

## CABINET MEMBERS REPORT TO COUNCIL

21st MARCH 2024

### **COUNCILLOR CHRIS MORLEY - CABINET MEMBER FOR FINANCE**

For the 22<sup>nd</sup> February 2024 to 7th March 2024

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

##### **REVENUE PROGRAMME.**

The budget monitoring report for Q3 was published on 1<sup>st</sup> March. Our aspirations are to publish this more frequently, however, we have a bottleneck of work at present caused by the audit backlog, peer review action plan and staff/resource issues. Once we have cleared the backlog and fiscal year end close down, we plan to produce these reports more frequently.

One highlight of the budget monitoring report is that we anticipate that we will hit our revised cost management target of 2% (£1m). Due to a late start we reduced our interim target of 2.5% but we will be aiming to hit our target of 5% next year.

Members will note that we have brought the IDB funding, which we were allocated in early 2023, (£205,450), to account in the general reserves this year. The combination of these two aspects means that the balancing sum from the general fund will be less than previously anticipated.

The IDB Special Interest Group still continues to lobby the Government for a change in the funding of IDB's. It is still questionable as to whether anything will come of this (although see later comment on the recent Government's budget). We are still awaiting news on how the £3m promised funding for 2024/25 is to be allocated but note the number of authorities in the Special Interest Group has doubled to 30.

The counterpoint to the above is majored on two issues:

1. Our housing programme is delayed meaning capital receipts we expected are £486k less.

2. ALIVE –We moved into this period with an adverse position of £314k for leisure provision and this has now gone up to £530k in anticipation that they will not be able to pay their Management Fee this year.

On the upside, we had set aside £860k for the pay award but we are only drawing down £572k to pay for this.

The Department of Levelling Up and Housing and Communities is demanding that local authorities produce a Productivity Plan by July 2024. We were developing one for our own efficiency initiatives. Our proposals for the Cost Management and Income Generation, Peer Review and Corporate Action Plan will be weaved into one for both the Department and our purposes, including personal objectives and Performance Related Pay.

## **CAPITAL PROFILE**

The spend to date is 63% of the much reduced forecast. This is  $\frac{3}{4}$  of the way through the year. The year end spend is looking to be nearer £30m which is half of the original budget estimated by the previous administration and as I report above capital receipts are down.

One point to note is that one of the projects in the exempt scheme section has been pushed back to 2026/27.

## **EXTERNAL AUDITS**

As previously reported, 19/20 audit is completed and signed off. However, the external auditors are claiming twice as much in their fees than we had anticipated (fee claimed is £195k). The fee is being examined and questioned before final payment is made. Whilst it can be paid within current funding available, this could mean an issue later in the audit process. We do not currently know the detail of what audit costs are likely to be in the context of reduced audits as part of the backlog of work to be completed.

## **RESERVES**

To fund the current budget we are estimating drawdown of £2,441,230 bringing our projected balance down to £7,203,329 but we are working on Q3 postings and Q4 forecasts and financial adjustments will be made after year end following the audit

process which we anticipate will require reasonable minor and hopefully beneficial, changes to the current figures.

## **EXPANDING THE LONG TERM PLAN FOR TOWNS**

By now, Members will know that Kings Lynn has been allocated support worth up to £20m to invest in 10 years of endowment style funding. I have no doubt the Town Board will have this on their Agenda but I trust we will not have to submit to the same Treasury Green Book rules as hitherto. The bids for the current schemes necessitated the last Administration to engage consultants totalling over £1m in cost and I wouldn't wish for this to be repeated.

### **Other budget items of interest are:**

Platinum Village Hall Fund supplemented by £5m – there may be some opportunities here for Parish Councils.

Agriculture – the Government is providing £75m to bolster investment in IDBs. We will find out, in due course, if this will lessen any levies on us,

Community Led Housing – there is further social funding available which also needs further information.

## **PROCUREMENT**

One of the benefits of the Town Deal is to use the projects to act as leverage for growing local business. There is a presentation planned for 19<sup>th</sup> April, a “Meet the Buyer” event in the Town Hall, at which our Major Contractors will explain their needs of and from local suppliers and our Procurement team will explain the process for getting on board.

This procurement presentation will be a precursor to the revised Government Act which follows our departure from the EU and which is scheduled to come to Council (date TBA).

The changes from this Act will mean alterations to the Constitution,

## **WINS**

A local person and organisation each won a bumper prize of £1000 each from the lottery and fate couldn't have picked a better winner. Starz Fostering in Emneth do grand work in placing and

supporting fostering for and placing young people coming out of the social system. Their winnings will go on further training for their staff and volunteers. They have the backing of Fatima Whitbread (who has placed her own life as a fostered person in the public domain) and Ringo Starr is editing a Christmas Record of theirs. From the ticket sales there is a ground swell of support for this worthy organisation.

A £1 ticket can lead to such good things and I encourage all Members to partake and spread the word. Our Community Fund from this scheme has helped food banks and I am supporting Cllr. Rust in researching opportunities for using some of our existing pot by the KLAC executive and their constitutional priority process for identifying a good funding cause.

## **2 Forthcoming Activities and Developments.**

IDB Funding – more lobbying.

Numbers of and reaction from local SMEs at “Meet the Buyer”

Empty and 2<sup>nd</sup> Home Council Tax – negotiations with preceptors for allocation.

Housing Companies – Shareholder Committee.

The Productivity and Action Plan will take up considerable Member time.

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

26/2 CPP

28/2 Procurement Review

1/3 Flooding Issues – meeting

4/3 Joint Group

5/3 Portfolio  
Cabinet

6/3 Bircham PC

8/3 Public Sector Leaders Board (for Leader)

Norfolk Districts 2<sup>nd</sup> Home Council Tax – discussion

11/3 Audit Cttee

19/3 Webinar Net Zero

12/3 Portfolio

20/3 Shareholder Cttee.

Cabinet Sifting

19/3 Portfolio

