



DRAFT PORTFOLIO HOLDER DECISION NOTICE

PROPOSED INDIVIDUAL DECISION BY THE PORTFOLIO HOLDER FOR FINANCE

TOPIC – LOCAL GOVERNMENT FINANCE SETTLEMENT CONSULTATION RESPONSE

PROCEDURAL INFORMATION

The Access to Information Procedure Rules – Part 4, Section 22 of the Council's Constitution provides for a decision to be made by an individual member of Cabinet.

In accordance with the Procedure Rules, the Head of Legal and Democratic Services, the Chief Executive and the Head of Finance are consulted together with Chairman and Vice Chairman of The Overview and Scrutiny Committee and any other relevant overview and scrutiny committee. In addition, all Members are notified.

If five or more Members from those informed so request, the Leader may require the matter to be referred to Cabinet for determination.

If you wish to make representation on this proposed Decision please contact the relevant Portfolio Holder and the following Democratic Services Officer by 5.00pm on Thursday 26 October 2017.

Contact Officers:

Case Officer: Darren Kennedy, 01962 848464, dkennedy@winchester.gov.uk

Democratic Services Officer: Nancy Graham, 01962 848 235, ngraham@winchester.gov.uk

SUMMARY

Government have released a consultation paper which sets out the government's intended approach for the third year of the multi-year local government finance settlement. The deadline for responses is 26 October 2017.

The consultation paper can be found here:

<https://www.gov.uk/government/consultations/local-government-finance-settlement-2018-to-2019-technical-consultation>

PROPOSED DECISION

Draft responses to the consultation can be found in Appendix A.

REASON FOR THE PROPOSED DECISION AND OTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

It is important for Winchester to respond to the consultation to ensure that local considerations can be taken on board before the final local government finance settlement is released.

RESOURCE IMPLICATIONS:

There will be resource implications dependant on the final local government finance settlement and it is hoped that this consultation response will help to define the final settlement and address any current local concerns.

CONSULTATION UNDERTAKEN ON THE PROPOSED DECISION

Not applicable

FURTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED FOLLOWING PUBLICATION OF THE DRAFT PORTFOLIO HOLDER DECISION NOTICE

Not applicable

DECLARATION OF INTERESTS BY THE DECISION MAKER OR A MEMBER OR OFFICER CONSULTED

None

DISPENSATION GRANTED BY THE STANDARDS COMMITTEE

None

Approved by: (signature)

Date of Decision

Councillor Guy Ashton – Portfolio Holder for Finance

APPENDICES:

Appendix A: Consultation Response

Draft local government finance settlement responses

Question 1: Do you agree that the government should continue to maintain the certainty provided by the 4-year offer as set out in 2016-17 and accepted by more than 97% of local authorities?

We believe the government should offer more certainty than that provided in the four year offer set out in 2016/17. This offer omitted to give any certainty around a number of significant areas of funding:

New Homes Bonus – The scheme was revised from 2016/17 bringing greater uncertainty over future levels due to a) an annually adjustable ‘base’ bringing greater uncertainty over funding levels at an individual authority level as we have no knowledge of what the ‘base’ level will be in advance, and b) a review of appeals which is still ongoing (see question 4 below).

Transitional Grant – We believe this grant should continue up until the introduction of 100% business rates retention. There is currently uncertainty over when this grant will cease, with the potential benefits of 100% business rates likely to be delayed until 2020/21.

Revenue Support Grant – We were disappointed with the introduction of a ‘negative’ grant from 2019/20. Assurance should be provided confirming there will be no negative RSG, even if there are delays in implementing 100% business rates retention.

Question 2: Do you agree with the New Homes Bonus allocations mechanism set out above?

Appeals occur for many reasons and are not necessarily because Local Planning Authorities object to the new houses in principle. There may be ‘technical objections’ (access, design, etc.) that are addressed in the process of the appeal, enabling the proposal to be approved. In any event the houses granted on appeal have the same impact on the local area as those permitted by councils directly so reducing the bonus is not logical. We could not give permission for new houses contrary to policy on the basis of receiving additional New Homes Bonus payments.

Question 3: Do you agree that the approach should be based on data collected by the Planning Inspectorate? If you disagree, what other data could be used?

Yes, if New Homes Bonus payments are to be linked to performance based on planning appeals it makes sense to link this to data collected by PINS.

Question 4: Do you agree with the proposed appeal/challenge procedure for the dataset collated by Planning Inspectorate? If you disagree, what alternative procedure should be put in place?

Yes

Question 5: Are there alternative mechanisms that could be employed to reflect the quality of decision making on planning applications which should be put in place?

No comments

Question 6: Which of the two mechanisms referenced above do you think would be more effective at ensuring the Bonus was focussed on those developments that the local authority has approved?

The favoured mechanism is the one which links New Homes Bonus payments to the ratio of successful appeals to residential planning decisions. This aligns more closely to the way Government already assesses the quality of planning decision making.

Question 7: Do you think that that the same adjustments as elsewhere should apply in areas covered by National Park Authorities, the Broads Authority and development corporations?

We do not agree that New Homes Bonus should be shared with national parks. We are a housing authority, infrastructure provider (CIL reflects this) and deliver a wide range of services in the area covered by the Park in our district and so our view is that New Homes Bonus should rest with us as we are responsible for supporting the growing population which results from houses being built.

Question 8: Do you think that county councils should be included in the calculation of any adjustments to the New Homes Bonus allocations?

We do not believe there should be any adjustment calculation, but County Council's should be subject to the same calculations as District Council's.

Question 9: Do you have views on council tax referendum principles for 2018-19 for principal local authorities?

Given the unprecedented pressures on local government finances, with both rising demand and reduced funding, we believe there should be greater flexibility for authorities to set their own council tax level. The existing referendum principles place an unfair restriction on those authorities whose tax levels are below mid-tier, as they can only increase council tax by the same amount as those above mid-tier. A referendum is a very costly exercise and is not a wise use of public funds, particularly in the current uncertain economic environment. There should therefore be greater flexibility provided in the principles.

Question 10: Do you have views on whether additional flexibilities are required for particular categories of authority? What evidence is available to support this specific flexibility?

Yes – see above

The removal of revenue support grant has placed an unfair burden on those authorities who were historically protected from any significant reductions in grant due to the significant ‘damping adjustments’ inherent in the funding calculations. Those authorities are likely to have kept council tax increases to a minimum due to these adjustments and so with the removal of revenue support grant, have a much greater need to increase council tax from current comparatively low levels.

Question 11: What factors should be taken into account in determining an Alternative Notional Amount for Combined Authority mayors?

No comments

Question 12: Do you agree with the proposed approach to correcting the reduction in relevant county councils’ income from the Adult Social Care precept?

No comments

Question 13: Do you have any comments on the impact of the proposals for the 2018-19 settlement outlined in this consultation document on persons who share a protected characteristic?

No comments