minimum starting pay for teachers to £30,000 from 2022/23.
10. The settlement provides an extra £700m to support children with special educational needs. This funding will be passed directly to councils via Dedicated Schools Grant High-Needs Block. The allocation for Oxfordshire from this additional funding is estimated at £8.4m. The two-year grant announced last year for 2019/20 and 2020/21 of £1.5m will also still be provided.
11. The government will also increase early years spending by £66m to increase the hourly rate paid to childcare providers through the government's free hours offers.

Other Grants

12. **Public Health Grant** – an increase at least in line with inflation is expected. On this basis it is estimated that the allocation for Oxfordshire will be at least £30.3m in 2020/21, £0.5m more than 2019/20.
13. **Troubled Families** - the Government will continue funding for the Troubled Families programme in 2020/21.
14. **Fire Pensions Grant** – Home Office funding is being rolled forward and therefore the Fire Pensions grant of £1.2m is expected to continue, but this has not been confirmed.

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September 2019