

COUNTY COUNCIL MEETING – 15th September 2017

Statement from: Councillor M Hill – Leader of the Council

Finance Matters

Revenue Budget and Capital Programme for 2017/18 – Monitoring Report

The first budget monitoring report for the current financial year will be based on the position as at 31st August 2017. The report will be presented to the Overview and Scrutiny Board at its meeting on 28th September with the report and the comments of the Board being considered at the Executive meeting on 3rd October 2017.

Finance Training/Awareness Sessions for Members

Given the relatively large numbers of new members elected to the Council in May this year it seems appropriate to run some training/awareness sessions on local government finance. There will be two distinct sessions – one in October and one in late November or early December. Both sessions will themselves be run in both the morning and afternoon of the days in question to allow members to choose the most convenient session. The October session will be on the 17th and will be a general briefing on the local government finance regime delivered by Ian Fifield from LG Futures who is very experienced in delivering such sessions and has been well received in the past when delivering such training. The date for the November/December session is still being finalised but this will focus on the local financial situation. It will look at the overall position and then cover a range of specific service related sessions. Members will find these latter sessions of particular value as a prelude to the budget setting process for next year. It is hoped that by the time of the November/December sessions more information will be available from Government on the longer terms picture for local government finance.

Fairer Funding Campaign

Members will have seen from the cover and associated article in the last County News following approval from the July Council meeting to launch a campaign for a better funding deal for the County. Work has now commenced in earnest. Support has been secured already from District and Unitary Council authorities within the Greater Lincolnshire area and the Police and Crime Commissioner is also supportive of the initiative. Work is ongoing to develop lobbying material and to engage with other public, private and voluntary sector colleagues to bring them on board with the campaign. A key aspect currently being given consideration is engagement with all local Members of Parliament. In that regard a specific set of lobbying material is being developed. Members will be kept informed of progress.

Potential Business Rate Pilot Bid

Prior to the recent General Election the Government had set in train a number of unitary council based pilot projects to test out the operation of the planned 100%

localisation of business rates as a basis of funding local government in future. It was expected that post the General Election an invitation would be extended to non-unitary areas to submit bids to pilot the regime in two tier areas. Whilst it is now clear there will be a delay in implementing 100% localisation, as there is no legislation planned for at least two years, there are still signs that the Government may shortly ask for expressions of interest for pilot status in two tier areas. The advantage of a pilot is that it can result in more business rate income being retained locally where the current yield on business rates is above the baseline set by Government. That is the case in Lincolnshire and so it has been agreed with District and Unitary Councils within Greater Lincolnshire that we should develop a potential bid for pilot status should the Government invite such bids later in the autumn. Any bid will require approval by the most appropriate member forum prior to its submission. Bids approved to date have contained a 'no detriment' clause meaning that no authority participating in a pilot can be worse off in a pilot when compared to not being in a pilot. Again, members will be kept informed of progress.

External Audit Appointment

Council previously approved the participation of Lincolnshire in a national procurement exercise for appointment of new external auditors from 1st April 2018. That exercise has now been concluded and the contract for East Midlands local authorities has been awarded to Mazars who will replace KPMG. KPMG will, however, still be responsible for auditing the 2017/18 financial statements of the Council next summer.

Mazars is a large global audit and accounting firm with over 18,000 professionals in 79 countries worldwide. In the UK the firm ranks in the top ten with 1,700 employees and 140 partners working out of 19 offices, and UK fee income in 2016 of £160m. The firm's dedicated public audit team has significant experience in providing external audit to public sector bodies. It comprises individuals with experience of auditing councils, combined authorities, police bodies, fire and rescue authorities, local government pension funds and other public bodies. In addition to a current external audit contract originally awarded by the Audit Commission, the firm also has a substantial portfolio of NHS audits and is one of the National Audit Office's framework suppliers for central government audit.