

CABINET MEMBERS REPORT TO COUNCIL

22nd FEBRUARY 2024

COUNCILLOR CHRIS MORLEY - CABINET MEMBER FOR FINANCE

For the 31st January to 11th February 2024

1 Progress on Portfolio Matters.

REVENUE PROGRAMME.

The Final Local Government Finance Settlement was released on 5th February to enable the Finance Team to put (almost) the last touches to the Financial Plan. I add “almost” because further details to support Authorities affected by IDB Levies will be announced “in the coming months”. For this forthcoming year £3m has again be allocated but there are more Councils now claiming a share of this money and our allocation may be less than the £205k we were awarded last year.

This final settlement has however given us additional money from its distribution of Business Rates following the Governments change to the standard rate multiplier (although small business rate stays the same) plus compensation for holding the multiplier through periods of CPI increases.

This change has enabled us to put £1m into our General Reserve and £0.7m into a holding earmarked for Alive which has announced that it cannot afford to pay the Management Fee due to its parent, the Council.

We have also been granted small increases to the Rural Services Delivery Grant and the Funding Guarantee Grant.

Taken together and as tabled in the Medium Term Financial Plan, we estimate, using Reserves, that we will deliver a fully funded budget for both 24/25 and 25/26, leaving the last year of this Administration with some funding still to find.

However, there is much water to flow under the bridge between now and then, which I think is an apt simile, as a change to the funding of IDBs will make a huge difference.

Meanwhile, the Government is still encouraging us to use reserves to balance the books and this we are doing whilst maintaining our Service and Quality levels. They are also looking for demonstrable productivity improvements. Through the finance system and the work that is nearing completion on identifying our service processes, we are working towards giving Portfolio Holders more granular information to manage efficiencies within their remits and continue to pursue cost management and income generation opportunities.

CAPITAL PROFILE

The capital programme is more than a considerable challenge. It totals just over £170m over the term of this Administration and project costs are higher than forecast

due to cost increases and refining designs. There will therefore be corresponding delays to capital receipts which are and will be an intrinsic need for the financial viability of this Council.

GENERAL

Finally for this section of my Report, a parallel offering to the Financial Statement, I would wish to give wider visibility of the recent LGA data that more than 9 in 10 Councils are experiencing staff recruitment and retention difficulties across a wide range of skills and professions. I trust that the recent pay award which we managed to accommodate within our financial profile will go a considerable way to keeping that issue from West Norfolk's door.

INTERNAL DRAINAGE BOARDS (IDBs).

A presentation to MPs was given by representatives of the Special Interest Group (SIG) at a reception in the Houses of Parliament jointly hosted by Liz Truss and Sir John Hayes, MP for South Holland and Deepings. It was considered a successful evening with many MPs in attendance. Numbers were limited and the S151 Officer, Michelle Drewery, represented this Authority.

The Right Honourable Michael Gove has announced that a long-term solution will be implemented and this Borough, mainly through the SIG, will continue to remind the Government of this "promise".

The total bill across the country to support IDBs is, in Government terms, comparatively small, but its impact on Councils such as ours is huge and disproportionate. The IDB Levy for us in 2024/5 is £3.5m, an increase of 8% over the current year.

EXTERNAL AUDITS

At last, year 2019/20 Statement of Accounts has been agreed without qualification and document signed off by Chair of Audit and S151 Officer. We have yet to receive the external audit charge for that year and Officers are meeting with EY (the Auditors) to discuss next steps for the overdue audits. Once EY have scoped their work they will notify us and the PSAA (Public Sector Auditor Appointments) of their proposed fees.

2 Forthcoming Activities and Developments.

KLACC (new KLAC) Budget/Special Expenses and Constitution Agreement.

Extensive community Grant Programme and associated SLAs. In particular Community Transport, Mobility and Advice Services.

Usual round of Portfolio, and Cabinet Meetings.

3 Meetings Attended and Meetings Scheduled

1/2 CPP
Joint Panel

2/2 Small Grants Panel
5/2 Joint Group Meeting
6/2 Cabinet
7/2 Add. Cabinet (Budget)