

Note of last Councillors' Forum meeting

Title:	Councillors' Forum
Date:	Thursday 21 January 2016
Venue:	Westminster Suite, 8th Floor, Local Government House, Smith Square, London, SW1P 3HZ

Attendance

An attendance list is attached as **Appendix A** to this note.

Item	Decisions and actions	Action
6	<p>The Rt Hon Greg Clark MP - Spending Review and the Local Government Finance Settlement</p> <p>The Chair introduced the meeting and the Secretary of State for Communities and Local Government, the Rt. Hon. Greg Clark MP.</p> <p>The Secretary of State spoke on the Spending Review and Provisional Local Government Finance Settlement 2016/17, assuring members that he would go through responses to this in detail and consider every suggestion (over 260 had been received), although he emphasised he would be unable to go into specifics until he had responded formally. He informed the meeting that he had met with representatives and was taking the consultation seriously as he believed in the need for devolved powers.</p> <p>He outlined the following points with reference to the Spending Review and Finance Settlement:</p> <ul style="list-style-type: none">• The timetable following the translation of the Autumn Statement into the Provisional Statement was problematic. It only left a few weeks for a final settlement at the same time as councils were setting their budgets. He emphasised that the process must be made more conducive to long term strategic planning and that this was an argument for agreeing to a four year settlement.• Though accepting a four year settlement could lead to efficiency savings and allow councils to plan ahead, the Government would want to know what proposed efficiency plans were and it would be necessary for councils to provide this information. There was an expectation that many councils would respond in the consultation on this.• The UK was currently one of the most centralised states in the world, but by 2020 this would be reversed and local authorities would have their own resources. There would be a change in how local government was financed and this would mark a new relationship between central and local government.	

- When the finance settlement was confirmed, there would need to be a conversation on councils retaining business rates. The Secretary of State invited the LGA and councillors to propose how they would manage the retention of business rates, seeking agreement on this with the intention of recommending the proposals to government. If no proposals were made, the Secretary of State would produce a plan.
- The Secretary of State assured the meeting that he understood the New Homes Bonus was important to many local authorities. It was a good driver of growth and housing and it would be worth there being a discussion on this in the review and a consultation on its design.
- It was clear from the provisional settlement that there would need to be savings in local government. The Secretary of State saluted councillors for finding the savings required in the last parliament and highlighted that the Institute for Fiscal Studies had shown that the cuts now required were less than those of 2009-2010 when council spending had been cut by 25%.
- Adult social care presented local government with a challenge. Whilst the Chancellor had agreed the 2% precept, councils would also want to consider the impact on individuals' council tax bills. The Secretary of State acknowledged that the interim period pending improvements to the Better Care Fund would be the most challenging.
- Reform of health and social services would need to be considered including whether they services should be brought together. Citizens deserved joined up treatment and the Minister emphasised he would work with areas that had the ambition to go beyond that.
- The provisional settlement, made no assumption that councils would use reserves. The Office for Budget Responsibility had assumed that councils would add to their reserves. The Secretary of State emphasised that he did not assume this, or that councils would necessarily use the 2% increase in council tax, as there was a case for keeping council tax low.
- Whilst the settlement indicated that significant savings would be required and difficult decisions would have to be taken, councils would benefit from business rates which although estimated to rise with inflation generally rose ahead of this. In addition, the estimate of the council tax base was a conservative assumption as house building was on the increase. The Secretary of State emphasised that councils would eventually have more control over their finances at a local level.

The floor was then opened up to questions:

- Whilst the opportunity for a four year settlement was welcomed, there was concern that the 2% precept would not fill the gap between demand and delivery for adult social care. Members asked whether it was possible to bring the Better Care Fund forward to help manage the gap. The Secretary of State assured members that his department had followed representation from the

LGA and ADASS to address the funding gap, securing £3.5 billion from the Treasury when £2.9 billion had been offered. Whilst the Better Care Fund would only be available in later years, it would smooth the U-shaped settlement and make the transition more manageable. Greater devolved powers within the provisional settlement would eventually help local authorities to address the pressures in adult social care. He requested that councillors continue to advise him on the situation.

- Members highlighted the importance of maintaining a settlement that included the ability to raise finance. It was pointed out that the tax base was 25 years out of date and that in places like Manchester, 15% of adults did not pay council tax. It was felt there ought to be compensation for this. The Secretary of State noted these comments and said he would listen to representation on this although there were no current plans for change in these areas.
- The challenge of integration of health and social services and the strong cultural differences between both were highlighted. The Secretary of State assured members that though this was a difficult area, it was possible to break down different cultural perspectives and make progress.
- Concern was expressed how business rates would be distributed was still unknown and the Secretary of State was asked to elaborate on his thinking on this. The Minister asked if the local government family could put forward proposals, emphasising that by the end of 2019, only 5% of local government funding would be from central government grant and that local authorities would soon be totally self-sufficient.

7 Chair's Update

Members **noted** the Chair's update.

8 LGA Boards & Panel Chair's Reports

Members **noted** the reports from each of the LGA Board Chairs.

9 Digest of the last meeting

The minutes of the last meeting were **agreed**.

Appendix A -Attendance

Position/Role	Councillor	Authority
Chairman	Lord Gary Porter	South Holland District Council
Vice-Chairman	Cllr Sharon Taylor OBE	Stevenage Borough Council
	Cllr Marianne Overton	Lincolnshire County Council
	MBE	
Members	Cllr Tudor Evans OBE	Plymouth City Council

Cllr Gillian Brown	Arun District Council
Cllr John Beesley	Bournemouth Borough Council
Cllr Roger Phillips	Herefordshire Council
Cllr David Simmonds CBE	Hillingdon London Borough Council
Cllr Robert Light	Kirklees Metropolitan Council
Cllr Peter Fleming OBE	Sevenoaks District Council
Cllr David Hodge	Surrey County Council
Cllr Melvyn Caplan	Westminster City Council
Cllr Izzi Seccombe	Warwickshire County Council
Cllr David Burbage MBE	Windsor & Maidenhead Royal Borough
Cllr Tom Fitzpatrick	North Norfolk District Council
Cllr Nigel Ashton	North Somerset Council
Cllr Peter Golds CBE	Tower Hamlets Council
Cllr Kevin Bentley	Colchester Borough Council
Cllr Roy Perry	Hampshire County Council
Cllr David Acton	Trafford Metropolitan Borough Council
Cllr Bryony Rudkin	Suffolk County Council
Cllr Judi Billing MBE	North Hertfordshire District Council
Cllr Simon Henig CBE	Durham County Council
Cllr Nick Forbes	Newcastle upon Tyne City Council
Cllr Linda Thomas	Bolton Council
Cllr Simon Blackburn	Blackpool Council
Cllr Sue Woodward	Staffordshire County Council
Cllr Keith Wakefield OBE	Leeds City Council
Cllr Amy Cross	Blackpool Council
Cllr Helen Holland	Bristol City Council
Cllr Timothy Swift	Calderdale Metropolitan Borough Council
Cllr Bob Dutton OBE	Wrexham County Borough Council
Cllr Peter Reeve	Cambridgeshire County Council
Cllr Alan Seldon	Herefordshire Council
Cllr Daniella Radice	Bristol City Council
Cllr Keith House	Eastleigh Borough Council
Cllr Jeremy Hilton	Gloucestershire County Council
Cllr Richard Kemp CBE	Liverpool City Council
Cllr Howard Sykes MBE	Oldham Metropolitan Borough Council
Cllr Heather Kidd	Shropshire Council
Cllr Mike Bell	North Somerset Council
Mayor Dave Hodgson	Bedford Borough Council

Apologies

Cllr Teresa O'Neill OBE	Bexley Council
Cllr Simon Cooke	Bradford Metropolitan District Council
Cllr Martin Tett	Buckinghamshire County Council
Cllr James Jamieson	Central Bedfordshire Council
Cllr Claire-Louise Leyland	Camden Council
Cllr Mike Jones	Cheshire West and Chester Council
Cllr Jonathan Owen	East Riding of Yorkshire Council
Cllr Tony Jackson	East Herts Council
Cllr Sean Anstee	Trafford Metropolitan Borough Council
Cllr Blake Pain	Harborough District Council
Cllr John Fuller	South Norfolk District Council
Cllr Vince Maple	Medway Council
Cllr Graham Chapman	Nottingham City Council
Sir Stephen Houghton CBE	Barnsley Metropolitan Borough Council
Cllr Michael Payne	Gedling Borough Council
Cllr Aaron Shotton	Flintshire County Council