

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 19th September 2016

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WARD(S): All

PORTFOLIO: Cllr Munawar (Commissioner for Finance & Strategy)

PART I **KEY DECISION**

REVENUE SUPPORT GRANT (RSG) – EFFICIENCY STATEMENT

1 Purpose of Report

The report sets out the Government's four year Revenue Support Grant (RSG) funding offer to local Government as well as highlighting the steps required to accept this offer.

2 Recommendation(s)/Proposed Action

The Cabinet is requested to resolve:

- (a) That the Government's offer of funding stability in respect of Revenue Support Grant over the period 2016-20 be accepted.
- (b) That the final efficiency statement document be delegated to the S151 officer and lead commissioner to review and that this is based on previous information presented to members setting out the Council's financial plan.

3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

3a. Slough Joint Wellbeing Strategy Priorities

3b Five Year Plan Outcomes

- All

4 Other Implications

(a) Financial

These are all detailed in the report as this is a purely financial report.

(b) Risk Management

Risk	Mitigating action	Opportunities
Legal	None	None
Property	None	None
Human Rights	None	None

Health and Safety	None	None
Employment Issues	None	None
Equalities Issues	None	None
Community Support	None	None
Communications	None	None
Community Safety	None	None
Financial	Within the body of the report	Within the body of the report
Other	None	None

(c) Human Rights Act and Other Legal Implications

There are no legal or Human Rights implications through this paper.

(d) Equalities Impact Assessment

There is no identified need for the completion of an EIA.

5 Supporting Information

- 5.1 The Council approved the Council Budget for 2016/17 and the Medium Term Financial Strategy: 2016-20 (MTFS) at the Full Council meeting on 25th February 2016. At a meeting on 18th July 2016 Cabinet also noted the creation of an efficiency statement and the possibility of accepting a four year local government financial settlement. The report advised Cabinet to make a decision on the acceptance of the offer closer to the October deadline.

Efficiency Statement

- 5.2 As part of the Local Government Finance Settlement, the Government established a new financial offer to Local Government. The Government will set out the minimum levels of Revenue Support Grant (RSG), subject to the caveat below, for Councils for the four years ahead. For Slough Borough Council these are the figures in the MTFS, and for clarity these are:

Year	2016-17	2017-18	2018-19	2019-20
Amount	18.48	13.18	9.68	6.12

- 5.3 The offer is a guaranteed allocation if Council's can demonstrate efficiency savings for 2016/17 and for every year of the parliament. For those Councils who do not accept this offer, the level of RSG will fluctuate year on year.
- 5.4 In practice, the final determination of the local government finance settlement for any given year cannot be made until calculations are completed taking account of the business rates multiplier, which is based on the Retail Price Index in September each year. The Government will also need to take account of future events such as the transfer of functions to local government, transfers of responsibility for functions between local authorities, mergers between authorities and any other unforeseen events. However, barring exceptional circumstances and subject to the normal

statutory consultation process for the local government finance settlement, the Government expects these to be the amounts presented to Parliament each year

- 5.5 The offer is related only to Revenue Support Grant (RSG) for the Council. To approve the offer, the Council needs to complete an efficiency statement and return this to the Department for Communities and Local Government (DCLG) by the 14th October. This document for Slough Borough Council will be formed by the Medium Term Financial Strategy, Revenue Budget and supporting appendices, Treasury Management Strategy (all approved at Full Council in February 2016) and the Five Year Plan. This report recommends that the final document is delegated to the s151 officer and lead commissioner to review and that this is based on previous information presented to members setting out the Council's financial plan.
- 5.6 The Government expects that by providing clarity over future funding, this will enable Councils to plan their finances better which lead to improved long term financial planning. Though having this stability should be welcomed, it is important to note that the Council's RSG will drop from £40m in 2013-14 to £6m by 2019-20, and that the Government is consulting to fundamentally change the system of Local Government finance through business rates retention and a review of the Local Government finance methodology and allocations.
- 5.7 Adopting a risk based approach to the Medium Term Financial strategy it is recommended that it would be in Slough's best interests to take up this offer enabling the Council to plan with greater certainty for the next 4 years. Therefore, Cabinet are advised to accept the 'offer' and complete and submit an efficiency statement before the October 14th deadline.

6 **Comments of Other Committees**

None.

7 **Conclusion**

- 7.1 For members to approve the acceptance of the Government's offer of funding stability in respect of Revenue Support Grant over the period 2016-20.
- 7.2 For members to delegate the final efficiency statement document to the S151 officer and lead commissioner to review and that this is based on previous information presented to members setting out the Council's financial plan.

8 **Appendices Attached**

None

9 **Background Papers**

- '1' - Budget papers to full Council – 25th February 2016
'2' - Local Government finance settlement (DCLG) – 8th February 2016