

REPORT OF: CHIEF EXECUTIVE

TO: POLICY AND RESOURCES COMMITTEE

DATES: 24th OCTOBER 2019

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**LOCAL GOVERNMENT FINANCE SETTLEMENT 2020/21
TECHNICAL CONSULTATION: DRAFT RESPONSE**

PURPOSE OF REPORT

1. The purpose of this report is to seek the Committee's agreement for a draft response to a technical consultation on the Local Government Finance Settlement 2020/21.

RECOMMENDATION

2. The Policy and Resources is recommended to agree the draft response to the Technical Consultation on the Local Government Finance Settlement 2020/21 as provided **at Appendix A**.

REASON FOR RECOMMENDATION

3. To continue with the implementation of the Council's Financial Strategy and to inform the development of the Council's budget for 2020/21.

ISSUE

4. In early September 2019, the Government set out the results of the 2019 Spending Review. As Councillors are aware, the 2019 Spending Review is for one-year only with the 3-year Comprehensive Spending Review (CSR) delay until 2020. At the same time, the Ministry for Housing, Communities and Local Government (MHCLG) announced that, in light of the delayed CSR, the anticipated implementation of the Business Rates Retention Scheme (the move from 50% to 75% Business Rates Retention) and the outcome of the Fair Funding Review would be put back to April 2021 (and not April 2020 as planned).

5. Acknowledging these changes, MHCLG has opened a Technical Consultation on the Local Government Finance Settlement for 2020/21. The consultation runs from 3rd October 2019 to 31st October 2019 and reflects aspects of the 2019 Spending Review but also picks up issues in relation to Business Rates Retention and the distribution of funding arising from their decision to delay the implementation of the wider changes to the local government financing system.
6. The consultation comprises 9 questions on various matters such as the distribution of Revenue Support Grant, Council Tax Referendum Principles, New Homes Bonus Allocations and the allocation of Social Care Grant. Each question and a draft response from the Council is provided at **Appendix A**.

IMPLICATIONS

Policy

7. There are no policy implications arising directly from the contents of this report.

Financial

8. The consultation referred to in this report is directly linked to the Council's future funding allocations and how they might be derived. However, other than commenting on the broad principles as set out above, it is not possible to provide any detailed analysis of the Council's future funding.

Legal

9. There are no legal implications arising directly from the contents of this report.

Risk Management

10. There are no risk management implications arising directly from the contents of this report.

Health and Safety

11. There are no Health and Safety implications arising directly from the contents of this report.

Climate Change:

12. There are no climate change implications arising directly from this report.

Community Safety

13. There are no community safety issues arising directly from the contents of this report.

Equality and Diversity

14. There are no equality and diversity implications arising directly from the contents of this report.

APPENDICES: Appendix A – Draft Response

LIST OF BACKGROUND PAPERS: Papers held in Financial Services