

## **COUNCIL – 19 FEBRUARY 2013**

### **BUSINESS STRATEGY AND SERVICE & RESOURCE PLANNING**

#### **2013/14 TO 2016/17**

#### **Supplementary Report by Assistant Chief Executive & Chief Finance Officer**

#### **Introduction**

1. The report and addenda to Cabinet on 29 January 2013 set out information known at that time on the revenue budget for 2013/14 along with the Medium Term Financial Plan (MTFP) and Capital Programme for 2012/13 to 2016/17.
2. Information has now been received which enables the Council to set a budget on 19 February 2013 although there are still a number of specific grant notifications, both capital and revenue which are outstanding.

#### **Final Local Government Finance Settlement**

3. The final Local Government Finance Settlement for 2013/14 and provisional settlement for 2014/15 were announced on 4 February 2013. In his statement, the Parliamentary Under Secretary of State for Communities and Local Government (Brandon Lewis MP) stated that having considered the views of all those who have commented on the provisional settlement, he had decided broadly to confirm the proposals for the settlement for 2013/14 as announced in December, after making some minor technical changes following representations made during consultation.
4. The settlement confirmed the Revenue Support Grant element of the Start – Up Funding Assessment for 2013/14 along with the provisional figure for 2014/15. Oxfordshire's Revenue Support Grant will be £94.487m for 2013/14 which compares to £94.488m in the provisional settlement. Similarly for 2014/15, the provisional grant is £81.539m compared to £81.540m in the draft settlement. There is no change to the business rates baseline, however the business rates top-up for both years has also reduced marginally, from £35.695m to £35.694m in 2013/14 and from £36.790m to £36.789m in 2014/15.
5. The referendums principles relating to Council Tax Increases for 2013/14 have also been confirmed. There is no change to the limit of a two per cent increase in the relevant basic amount of council tax. An increase above this level would require a binding referendum.

#### **Local Share of Business Rates**

6. The District Councils confirmed their estimates of the local share of business rates for 2013/14 on 1 February 2013. The council is expected to receive

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£27.287m compared to the baseline figure of £27.165m, an additional £0.122m.

### **New Homes Bonus**

7. Final allocations for 2013/14 New Homes Bonus were announced on 1 February 2013. The County Council's allocation is £1.662m, which is £0.061m higher than had been assumed.
8. The funding that had been set aside by government to fund New Homes Bonus in 2013/14 was more than individual payments to local authorities. The unallocated share of the national total was due to be returned to local authorities. Based on information in the draft Local Government Finance Settlement, an estimate of £0.534m had been assumed as being returned to Oxfordshire. The final Local Government Finance Settlement has confirmed this figure as £0.533m.

### **Outstanding Information**

9. The following specific grants are still to be confirmed for 2013/14:
  - Education services grant
  - Adoption reform grant
  - Extended rights to free travel grant
  - Share of national safety net and capitalisation top slice
  - Education capital grant

### **Collection Fund Surpluses**

10. The addenda to the Service & Resource Planning Report considered by Cabinet on 29 January 2013 set out the final position relating to the council's share of the Collection Fund. The confirmed amount was £4.763m, £2.763m higher than the estimated amount, providing additional one-off funding.
11. The addenda stated that that no decision on the use of this one-off additional funding should be made until all of the outstanding information was available. Given that some information is outstanding, it is proposed that this is added to the Efficiency Reserve pending confirmation of the outstanding information.

### **Conclusion**

12. This report contains the information required to enable the council to set a budget for 2013/14. There are still a number of specific grants, both revenue and capital, which are still to be confirmed but estimates of these are already included in the annexes of the report to Council. Given the outstanding information, it is proposed that all of the variations mentioned in this report are managed through the Efficiency Reserve in 2013/14. Where there are on-going impacts these will be addressed as part of the 2014/15 Service & Resource Planning process.

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13. The Medium Term Financial Plan, which forms Annex 1 of the Council report, reflects all of the changes described in this report.

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5 February 2013