

## **CABINET MEMBERS REPORT TO COUNCIL**

**25 June 2019**

<b>COUNCILLOR ERIC SEWARD - CABINET MEMBER FOR FINANCE, REVENUES &amp; BENEFITS</b>
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For the period April 2019 to June 2019
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<b>1 Progress on Portfolio Matters.</b>
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**Final Accounts** – the finance team have now completed the 2018/19 draft accounts and these are available on the council's website via the 'accounts' page which can be accessed [here](#).

The Governance, Risk and Audit Committee will be undertaking training on the accounts prior to the review and sign off process at the end of July.

The external audit process is due to commence at the start of July, currently Ernst and Young have some capacity issues in terms of delivering the final audits but we have received confirmation that they will be commencing our audit as per our original timescales.

<b>2 Forthcoming Activities and Developments.</b>
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**Spending Review, Fair Funding Review and the Local Retention of Business Rates** - there is still considerable uncertainty around future years funding forecasts and this position will not improve until the outcome from the Fair Funding Review, which will set new baseline funding allocations and responding to spending pressures and changes in service demand, and the review of the Local Retention of Business Rates, are concluded.

The Comprehensive Spending Review, which sets out the expenditure limits over the coming years, had been scheduled to commence before the summer parliamentary recess. This was conditional on an orderly Brexit being delivered on 29th March 2019 which did not happen. It is therefore possible that the Chancellor will decide to delay the Spending Review, which will have a knock on effect on the Fair Funding Review and any changes to the Business Rates Retention system.

This could result in a one year spending deal being announced based on the current funding system which would at least provide some certainty for a further year and help relieve the immediate budget pressures although

addressing future year's deficits will still need to remain a key priority.

Lobbying is continuing to ensure district council's get a fair deal under any new system and 'prevention precept' is also being discussed which would potentially allow district authority to raise slightly more from council tax to support the health and wellbeing agenda but this has yet to be decided, rather like county councils can currently raise additional precept income for adult social care. The idea being that the prevention element has a beneficial impact on other services and partners, such as the NHS.

**2019/20 Business Rates Pilot** – the monitoring of the business rates pilot is due to commence from August and this will enable us to see how the pilot is progressing. However as indicated within previous reports this additional one off income will only be taken account of once the final year end position is established.

**Medium Term Financial Strategy (MTFS)** – The MTFS will be presented to Members later in the autumn and will consider the financial challenges facing the Council over the next 4 years. This work will be used to inform the budget preparation for 2020/21.

**Budget training** – the finance team are looking to schedule in some further training sessions for Members on the budget process later in the year following the success of the sessions provided last autumn.

<b>3 Meetings attended</b>
Nothing further to report.