

26<sup>th</sup> October 2023**Report of the Chair of the Corporate Scrutiny Committee****Matters referred to Cabinet in accordance with the Overview and Scrutiny Procedure Rules**

Scrutiny Committee	Title of Matter referred	Date of Scrutiny meeting
Corporate	Financial Strategy	04.10.23

**Exempt Information**

None.

**Purpose**

To notify Cabinet of the report and recommendations from the Financial Strategy item that was discussed at the meeting of Corporate Scrutiny on the 4<sup>th</sup> October 2023

**Recommendations**

**Following consideration of the item the Committee agree to the following recommendations being made to Cabinet:**

1. Cross party write to Government to lobby for a better position for long term strategic planning
2. Three Scrutiny chairs invited on to budget setting group

*(Moved by Councillor D Cook and seconded by Councillor S Doyle)*

**Back Ground Information**

At the meeting of the Corporate Scrutiny Committee on the 8<sup>th</sup> August 2023 the Committee requested an item, 'Financial Strategy' be brought to the meeting on the 8<sup>th</sup> August 2023.

**Executive Summary**

At its meeting on 4<sup>th</sup> October 2023, the Corporate Scrutiny Committee received an update from the Interim Executive Director Finance to provide an update on the latest Medium Term Financial Strategy (MTFS) forecasts. The Leader of the Council, Paul Turner and the Chief Executive, Andrew Barratt were also in attendance.

Further to receiving the report Committee made the following comments/observations and asked the following questions:

1. Where the assumptions within the report came from and whether a session could be provided to go over where the assumptions come from and what position the Officer felt the Council was currently in?

The Officer confirmed that they work on the base budget that was approved in February, they will then consider any known changes for example, planned increases in National Insurance, pay awards and latest forecast outturns. The Officer clarified that there was further detail in the report which went to Corporate Scrutiny at the end of August around the assumptions and that the budget report could set out the inflation rates which are used. The report contains a central case and a best- and worst-case scenario, of which the central case is the more reasonable but that it is still early stages in the process and subject to policy changes submitted.

2. The Chair made the observation that for a long time the Council has only dealt with the current situation, reacting to Government changes/initiatives and had not been doing any long-term planning to consider how to secure the long-term future of the Council. The example given by the Chair was the Governments fairer funding review and the retention of Business rates. The Officer agreed with the Chairs comments in terms of the Government's funding but highlighted that the Council could start making cuts and savings to balance the five-year position that may not actually be necessary if the Government came back with a better settlement than was expected. The Chief Executive confirmed that assumptions are made on best knowledge at the time. They acknowledged that business rate retention is a big issue and that there are only so many things that can be done to mitigate the impact of this and whilst they try and plan long term, it can be difficult after three years. If there were more certainty around if/when changes are going to happen, then the Council could plan from there.
3. Whether there was a way that a case could be made for the Council to keep anymore of their business rates and introduce more certainty for the Council? The Officer confirmed that the business rates retention system is governed by the 'top up and tariff' process and levy payments, and the distribution of income to the government and preceptors is based on set amounts. Tamworth is currently in a pool with Staffordshire and Stoke on Trent. The chief executive confirmed that the Council have lobbied in the past and will continue to do so.
4. The Chair suggested that it would be a cross party drive could be established to consult with/challenge Government. The leader of the Council acknowledged that the Council was doing a fantastic job with scenario planning and whilst he would support any work Cross Party work to challenge Government but that the external circumstances may make strategic planning difficult.

Further to the discussion held by the Committee two recommendations were considered to be made to Cabinet.

### **Options Considered**

None.

## **Key considerations**

1. Scrutiny committees have statutory powers to make recommendations to the Executive, and the Executive (Cabinet) has a statutory duty to respond. They may also make reports and recommendations to external decision making bodies.
2. The agenda for Executive meetings shall include a standing item entitled 'Matters Referred to the Cabinet In Accordance with the Overview and Scrutiny Procedure Rules'. The reports of overview and scrutiny committees and sub-committees referred to the Executive shall be included at this point in the agenda (unless they have been considered in the context of the Executive's deliberations on a substantive item on the agenda) within one calendar month of the overview and scrutiny committee or sub-committee completing its report/recommendations.
3. Scrutiny recommendations are addressed to the Cabinet, as the main Executive decision making body of the council (or, where appropriate, an external agency).
4. Cabinet is being asked to note the scrutiny report / recommendations and that an Executive Response to the scrutiny recommendations be prepared for consideration by the Cabinet within two months from receiving the report or recommendations.
5. The minutes of the meeting of the scrutiny committee provide the record of the scrutiny committee's consideration of the issue and the scrutiny recommendations made during the meeting.
6. The scrutiny committee will be notified of the Executive Response made in respect to the scrutiny recommendations and may track the implementation of the Cabinet decisions and any actions agreed. This enables the scrutiny committee to track whether their recommendations have been agreed, what actually was agreed (if different) and review any outcomes arising

## **Report Author**

Danny Cook  
Chair of Corporate Scrutiny

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