

## **CABINET MEMBERS REPORT TO COUNCIL**

**14 JULY 2022**

**COUNCILLOR ANGIE DICKINSON - CABINET MEMBER FOR FINANCE**

For the period 25 April 2022 - 14 July 2022

### **1 Progress on Portfolio Matters.**

During this period my main focus has been on improving reporting for the Member Major Projects Board (MMPB) in order that it can properly fulfil its Terms of Reference, since agreeing their revision in November 2021. Given that the Council is undertaking a very ambitious programme of major projects, the need to have a Member involvement is crucial. Early progress in terms of updating Members on what the current major projects are resulted in the need to agree an appropriate reporting procedure to the MMPB so that all issues are covered. As a result Members received a RAG (Red, Amber, Green) rating report detailing the status of all current projects as part of the MMPB's agenda for its meeting on 29 June. At that meeting it was agreed to improve that report further as it forms the basic data set for all projects. The next meeting is due on 20 Jul so only 2 weeks to effect those changes, but Members agreed that it was a step in the right direction and that the final version of what will be the opening report on each MMPB agenda would be finalised in time for its September meeting.

Another major milestone in recognising the importance of major projects is the creation of a new Executive Director post whose main focus will be on regeneration projects within the Borough and recruitment to that post has been progressed as a matter of urgency. An Appointments Panel was convened on 5 July, the outcome of which is eagerly awaited.

Keeping a close eye on major projects is crucial to the Council being successful in their delivery and the Project Accountant, working closely with the Corporate Projects Programme Manager, will focus not only on cost and delivery but also risk and implications on cash flow, financing and resource implications when the project is complete, all of which I detailed at the meeting of Audit Committee on 20 June.

Work on the finance elements of major projects dovetails with the work to improve our revenue and capital monitoring procedures. I have established a number of areas for improvement with the S151 Officer and her deputy, together with the recently appointed Projects Accountant, whose main focus will be on aforementioned major projects. Monitoring is an ever evolving mechanism for regular reporting on the state of the Council's finances linking the formal budget setting exercise in February and the annual outturn report that sets out the position at the end of the financial year. Improvements have already been made not only to include formal reporting to Audit Committee but also regular review

by me before publication to Members. We are currently on target for me to receive a draft statement of the position as at 31 March for the year 2021/22 and the position in the current financial year up to 30 June. These reports have been improved to provide better information and also include more detail on capital spending, outside of major projects. We aim to have a draft ready each month by the end of the month following, which is a significant improvement of what has previously happened.

We have already started work on the budget process for 2023/24. This is much earlier than in previous years and will allow time to consider various scenarios in terms of how to address inflationary pressures on our limited resources. Members will be aware that the Council has significant sums held in its General Fund and Earmarked Reserves, however last year's four year financial plan showed that the General Fund will have been depleted to the minimum recommended level by year 4 with a shortfall at the end of that four year plan, which was set with the maximum allowed increase to Council Tax for 2022/23. Since then inflation has soared, due to a variety of reasons all outside of the council's control and therefore the budget process might require a lot of difficult decisions to be made. As previously promised, all members will be engaged in the process at an early stage. The process will include the opportunity for suggestions to be made to create new income streams to support. Whatever happens, financial pressures will make the decisions we make very difficult.

The Finance Team is continuing its work on the closure of 2021/22's accounts, but we continue to have problems in publishing our Statement of Accounts for the years 2019/20 and 2020/21, and 2021/22's will be no different. The delay is no longer due to our own historic resourcing issues as the Team is now fully resourced, however, our external auditors continue to have significant resourcing issues, which is contributing to the delay. It continues to be an ongoing issue as timing is key, and what might be convenient for our auditors may clash with other demands on the Team such as the budget process. We continue to press on and hope that Audit Committee will formally receive the statement of Accounts for 2019/20 shortly. It's interesting to note this Council is not the only one to have encountered problems with its external auditors and recently published figures show that as at 31 March 2022, 51 councils were waiting for their 2019/20 accounts to be signed off by external audit, with 228 waiting for 2020/21's. Interestingly there are some councils still awaiting audited accounts going back as far as 2015/16 but it's likely that those councils have issues other than awaiting external audit.

## **2 Forthcoming Activities and Developments**

Work on all aspects of major projects will continue to be a priority, especially as the Council has made bids for Levelling Up funding, something that had been planned for future rounds of funding from central government, but our plans have had to change due to the very likely possibility that there will be no future rounds to apply to for such funding.

An area that requires my immediate involvement is the Risk Management Policy and Strategy, together with the various tiers of Risk Register that are inextricably linked. Audit Committee has identified that this is an area that requires attention and work has already begun to record the various Risk Registers that are held by the Council, for example Corporate, Service Area,

Project, etc.

There has been good news in terms of Government funding for future years – we have been informed that the settlement due to be announced in December 2022 will be for the next 2 years but we don't know how much. It would be rash to assume it would be at current levels but knowing we will receive Government grant up to 31 March 2025 is reassuring.

Earmarked reserves is another area that is currently being examined. The Council has a high number of reserves, maintained for a variety of reasons. Some are held for reasons that we have no control over, for example sums held in the Collection Fund are there for statutory reasons and will eventually be paid over to major precepting authorities, whilst CIL and S.106 funds are held for specific purposes. There then remains a number of funds maintained for specific purposes such as the funding of future years' capital expenditure, projects that have been delayed because of Covid restrictions, areas where expenditure is unknown, such as insurance claim excesses, and yet others where expenditure is cyclical over a period of more than one year, such as election expenses. It is not my intention to search for funds that can be freed up to support our revenue budget but it would be useful to rationalise those that we do have, ensure that the correct service area is attributed with ownership, and record the policy that determines contributions to and withdrawals from each fund. On completion that would give me, as portfolio holder, a better understanding and the ability to reassure others that such funds are held for valid reasons.

### **3 Meetings Attended and Meetings Scheduled**

27 Apr	Cabinet Briefing
28 Apr	Planning Training
3 May	Cabinet Briefing
4 May	Portfolio Holder Briefing
9 May	QEH Covid Briefing
11 May	Cabinet Briefing
12 May	Budget Planning
12 May	Annual Council
13 May	Portfolio Holder Briefing
17 May	Cabinet Briefing
20 May	Portfolio Holder Briefing
24 May	Cabinet Briefing
25 May	Cabinet Briefing
30 May	Portfolio Holder Briefing
30 May	Cabinet Sifting
6 Jun	Regeneration & Development Panel
8 Jun	Cabinet
9 Jun	West Norfolk Transport & Infrastructure Steering Group
10 Jun	Portfolio Holder Briefing
10 Jun	Levelling Up
14 Jun	Cabinet Briefing
14 Jun	Regeneration & Development Panel
16 Jun	Projects data
16 Jun	Cabinet Briefing
16 Jun	Major Projects

16 Jun	Corporate Performance Panel
20 Jun	Audit Committee
21 Jun	Cabinet
23 Jun	Pay Award
23 Jun	Portfolio Holder Briefing
24 Jun	Special Cabinet
28 Jun	Major Projects
28 Jun	Pay Award follow up
28 Jun	Cabinet Briefing
28 Jun	Planning Training
29 Jun	Member Major Projects Board
30 Jun	King's Lynn Area Consultative Committee
1 Jul	Portfolio Holder Briefing
2 Jul	Leader Update
4 Jul	Appointments Panel Training
4 Jul	Guildhall Tour
5 Jul	Appointments Panel
7 Jul	Cabinet
8 Jul	Portfolio Holder Briefing
8 Jul	Leader Update
11 Jul	Cabinet Sifting
12 Jul	Cabinet Briefing
13 Jul	Portfolio Holder Briefing
14 Jul	Council