

GOVERNMENT'S COMPREHENSIVE SPENDING REVIEW (CSR) 2010 - WHAT IT MEANS FOR MELTON BOROUGH COUNCIL

- Period covered by CSR is 4 years 2011-15
- Exact details will not be known for a number of weeks
- Councils will face an average loss of grant of 7.25%, in real terms, in each of the next 4 years but front loaded in the first year, possibly in the region of 10%
- If the Council chooses to freeze council tax in 2011-12, the government will fund the equivalent of a 2.5% increase in council tax that year for the CSR period via a new Council Tax Freeze Grant. There is no funding for further freezes beyond 2011-12 and no guarantee that the funding to support the 2011-12 freeze will continue beyond 2014-15
- Some revenue grants will be rolled into formula grant i.e. supporting people
- New financial freedoms and flexibilities and a new Localism Bill which will go even further in giving councils control over the issues which matter to local people, including providing councils with the general power of competence they have long called for
- Local authority capital funding is to be cut by the equivalent of 45% over the period, though after taking into account of spending financed by council's own budgets, the fall is expected to be 30%
- Councils will be able to borrow against future growth in Business Rates to fund infrastructure projects
- Possibility of a return of the business rates to local authorities and the handing back of full and effective control over local taxation
- PWLB loans increase by 1% immediately therefore making borrowing for capital purposes more expensive but flexibilities of prudential borrowing retained
- Ring-fencing of revenue grants will be removed from 2011-12
- Commitment of £6.5 billion to affordable housing and Decent Homes over the 4 years
- Commitment of £6.5 billion to Supporting People over the 4 years
- Homelessness grant (known as the Priority Need grant) investment will be protected and remain at current levels
- Disabled Facilities Grant will be protected, whilst removing the ring fence to ensure councils can make their own choices about making the most of the money
- Opportunities to bid for a £1.4 billion Regional Growth Fund which will provide a mix of revenue and capital funding over the period 2011-14 – further details will be published shortly
- Council tax benefit will be cut by 10% and localised in 2013-14
- Reform of social housing to continue but not until after 2011-12
- New HRA tenants will face higher rents at 80% of the market rent with current tenants seeing no change. The net additional subsidy will still need to be paid to the government in 2011-12
- New Homes Bonus will reward communities that build houses – planning permissions granted will count for the bonus

- £4.4 billion of capital resources to be made available to build up to 150,000 new homes over the period
- £200 million capitalisation fund to be created in 2011-12 to support those councils who wish to deliver efficiency savings through internal restructuring
- Community budgets – 16 pilots announced for 2011-12 of which Leicestershire is one
- Reform of public sector pensions
- Retirement age to rise to 66 by 2020
- Scrapping of 4,700 LAA targets and dismantling the National Indicator Set
- Scaling back significantly of data reporting and inspection requirements
- In the East Midlands the M1 and the A46 will be improved

David Cowl
Chief Accountant
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