

CABINET MEMBERS REPORT TO COUNCIL

20 November 2019

COUNCILLOR ERIC SEWARD - CABINET MEMBER FOR FINANCE, REVENUES & BENEFITS

For the period September to November 2019.

1 Progress on Portfolio Matters.

Spending Review 2019 – The announcement of a General Election on 12 December has added some confusion in terms of the budgeting process for 2020/21. In a recent Technical Consultation, the government had said that they were “aiming to hold the provisional settlement in December” but we still do not know as yet how this will be handled.

One scenario is that the government announces a provisional settlement before the Election however a pre-Election settlement seems unlikely as previous years’ announcements have been after this date on 8 out of 9 occasions.

A more likely scenario is that the settlement is delayed until a new government is in place although in this instance it is still not certain that a provisional settlement would be announced before Christmas.

In either scenario, Parliament would have to vote on the final settlement in February. All we can conclude for now is that the provisional settlement is more likely to be after the Election, but could be in either December or early January.

Period 6 Budget monitoring report – the second budget monitoring report of the year went through Cabinet and Overview & Scrutiny earlier this month and is currently forecasting a small overspend but the finance team will continue to monitor this position as we progress through the financial year.

Redmond Review – a review is currently underway into the quality of local authority audits and whether they are spotting warning signs early enough. The review will examine the effectiveness of the local authority financial reporting and audit regime. Initial recommendations are expected during December with a final report due next March. The Council will be sending a written response to this consultation.

CIPFA released their Financial Management Code last month and officers will be considering the contents of this guidance over the coming months to

see what improvements can be made.

2 Forthcoming Activities and Developments.

2019/20 Business Rates Pilot – the monitoring of the business rates pilot commenced during 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 December 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.

2020/21 Budget – the finance team are currently working with service managers across the Council to pull the budget together for next year. The fees and charges report will be coming through next month which feeds in to the budget process as well.

3 Meetings attended

Nothing further to report.