

Meeting Date: 7th January 2020

Public/Private*: Public

Title: **Business & Transformation Scrutiny Panel Chairman's Report –
Councillor James Bainbridge**

I'm probably less Nostradamus and more Mystic Meg. So, you can appreciate the issues that we might have trying to conduct an analysis of an initial budget when, as is normally the case, a portion of the information you require is still to be confirmed by the DCLGH. Added to the mix is the fact that currently there seems to be the third General Election in under 5 years, which I'm sure we are all thrilled about. By the time you read this you will either be delighted/disappointed/ambivalent* at the result (*please delete as applicable). Finally, the last cherry on this on this cake of uncertainty is the need to keep an eye on the reviews into future funding and the NNDR currently underway at a national level. They may currently just be a glint in the eye of a Whitehall Civil Servant, but they will be upon us soon enough.

However, the Officers were able to give a full and professional overview as to the budget questions raised, these are discussed in full in the Minutes. I appreciated the input from the Panel, whatever the views on issues in the budget book it is clear that many had taken time to understand the information, whilst they each had numerous other calls on their time.

In brief, the main issue I would wish to convey is the virement of funding from the NNDR pool into the Revenue Account of the Council in order to meet the variance arising from the historic shortfall in Transformation Savings against the MTFP. This has been in effect ongoing for the last few years, though it might be a tad unkind to call it an annual event. Sometimes a little less and sometimes a bit more. Undoubtedly the success of the 'pooling' system we currently operate the NNDR within has exceeded the initial original projections, and that the argument could be made that given these projections have erred on the overly cautious side, which results in such positive variances, the virement can therefore be seen as a reasonable redress of this issue. Likewise, it could be argued that over time the 'pot' has grown as a result of economic growth, resulting in the positive performance. However, the flip side of this could be that repeatedly relying upon NNDR surpluses does not resolve the need to have Transformation Savings, particularly crucial given that NNDR will be overhauled. As Members will appreciate what has gone before is

not necessarily an accurate predictor of what is to come, and in the changing landscape of Business Rates we ought to keep a close eye on this.

With the review of the second quarter KPI's it is encouraging to see that the sickness levels that were a cause of concern at the start of the year are presently in a better position, though naturally the colds and flu season is upon us presently.

We appreciate the reference from the Audit Committee highlighting the key points from the Auditors Report regarding the increase in borrowing. We hope that Licensing will receive our reference to them in the same cooperative spirit.

Full details of the discussions are to be found within the Minute Book.

Cllr James Bainbridge
Chairman