

Report for: Cabinet 18th October 2016

Item number: 11

Title: 4 Year Efficiency Plan Submission to DCLG

Report

Authorised by: Tracie Evans – Chief Operating Officer

Lead Officer: Anna D'Alessandro, Interim Deputy CFO

1. Describe the issue under consideration

- 1.1. This report recommends that the Government's offer of a 4-year funding settlement (2016/17-2019/20) is accepted which is conditional on the submission of an Efficiency Plan. There is no prescription as to the format of the efficiency plan and therefore we will be submitting the existing MTFS approved by Cabinet in February 2015 with an additional narrative around 2018/19 and 2019/20.

2. Cabinet Member Introduction

- 2.1. CLG offered Local Authorities the opportunity to secure a 4-year funding settlement. In order to secure this, the Government requires an Efficiency Plan.
- 2.2. The Council will be submitting its existing and already approved MTFS (2015/16 – 2017/18) with an additional narrative around the third and fourth year. Government had not prescribed a format, structure or content for this plan.
- 2.3. Submission of the Efficiency Plan will enable the Council to access minimum funding allocations for Revenue Support Grant (RSG) up to 2019/20.
- 2.4. This report recommends that the Government's funding settlement offer is accepted as it will create some certainty for financial planning purposes.

3. Recommendations

That Cabinet recommend Full Council:-

- 3.1. To approve acceptance the offer of a 4-year funding allocation for 2016/17 to 2019/20 and the submission of the existing MTFS with additional narrative for 2018/19 and 2019/20 as the Efficiency Plan to the Department of Communities and Local Government before 14th October 2016.

4. Reasons for decision

- 4.1. Accepting the offer provides a some certainty for medium-term financial planning purposes

5. Alternative options considered

- 5.1. The Council could choose to not accept the 4 year deal. Whilst there is no guarantee that the 4 year deal is entirely safe given the volatility of government funding, by not accepting the Council risks the Government reducing funding in future years due to non compliance.

6. Background information

- 6.1. The Local Government Finance Settlement 2016/17 included an offer of 4-year allocations of funding for Local Authorities.
- 6.2. This offer provides a greater certainty about future funding levels for Local Authorities. However, the offer for Haringey relates only to a reducing Revenue Support Grant (RSG) and does not cover Business Rates, Specific Grants and New Homes Bonus.
- 6.3. On 10th March 2016 the Government provided further details about the criteria for Local Authorities wishing to secure this 4-year funding allocation. This includes a requirement on the Council to prepare an Efficiency Plan. This plan has not been prescribed in anyway but should be to be as simple and straightforward as possible.
- 6.4. The Government does not expect the plan to be a significant burden on Councils, but rather a drawing together of existing corporate plans and strategies. However, the plan must cover the full 4- year period and be open and transparent about the benefits it will bring to the council and the community. The approach adopted by Haringey is to submit the already existing and approved MTFS with a further narrative around all the transformation activity we are undertaking which will cover 2018/19 and 2019/20.
- 6.5. In order to apply to accept the offer of a 4-year minimum settlement the Council will need to respond to CLG by 14 October 2016 and include a link to the published Efficiency Plan (MTFS).
- 6.6. The application will be made by the 14th and will be provisional and subject to approval and acceptance of the offer by Full Council.

7. Contribution to strategic outcomes

- 7.1. Adherence to strong and effective financial management will enable the Council to deliver all of its stated objectives and priorities.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance

- 8.1. This is a financial report which has been approved by the CFO.

Legal

- 8.2 The 4-year settlement offer is closely linked to the Council's budget and policy frame work, which is set out in the Council's Constitution, in that it affects the budget setting process for the next 4 years. Therefore is recommended that Full Council approves acceptance of the 4 year settlement.

8.3 The four year settlement offer is entirely optional. If is not accepted by the Council the RSG funding would continue to be subject to existing yearly process for determining the local government finance settlement.

Equalities

8.4 There are no equalities implications in this report.

9 Use of Appendices

10 Local Government (Access to Information) Act 1985

10.1 The following background papers were used in the preparation of this report:

- MTFS 2015/16-2017/18 approved by Cabinet in February 2015

For access to the background papers or any further information please contact Anna D'Alessandro – Lead Finance Officer.