

## **CABINET MEMBERS REPORT TO COUNCIL**

27 June 2024

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

For the period 16 May to 20<sup>th</sup> June

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

##### **External Audits.**

The work on our limited Finance resources is backing up whilst the team update the balances following completion of the 19/20 audit and work these through to the 22/23 financial statements and the opening balances of 23/24. This is causing a delay to publish the draft financial statements for 23/24 which is now estimated to be complete by 1 July 2024.

Our external auditors EY are nearing conclusion of their value for money assessment on the financial years 20/21, 21/22 and 22/23. Whilst this is good news, there is some setback whilst we await the corresponding Annual Governance Statements (AGS) to be agreed and published.

To address the backlog, we have supplemented the Legal and Governance Team with Internal Audit resource and are focussing the content to address the critical areas of governance.

As at the time of reporting, I do not have visibility of when the outstanding Statements will be presented for Audit Committee oversight.

##### **BUDGET MONITORING 23/24**

The above logjam is affecting our ability to complete the year end figures.

**Revenue** – Flash results indicate that we may not have to use all of the anticipated draw from General Reserves. It is, however, finely balanced with more requests being submitted for contingencies to add to next year's plans.

These requests, together with Y/E options will form part of a Cabinet Briefing in the very near future.

**Capital** – At last some better news. Council may recall that the forecast from the previous Administration looked much too high and therefore we started a mid term review of all projects, by Q3 we had reduced the 2023/24 forecast from £66m to £39m. The outturn this year looks, against some extremely bad weather, close to £36m. This indicates that the additional Member scrutiny, project and risk management that has been put in place is bearing fruit. We now have the small matter of delivering a forecast plan of £140m over the next 3 year term! We will need a fair wind and continuing governance but should welcome the challenge.

##### **IDB LEVY CHALLENGE**

Bringing the General Election date forward has pushed the funding debate

into the fog of uncertainty. The Special Interest Group (SIG) is forming an Action Plan to address the issue once the election results and Cabinet positions ratified.

As regards the £75m promised to IDBs at the last budget, I have heard no more than my recent note to all Members which advised £25m was being considered for routine activities and £50m for capital projects which could be completed this financial year. The Water Alliance was lobbying against this split and timescale, but IDB members may be better placed to enquire further. The information to help the Department allocate the £3m promised was submitted to the Government and an answer was promised last month. But, no awards of extra Grants have been made at this time.

### **EARLIER SURCHARGE ON EMPTY HOMES**

We anticipated an extra 555 properties would be caught by this surcharge but in the event the number dropped to 318 where, for various reasons, their classification changed. The original forecast was an increase to the tax take of £782k but now reduced to £531k. This is a tax where we are not trying to negotiate a change to Preceptor rules and our return from our share of the council tax raised will now be around £30k.

### **2<sup>ND</sup> Home ADDITIONAL TAX**

All Districts except South Norfolk are invoking the Act to secure a doubling of tax on 2<sup>nd</sup> homes from next year. However, in this case we are forming part of a District alliance to seek a return of a portion of the extra sum collected. The basic terms and method of (auditable) return from County have been agreed by the Districts and Great Yarmouth are finalising the submission to County for subsequent bilateral discussions.

The submission seeks a minimum of 50% return of the extra sum collected to be used by Districts for the affordable and rental housing sector, which is the sector most affected by the growth of second homes.

As a reminder to Members, there are 3200 second homes in our Borough and the extra tax will raise £6.5m. Half of this (or more) will prove most useful to support our 2 property companies.

### **PRODUCTIVITY**

A term being increasingly used to imply that more can be done by Districts with their financial settlements, and we have to submit a report by July. This is being produced by Legal and Governance Team (Honor Howell) and supported by Finance.

We will obviously include the usual suspects from our ICT objectives of improving our digital offerings for communities and business continuity and our own emerging digital strategy. However, referring to the well known IDB issue, I would contend that the extreme levy placed on us has, by necessity, forced process improvements; in other words, we punch above our weight. For readers, I highlight below the impact of the IDB levies across Norfolk and the relative amounts of Council Tax demanded by it's Districts.

Broadland, South and Yarmouth are levied around £300k each, Norwich £66k and Breckland £85k; as a reminder the levy on us in 23/24 was £3.25m.

Resulting in the following Band D Council Tax (23/24) demands after the levy has been deducted.

KL& WN.	£82.59
BRECKLAND.	£106.78
BROADLAND.	£129.91
NORWICH.	£288.52
S. Norfolk.	£161.03
YARMOUTH.	£171.30

I think the above comparison indicates my point.

### **TRANSFORMATION**

AI and digital opportunities are currently, and constantly, being mentioned as the means to transform the way we do business. However, we face a growing number of residents over the age of 65, younger residents declining and from the 2021 Census, around 23,000 residents amongst 20% of the most deprived in England.

We therefore have some serious headwinds, but we must deliver services even more effectively using all digital and similar means, which will also reduce both our carbon impact and our effect on the environment.

To start the ball rolling on digital and resource opportunities we asked the officers to analyse their work streams for all statutory, discretionary and support work services and allocate these to our Corporate Strategy.

The results were, by Corporate Priority, as follows:

PRIORITY.	No. WORKSTREAMS
Promote Growth and Prosperity.	203
Protect Environment.	118
Effective and Efficient Delivery of Services.	494
Support our communities.	323

We are now in the process of overlaying our current resources onto these work streams with the objectives of ensuring our resources fit with our corporate priorities, to pull together a digital strategy for achieving our goals more effectively and secure headroom for more and better community and business support.

A formal project plan has yet to be put together but progress on all of this will feature in future reports.

### **WINS LOTTERY**

We are just past the 6th anniversary and for general information the total monies raised under this scheme are:

Good Causes	£130k
Prize Money	£68k
Community Fund	£54k (We currently hold £42k in our "pot").
Gatherwell	£45k

If your religion or ethics permit, it is of benefit to both the good cause you nominate and our community fund (which could be your good cause) for the purchase (through Direct Debit) of a few £1 tickets.

**2 Forthcoming Activities and Developments.**

Various meetings on the following subjects:

Finance

Procurement

ICT

Railways Strategy

IDB Special Interest Group

Guildhall

West Norfolk Property Company Shareholder

Cabinet

Audit

CPP

**3 Meetings Attended and Meetings Scheduled**

Various Portfolio Meetings

Regular Cabinet meetings

Special Council meetings

Meeting to discuss Alive and Joint Panel on subject.

Guildhall Review

Appointments Board for new CEO

Analysis discussion Special Expenses Downham Market