

Cannock Chase Council
Minutes of the Meeting of the
Corporate Scrutiny Committee

Held on Tuesday 19 January 2021 at 4:30pm

Via Remote Access

Part 1

PRESENT: Councillors

Allen, F.W.C. (Chairman)
Sutherland, M. (Vice-Chairman)

Cartwright, Mrs. S.M.	Jones, B.
Crabtree, S.K.	Startin, P.D.
Davis, Mrs. M.A.	Stretton, Mrs. P.Z.
Fisher, P.A.	Wilkinson, Ms. C.L.
Hughes, R.J.	Witton, P.T.

Also in attendance: Councillor Miss M.A. Freeman (Invitee as Chairman of the Wellbeing Scrutiny Committee).

9. Apologies

Apologies for absence were submitted for Councillor C. Bennett.

10. Declarations of Interest of Members in Contracts and Other Matters and Restrictions on Voting by Members and Party Whip Declarations

No other declarations of interests or party whip declarations were received.

11. Financial Plan 2020-21 to 2023-24

Consideration was given to the Report of the Head of Finance (Item 3.1 – 3.25).

The Head of Finance advised that the purpose of this meeting would normally be for the Committee to scrutinise the proposed budget for the forthcoming year, including any growth proposals or policy changes to the current budget, but at the current time it was very difficult to make decisions on a sustainable, medium-term financial position. Twelve months ago, the main issue was the fundamental review of local government finance, including 75% business rates retention, fair funding and the New Homes Bonus.

The Covid-19 pandemic had had a detrimental impact on the Council's finances, making it difficult to plan long-term at the moment. Accordingly, the Committee had been presented with the Financial Plan report considered by Cabinet in November 2020, which aimed to set out key budget changes, information on the local government finance review, the Covid-19 impact and best / worst case budget scenarios. The

report was however written prior to provision local government finance settlement for 2021/22 being published by the Government on 17 December 2020.

(Councillor Mrs. M.A. Davis joined the meeting at this point.)

The Head of Finance further reported that the level and availability of reserves and balances had been reviewed to help with achieving a balanced budget position up to 2023/24. Following receipt of the provisional local government finance settlement, an update to the financial plan had been circulated for Members reference. This showed that for 2021/22, the forecast deficit had reduced from £2.015 million to £437,000. Other matters that had improved the deficit position were a pay freeze for all salaries above £24,000, delayed reset of business rates and receipt of Covid-19 related grant funding.

A report was to be submitted to Cabinet on 28 January setting out the proposed budget for the period 2021/22 to 2023/24, which was based on delivering existing levels of service provision. Details were awaited on future resources from central Government, and further impacts of the pandemic on the Council.

A Member queried if any provision had been made in the updated financial position about the possible impact of the pandemic on Inspiring Healthy Lifestyles (IHL). The Head of Finance advised that the Council had worked with IHL to look at their situation and agreed to support them with the budget position, and in accordance with Government guidelines, this would be managed on an open book accounting approach. The proposals covered fixed costs to deal with management overheads and variable costs to deal with income related issues.

The same Member then queried in respect of the above issue, what figure had been put into the budget for 2021/22 for the variable costs. The Head of Finance advised that the figure could not be disclosed at this stage as discussions were still ongoing about associated issues, but it was based upon what IHL believed to be the service they could provide based on membership figures.

The same Member then queried how much of the Covid-19 grant funding received by the Council had been paid out. The Head of Finance replied that all monies had been utilised during the year due to cost pressures and other issues.

The same Member then queried if the risk assessment in the Council's strategic risk register regarding financial stability had been reviewed based on the funding position known. The Head of Finance advised that this had been done, with a budget contingency being built in to deal with the pandemic's impact. Additionally, a separate risk assessment setting out the best and case scenarios based on maintenance of the working balances, had been included with the budget report for Cabinet on 28 January.

The same Member then queried if the proposed working balances of £1 million would work for the Council. The Head of Finance replied that the figure was planned to increase for 2022/23 and 2023/24 to reflect future uncertainties but based on the current time and contingencies built in it should be sufficient.

Another Member then queried that if any problems arose the Committee would be updated. The Head of Finance replied that the provisional local government finance settlement for 2021/22 effectively gave another twelve months breathing space to deal with transitional arrangements and the budget to be presented to Cabinet next week would set aside further balances and reserves for 2022/23, so the period after that was when there could be problems. The Committee would be updated once further details were received from the Government about future funding of local government. A further year of the existing regime would help with service delivery, but any fundamental changes would be reported back to the Committee.

The meeting closed at 4:50 p.m.

CHAIRMAN