

COUNTY COUNCIL – 25th SEPTEMBER 2019

POSITION STATEMENT FROM THE LEAD MEMBER FOR FINANCE AND RESOURCES

Members of the County Council will be aware that we are starting our annual budgeting exercise. In line with previous years a proposed Medium Term Financial Strategy will be presented to the Cabinet in December. With the Chancellor's spending announcement this month this is an opportune time to provide an update to this council.

The Chancellor provided a very upbeat message for all Government Departments announcing that spending will increase by 4.1% in real terms, next year which represents the fastest real growth in day-to-day departmental spending in 15 years. It was a pleasant surprise to see Local Government increasing by more than average. The increase in core spending power, which includes Council Tax, is estimated to increase by 4.3%. This increase is skewed towards authorities with social care responsibility demonstrating an early win for this Council's Fair Funding campaign.

Further positive news was received with Government's recognition of the short fall in Special Education Needs funding, although this will not meet all the additional costs and demand.

Whilst I believe this settlement represents a good deal for this Council. We need to proceed with caution when setting our local plans:

- The settlement is for one year only and the global economic situation may constrain the Government's position in future
- Detail on how the national funding will be allocated have not been released
- Not all the funding received this year is available next year, for example Business Rate Pilots will not continue for 2-tier areas, depriving us of £7m.
- There are major and growing budget pressures, especially those relating to both Children and Adults Social Care and SEND.

The public consultation on this Council's priorities is timely and will inform our actual allocation of resources. The results are expected to be made public in October. I expect our broad approach to be:

- To ensure services for vulnerable people, such as social care and SEND are fully funded and investment is made to support future sustainability
- To prioritise key services that residents value on a day-to-day basis, such as highways, are funded adequately

- To narrow the gap on our Future Developments fund, allowing key priorities such as infrastructure development, social care accommodation and income earning assets to be delivered.
- To continue to maximise efficiencies and income earning opportunities.

The County Council will also be aware that Fair Funding and Business Rate reforms have been delayed by a year. Whilst this is disappointing Government's actions show that they are listening and still committed to correcting the current imbalances.

Mr J. B. Rhodes