

CABINET MEMBERS REPORT TO COUNCIL

26 JANUARY 2023

COUNCILLOR ANGIE DICKINSON - CABINET MEMBER FOR FINANCE

For the period 1 December 2022 to 26 January 2023

1 Progress on Portfolio Matters.

Progress has continued to be focused on two main topics namely the continued review of Earmarked Reserves, which has reached the end of its first stage, and the Budget Process, which will culminate in the Financial Plan report to Cabinet and Council in February.

The Grant Settlement was announced on 20 December and was slightly more beneficial than anticipated, with the continuation of some grant income that had been assumed to be discontinued and a new Funding Guarantee Grant which is designed to ensure all local authorities receive at least a 3% increase in their core spending power. Unfortunately, that good news represented just a drop in the ocean in terms of funds that need to be found to support the budget and therefore continuing service provision to residents and businesses.

Members continue to express a great amount of interest in the amount of money that the Council holds in its General Fund and Earmarked Reserves, both of which can be utilised to fund Revenue Expenditure, however, it has been important to establish just why we have so much set aside in Earmarked Reserves, balances that have accrued over a long period of time. Following the S151 Officer's review in conjunction with service managers and portfolio holders, and categorisation of each fund so we now have a clear picture of each fund's purpose, further work will be required to identify just which Reserves can be released to meet the budget shortfall over the four years of c.£8m as the General Fund balance will be wholly utilised during that period, except for the recommended minimum of 5% of budget requirement.

The budget process this year continues to be even more intense than previous years due to high levels of inflation, which impact on the Council's spending in the same way that each of us have had to face in our personal finances. At the beginning of the budget process we were showing a budget gap of c.£28m starting in year 2 of the financial plan, which is a totally unsustainable position. Budgets have been scrutinised in great detail to identify areas where savings can be made or additional income achieved and a number of areas have indeed provided additional resources, all without any significant impact on service provision. The detail will be evident in the Financial Plan but suffice to say we have progressed from having a budget shortfall in each year except year 1 (as stated in my previous report) to a budget shortfall in year 4 that will be met by drawing on Earmarked Reserves, a position which is a huge achievement by the Finance Team.

Capital projects continue to be reviewed as costs soar and funding streams are reviewed. Many capital projects will generate much needed additional

income to the Borough therefore the capital investment is crucial to our future financial viability.

Finally, the budget monitoring process continues to be reviewed and is an ever-improving tool to ensure that officers are aware of financial issues in their respective service area, something else that is even more important in the current financial climate. The most recent period has just been published and shows that many budgets have been reviewed at the most fundamental level, which has identified a range of budgets that have fallen out of kilter, and these have been reset to reflect the service being provided.

2 Forthcoming Activities and Developments.

Work will continue on the above issues, all of which will be over a prolonged period. Work on the budget process will escalate until it culminates in the budget proposal submitted to Cabinet and Council in February 2023. In the meantime work on a borough-wide car parking strategy has commenced, which will have significant financial implications.

3 Meetings Attended and Meetings Scheduled

2 Dec	Portfolio Holder Briefing
2 Dec	Earmarked Reserves review
5 Dec	Business Rates Pool review
6 Dec	Cabinet Briefing
7 Dec	KLACC Special Expenses
8 Dec	Earmarked Reserves review
8 Dec	Business Rates Pool review
9 Dec	Member Major Projects Board
9 Dec	Portfolio Holder Briefing
13 Dec	Cabinet Briefing
15 Dec	Parking Strategy review
16 Dec	Portfolio Holder Briefing
16 Dec	Portfolio Holder Briefing - budget
20 Dec	Members' Allowances Scheme review
20 Dec	Cabinet Briefing
22 Dec	Portfolio Holder Briefing
22 Dec	Budget Review
4 Jan	Corporate Performance Panel
9 Jan	Spend Analysis Briefing
9 Jan	Budget Monitoring Review
11 Jan	Portfolio Holder Briefing
11 Jan	Cabinet Briefing
11 Jan	Budget Setting Review
13 Jan	Portfolio Holder Briefing
16 Jan	Cabinet Sifting
17 Jan	Cabinet
18 Jan	Cabinet Briefing
20 Jan	Portfolio Holder Briefing

23 Jan	Cabinet Sifting
25 Jan	NCC Briefing on County Deal
25 Jan	Cabinet Briefing
26 Jan	Council