

Scrutiny Finance Task & Finish Group statement to Cabinet

12 July 2022

Financial outlook

(with reference to Cabinet agenda item 20 – Financial outlook update report)

Task & Finish Group members thank officers for providing them with an early and informative update and briefing on the financial planning and budget process for the year ahead, including an update on in-year pressures and on funding, expenditure and financial planning assumptions.

This early work sets a helpful base for the further detailed analysis and financial planning work and discussions to come in the year ahead.

The seriousness of the challenge faced by the administration in addressing the scale of additional in-year and future budgetary pressures is recognised, noting that, on a national basis, councils are facing the very significant impacts caused by the current cost of living and economic crisis. This includes the particular impact of inflation in the key areas of transport, energy, temporary accommodation and the effect on existing contracts, and the impact of interest rate increases. Forecasting, assumptions and anticipated impacts will need to be kept under very close review as the budget planning process is taken forward.

Through the Finance task & finish group, scrutiny members will participate positively in the process and will be giving careful consideration to particular areas that may benefit from our scrutiny through 'deep dives'. There may, for example, be merit in reviewing whether a changed approach (taking into account data and evidence of approaches taken by other authorities) may be appropriate in future years in relation to the Council Tax Reduction Scheme (given the assumptions around CTRS working age caseload). It will also be prudent to investigate and look to maximise 'invest to save' opportunities moving forwards, for example in relation to temporary accommodation - different approaches in key areas could reduce financial pressure on the authority in the longer term. It is recognised that 'invest to save' options/proposals will require careful and detailed assessment and will inevitably require potentially difficult decisions to be made about re-allocating resources and re-prioritising expenditure plans.

It is already clear that, with restricted options available to the council to raise additional revenue, it will be imperative that government gives additional help to enable the council to continue to operate without cutting vital services.

Cllr Geoff Gollop

Chair of Finance Task & Finish Group on behalf of the T&F Group members