

SCRUTINY COMMISSION – 4 NOVEMBER 2020

FINANCIAL RESILIENCE

MINUTE EXTRACT

The Commission considered the Cabinet report of the Director of Corporate Resources which provided an overview of the County Council's current level of financial resilience, considering the significant increase in financial pressure created by Covid-19, and its latest position on earmarked funds. A copy of the report marked 'Agenda Item 12', is filed with these minutes.

Arising from discussion, the following points were made:

- i. A strong balance sheet had ensured that the County Council had been able to be responsive and support Leicestershire residents during the Covid 19 pandemic despite the significant increase in financial pressures this had caused. The County Council had been able to provide grants for local businesses and support free school meals as well as invest in IT equipment to support staff working from home, ensuring Council services could continue to be provided during the national and local lockdown.
- ii. Members noted that the County Council had a debt level of £265 million and that this generated a cost in interest at 3.9%. However, it was welcomed that this was significantly lower than other authorities such as Nottingham, Kent and Leeds. Avoiding borrowing in recent years, despite low funding had put the Council in a relatively strong financial position. The Lead Member for Resources confirmed that the Council had not borrowed any money since 2009 and provided assurance that there was currently no intention to borrow for the foreseeable future.
- iii. The Government's failure to take forward the County Council's fair funding proposals was disappointing. The current 'unfair' formula had been used to calculate the Council's share of the Covid -19 funding allocated by the government, which meant again, the County Council had not received an adequate share compared to other authorities. It was agreed that this should continue to be pursued with Government.
- iv. It was noted that a review of the Council's assets was being undertaken but was at a very early stage. The Director confirmed that it had been recognised for some time that the number of staff needing to be permanently office based was reducing and the pandemic had driven this change forward at pace. It was not clear what the longer term implications of the Covid 19-pandemic would be. It was likely that a number of staff currently working

from home would, at least in part, prefer to come back into the office in time and so a balance would need to be struck. In response to questions raised, the Director said it would be likely that renting and or selling surplus accommodation would be considered where appropriate and this would be done alongside partner organisations who may also be undertaking a similar exercise.

RESOLVED:

- (a) That the contents of the report and the update now provided be noted;
- (b) That the comments made by the Commission be reported to the Cabinet for consideration at its meeting on 20th November 2020.