

COUNTY COUNCIL MEETING – 5TH JULY 2023

**POSITION STATEMENT FROM THE CABINET LEAD MEMBER FOR
RESOURCES**

Financial Position

The County Council approved our budget in February, and now that we are a quarter of the way through the year, it felt an opportune time to provide an update.

The inflationary pressures impacting the Council and our residents have not yet reduced at the rate that we would have hoped. This is likely to drive requests from suppliers looking to pass cost increases onto us and is influencing the unions who are currently balloting for strike action in response to the national pay offer.

In the short term, whilst this is no comfort for mortgage customers, the Council is in the fortunate position of interest and business rate income being bolstered, allowing the extra cost to be largely offset. However, in the medium-term the inflationary pressures will be “baked” into our cost base, but the income benefits will fall away, as base rates reduce, and the business rate baseline is reset.

The economy has been more resilient than most commentators had expected, but if it does shrink significantly through a recession, it could introduce a new raft of income and cost challenges.

Although inflation is our main challenge, we cannot lose sight of the service pressures that we face. Social Care and Special Educational Needs continue to require additional financial resources and how we manage this remains the key influence on our long-term financial position.

In summary, our short-term position looks manageable, but demand for services keeps the medium-term position challenging. The level of uncertainty is higher than usual, with key reforms to funding and Adult Social Care postponed until the next Parliament. We must continue our approach of being prepared for bad news and solve our problems locally.

Funding Reform

Any update on finances wouldn't be complete without mentioning funding reform.

At the last meeting of this Council, the Leader provided an update on our meeting with the Chancellor that was kindly arranged and supported by the Leicestershire MPs.

Arrangements are still being made to meeting with Lee Rowley MP, the Minister for Local Government. We expect this to take place in the autumn.

I would like to share some items of positive news.

Decarbonisation Funding

The Energy Team has successfully bid for and been awarded £200,000 that will fund a project to help us to identify the best route to decarbonise the property estate and the anticipated costs. The plan will be used to produce a pipeline of capital projects that will allow us to prioritise our expenditure and put us in a great position to bid for further funding.

This is a tangible and real boost to progress towards net zero.

Statement of Accounts

There are regular articles in the local government press about problems in the local government audit market. By the start of this financial year only one in six English councils had their 2021/22 accounts signed off by their auditor. I'm pleased that we were part of exclusive group.

If members are interested the latest County Council accounts are now available on the website.

Director of Corporate Resources

At the last Council meeting the Chairman announced Chris Tambini's departure from the County Council. I am pleased to welcome Declan Keegan into the role of Director of Corporate Resources. Declan's promotion is well deserved. This left a vacancy in the Assistant Director of Finance position, which I am pleased to announce has been filled by Simone Hines, who currently works for Sandwell Council and is due to start with us in September. I am sure that members will join me in wishing Declan and Simone all the best in their new roles.

Mr L Breckon
Cabinet Lead Member for Resources