

Brecknockshire
Monday 7th March 2016
Portfolio Holder Update

Councillor Wynne Jones – Cabinet Portfolio Holder: Finance

Dear Members,

May I firstly apologise for not being able to attend your meeting to report to you and to answer your questions. This is because I shall be on my way to London to attend a meeting with the Wales Office to raise and discuss some important matters for our County. I therefore have compiled this report for you in order to keep you updated. Please raise any questions on the report or regarding my Portfolio responsibility that you so may wish, and I will provide immediate answers via Shane, which will be circulated to all 'Shire' Members.

1. Financial Overview

With regards to having an overview of the financial and economic factors that may affect our Council, we get almost daily information from our advisers Capita Economics, and they are read by the Director of Resources and by myself, so that we form a joint view of the economic factors and risks that we face, and it means I can advise the cabinet with good knowledge and confidence. Currently, even though we have just taken a 3 year budget plan through County Council, we remain of the view that global and UK economic factors, present us with considerable risks going forward. The Chancellor found an additional £27billion (mostly from a change in formula that they use to estimate VAT receipts going forward) and he included this in the measures announced in the Autumn Statement on 27th November. This was a huge risk, and one that looks like it is going to badly backfire on him, as it seems clear that the receipts forecast will not materialise and that his balance of payments deficit target will not be met by some £12 billion. This leaves him two options for his March budget, either introduce more severe austerity measures or to increase taxation. It is felt that a move to increase austerity is the one he will chose, which means that the 4% assumption we have made in 3 year plan for period 17/19, could well be at risk, and the figures we are working on for 19/20 (7/8 million savings required) would also have to be increased. There is also a risk now that austerity may well go on beyond 2020.

2. Windfarm 'fighting fund' update.

As Members will be aware, that the Council set up a fighting fund for fighting the proposals for windfarms and associated hub and pylons. The arrangement was that the upfront costs would be met from the Councils reserves and that the reserves would be replenished by an annual 0.5% levy on the Council Tax.

I hereby provide the current financial details for Members perusal.

Total Budget allocation£2,733,400.00
Current spend£2,353,444.15

Repayments so far.

14/15 £259,956
15/16 £562,755.....Total.....£822,711.00

Planned repayments.

16/17 Nil
17/18 £560,000
18/19 £280,000
19/20 £280,000... Total planned..... £1,120,00.00

It is therefore clear that payments will continue for period 2020/22 at least and longer if there is further expenditure up to the allocated funding.

3. Cabinet responsibility for Performance.

On 1st February the Executive Leader decided to combine the Finance Portfolio with the responsibility for Performance (previously the responsibility of Cllr. Phil Pritchard), as it is felt by the Leader and Officers that this is a much better fit, especially with the ensuing Corporate Assessment (see section 3)

There is clearly a need to strengthen our performance monitoring and challenge, and to that end there will be an immediate re-introduction of Cabinet Performance Monitoring Meetings (first one held on 1st March). I am currently considering further future changes to the monitoring and challenge process at Powys County Council.

I have also moved to ensure that all Service Improvements Plans have clear and measureable outcomes. The SIP's will go before Scrutiny on 14th and 15th March, and I ensure that suggested changes by Scrutiny are closely followed through the system. I shall report regularly to Members of Council on future changes and in the lead up to the Corporate Assessment.

4. Corporate Assessment.

The Wales Audit Office is currently undertaking a Corporate Assessment of all 22 Councils in a 4 year cycle. In Powys we are at the back end of the assessment cycle and are due to be assessed in November this year .Basically the assessment looks at most aspects of the Council (including the Public Service Board) and assesses its ability to improve. The assessment will look at the performance against indicators (All Wales and internal), the financial performance, governance(including Cabinet, Scrutiny and Audit), decision

making, risk management, working with partners and partnerships and public consultations etc.,.

As PH for Performance I understand I am supposed to also act as the Lead Portfolio Holder in this process. I am in the process of reading all the Corporate Assessments from other Councils that have been assessed earlier in the process and are also planning to visit Ceredigion County Council as part of the process. There is much work to do as we move forward, but this is work that we need to be to improve as a Council and not just planning for the WAO assessment process. Initially in many aspects I feel we are well placed and certainly much better placed than several other Councils have been. However, there are some significant gaps that need addressing, and one of those is to immediately improve our Corporate Planning.

There is also a small group that has been set up to oversee the planning for the ensuing Corporate Assessment, and this is called CAST, it is chaired by the Resources Director and consists of the relevant Officers and myself as Portfolio Holder responsible.

The assessment is so wide spread it will involve the entire Council including all of the Members, so to that end I can inform Members that there will be a Member Development session the Corporate Assessment on 15th June (along with Treasury Management).

5. Business Rates Retail rebate scheme.

Members will be fully aware that in the last couple of years we have been provided with funding by Welsh Government to offer a scheme that provides rebates of up to £1,500 to qualifying small businesses in the retail sector. This year the funding was over £800k in total and we are well on course to allocating all of that, which provides useful additional support to the economy of Powys. Unfortunately I have to inform Members, that we have been notified by WG, that the scheme will NOT be continued for next year.

**Wynne
Cllr.Wynne Jones
Portfolio Holder for Finance.**