

Meeting of the Council – 1st December, 2014

Report of the Cabinet

Medium Term Financial Strategy

Purpose of Report

1. To consider decisions required in connection with the Medium Term Financial Strategy (MTFS) to 2017/18 and associated matters, including the Council Tax Reduction Scheme.

Background

2. A report was submitted to the Cabinet on 29th October, 2014 concerning the Medium Term Financial Strategy to 2017/18. A number of issues arising from the report now need to be considered by the Council. The full report is available on the Internet via the Committee Management Information System or on request from Members to Democratic Services (Tel: 01384 815236).

Council Tax Reduction Scheme

3. The Council, at its meeting on 2nd December 2013 approved that the Council Tax Reduction (CTR) scheme be amended from 1st April 2014 to be based on the eligibility and calculation rules of the current (2013/14) scheme with a 20% cut in the resulting level of the reduction; and that a transitional arrangement of an 8.5% cut in the calculated reduction apply at least up to 31st March 2015 - with full protection from any scheme changes being given to pensioners, disabled adults, disabled children, war pensioners and lone parents with a child under 5.
4. It is proposed that the transitional arrangement be terminated on 31st March 2015 and that the full 20% cut be implemented from 1st April 2015. It is proposed that full protection from any scheme changes should continue to be given to pensioners, disabled adults, disabled children, war pensioners and lone parents with a child under 5. This has been assumed in the forecasts of the Council's tax base for 2015/16 onwards along with other estimated changes as a result of increased property numbers, etc.

Human Resource Implications

5. Further to the decisions taken by the Council, at its meeting held on 14th July, 2014, on the mechanisms in relation to voluntary redundancy, the report to the Cabinet on 29th October, 2014 indicated that redundancy costs, including those relating to pension strain, were dependent on the age and length of service of the individuals being made redundant and therefore could not be precisely calculated at this stage. It was anticipated, however, that they can be met from use of resources earmarked for committed capital expenditure (which in turn could be funded from prudential

borrowing), review of earmarked reserves and general balances. The Cabinet propose that the officer delegations approved by the Council on 14th July, 2014, confirmed up to an initial maximum of £5.0m for direct redundancy costs and the capitalised cost of pension strain, in respect of redundancies required to achieve the proposed savings set out in the report submitted to the Cabinet.

Finance

6. Relevant financial information was contained in the report to Cabinet referred to in paragraph 2.

Law

7. The Council's budget setting process is governed by the Local Government Finance Acts 1988 and 1992, and 2012 and the Local Government Act 2003.

Equality Impact

8. The Government has stated that local Council Tax Reduction (CTR) schemes should provide support for the most vulnerable. The Government has confirmed that it does not intend to prescribe the protection that local authorities should provide for vulnerable groups other than pensioners, but issued guidance in May 2012 on the existing duties local authorities must take into account in relation to vulnerable groups in designing their schemes. These cover the following:

the public sector equality duty set out in section 149 of the Equality Act 2010;
the duty to mitigate child poverty under the Child Poverty Act 2010; and
the duty to prevent homelessness under the Housing Act 1996.

The guidance does not tell local authorities what they must do in their schemes to be compliant with these duties, but states that this needs to be tailored to their own specific circumstances.

9. An Equality Impact Assessment was undertaken prior to the decision to amend the CTR scheme as set out in paragraph 3.
10. There has been no specific involvement of children and young people in developing the proposals in this report.
11. On consideration of the issues in the report to its meeting held on 29th October, 2014, regarding which Council approval is required, the cabinet resolved as set out in paragraphs 14 -16 below.

Recommendations

12. That, in respect of the Council Tax Reduction (CTR) scheme, the transitional arrangement be terminated on 31st March 2015 and that the full 20% cut be implemented from 1st April 2015, and that full protection should be given to pensioners, disabled adults, disabled children, war pensioners and lone parents with a child under 5, as set out in paragraph 4 above.

13. That delegated powers be given to the Director of Corporate Resources for making other changes to the documented CTR 2015/16 scheme in line with any government prescribed regulations, upratings and other minor miscellaneous amendments; the resulting 2015/16 scheme documentation to be published on the council's website before 31st January 2015.
14. That the delegation for approval of voluntary redundancies to the Cabinet Member for Human Resources, Legal, Property & Health and the Director of Corporate Resources, and of compulsory redundancies to the Cabinet Member for Human Resources, Legal, Property & Health and the Assistant Director for Human Resources and Organisational Development be confirmed up to an initial maximum of £5.0m for direct redundancy costs and the capitalised cost of pension strain, in respect of redundancies required to achieve the proposed savings set out in the report submitted to the Cabinet.



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Leader of the Council