

## CABINET MEMBERS REPORT TO COUNCIL

17 October 2024

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

**29 AUGUST – 31 OCTOBER 2024**

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

#### **STATEMENT OF ACCOUNTS 20/21 TO 22/23**

The external auditors (EY) have carried out their assessment in respect of value for money and effective use of resources against the statement of accounts across these three financial years. (Full details are contained in the record of the recent Audit Committee held on 3<sup>rd</sup> October).

In Summary:

We did receive a black mark for the overall delay in submitting a full statement, with particular reference to those relating to property evaluations and bank reconciliations. However, these issues have since been rectified in the 22/23 accounts and therefore should not be repeated going forward..

The overall conclusion was that through this period 20-23, the Council had proper arrangements in place to enable it to plan and manage its resources to ensure that it can continue to deliver its services.

In this report, having regard to 20-23 performance, it would be fair to report that the previous Administration, against the Medium Term Plan, delivered surplus funds to General Reserves of £0.6m (20/21), £0.3m (21/22) and £0.7m (22/23).

However, the Auditors did observe that we had no Fees and Charges policy in place. This will be addressed as one area of improvement this year but in the absence of an ongoing policy, the decision not to increase fees and charges for **23/24** and rely on General Reserves to balance the budget, presented the incoming Administration with a financial headwind that made it difficult not to transfer some £2.4m from reserves and only reduce the net requirement by some £100K.

**For 24/25** we now have a potential need for £2.7m out of Reserves, which we are addressing with an enhanced focus on cost management. However, first ¼ figures indicated that the downside risk is greater than the current estimates. ½ year results will be available shortly and I may be able to update Members on the risk parameters at the Council meeting.

**DRAFT ANNUAL GOVERNANCE STATEMENTS for 20-23** have also been completed, led by the Monitoring Officer and for Finance, the Head of Internal Audit. They are published on the Council's website with the Statement of Accounts and I commend them to all as an excellent representation of the way this Council governs its affairs and highlights areas for improvement.

I trust that with these accompanying complimentary documents, the full

accounts will shortly be signed off by the external auditors.

### **23/24 STATEMENT OF ACCOUNTS**

Work is underway to meet the Government target to approve the accounts by 28/2/25. The draft documents will be published this month for the statutory inspection period.

Throughout the above period the Finance Department has been frustrated by the lack of an effective complement of resources. Recruiting of skilled people has proved difficult and we have recently lost the Deputy S151 Officer to South Holland. There have been no adequate responders to our job advert so it has been necessary to fill the role on a temporary basis. Laz Mafuko is covering this role, working predominantly from the Midlands.

All of the above commentary relates predominately to our Revenue budget and expenditure. Our capital programme is still under budget for varying reasons but we have sufficient capital headroom for our immediate needs. However, we do have ambitious plans which will need considerable detailed assessment and governance.

### **COUNCIL TAX SUPPORT**

In addition to qualifying pensioners we intend to continue to provide 100% support for working age residents who qualify for help in 25/26. In accordance with the regulations we have consulted on this plan with our tax preceptors and the public. The County Council and Police Commissioner are content that we retain the scheme and this year, only 8 responses were received to the consultation with the majority supporting the proposal.

This system is becoming, very much, business as usual and with an extra 646 properties being added to the tax base, we can accommodate the financial impact (£725K) within our financial plan.

It does provide significant help to those working households on low incomes to the tune of some £1,200 per year.

The full report has attracted the appropriate scrutiny and governance.

### **2<sup>ND</sup> HOME COUNCIL TAX**

Negotiations with the County are being led by the Council Leader and are ongoing. Town and Parish shares have been assessed with various sensitivities for eligibility. More anon.

### **IDBs**

The Special Interest, lobby, Group (SIG) has a new member, Herefordshire, which takes the total Councils to 37.

A lobby presentation was made to MPs at Parliament on evening of 8<sup>th</sup> October, we were represented by our S151 Officer, and Terry Jermy MP attended but, as yet, I have had no confirmation about James Wild.

The general consensus was that all had to wait for the impending economic announcements from the Chancellor.

A further face to face discussion between the Minister Jim McMahon and the SIG Chair (Paul Redgate of South Holland) took place on 18<sup>th</sup> October.

However, hot off the press at the time of writing is an announcement from DEFRA as follows:

“We are about to start a research project, working with the IDB sector and MHCLG to review IDBs’ current funding and costs. It will be a research/evidence gathering project, which we and MHCLG colleagues, will use to inform Ministers on what, if any, changes are needed. We are currently discussing it with our preferred contractor with the hope it will start late October/early November. All being well the contractor will conclude their part by March 2025. Within the project specification we have identified stakeholders with an interest and which the contractor will wish to engage with, and this includes the SIG. Will keep you updated on this and can put you in touch with the contractor once they’ve started.”

The SIG has submitted the presentation material that was used on 8th October at the House of Commons.

We await to hear further.

### **PROCUREMENT**

The Government has delayed the introduction of the new legislation (Procurement Act 2023) and it is now due to come into force on 24<sup>th</sup> February 2025. Contract Standing Orders are being re-drafted and are scheduled for full Council appraisal on 30<sup>th</sup> January 2025, following a passage through Audit, CPP and Cabinet.

Our significant project is the Guildhall complex renovation and four contractors attended the market engagement day and since then, the first stage of inviting tenders took place by a Standard Selection Questionnaire being placed on the national procurement portal on 11<sup>th</sup> October. 14 companies have submitted interest (including the 4 at market engagement).

This phase closes on 11<sup>th</sup> November and a selection of the most favourable submissions will be selected for the full tender stage.

This stage of invitation, receipt and evaluation will be critical to secure our best partner but we aim for an award of commitment by July 2025.

Prior to then the Council will have to agree on funding, presumably at the Budget setting meeting in February.

### **WINS LOTTERY**

The sale of tickets is fairly steady now at about 400 players per month. I encourage all who consider this form of fund raising to be acceptable, to sign up for a regular small donation to their favourite cause. There are 78 causes in the scheme at present and the total annualised funds they receive is nearly £25k per annum.

The total raised for charities since the Lottery was recommended, by I believe Cllr. Long, has reached £192K and we are holding a community pot of £46K.

I think we should regard that as an ongoing success and a fun way to help.

**2 Forthcoming Activities and Developments.**

Half year budget monitoring report.  
Reports from DEFRA on IDB funding.  
Budget setting across the Council.  
Improvements to our intra and internet.

**3 Meetings Attended and Meetings Scheduled**

Regular briefings Cabinet and finance portfolio.  
Monthly Procurement reviews.  
Ward Parish Councils  
CPP 4/9 & 16/10  
Taxi fees 6/9  
IDB Sig Review 10/9  
Shareholder Committee 11/9  
Local Plan Task Group 12/9  
Downham Market meeting 2/10  
Audit Committee 3/10  
ICT Development Group 10/10.