

Extract from the draft minutes of the Corporate Consultative Committee held at Gun Wharf on 24th September 2019.

Attendees: Samantha Beck-Farley (SBF) (Head of HR), Carrie McKenzie (CM) (Assistant Director Transformation) Angela George (AG) (ALT), Mark Hammond (MH) (Unison), Tania Earnshaw (TE) (Unison) Michael Barton (MB) (The Voice), Emily Calder-Evans (MCE) (NEU), Karen Turner (KT) (AEP), Katey Durkin (Head of Finance Strategy)

2. Review of Medium Term Financial Strategy – Katey Durkin

Main Points:

1. We have a projected overspend of £6M, with significant overspend on Special Educational Needs. This has been driven by the number of EHCPs in Medway.
2. The spending review is the first spending round with real term increases in budget. Usually a draft settlement will be drawn up in December whereby we can see what this means for Medway. This does mean that as a council we are left in a precarious situation of budgeting without the full picture, however we can make assumptions based on some announcements.
3. The Government announced:
 - a. 1 billion extra funding for Social Care, normally we would get 0.4% share which would equate to about 4M. However we have to be mindful of what they mean by Social Care some of the funding could fall under things which are not the Council Responsibility but the CCG's.
 - b. 700m extra spend on SEN and Disabilities – we can assume that will equate to 4.3 million for Medway.
 - c. Allowing councils to apply a 2% levy on council tax specifically for social care.
 - d. Increase for better care fund. About 5% would be ring-fenced which would equate to £850,000.
 - e. Ongoing support for homelessness. Medway are an area of concern in this area so should result in continued funding.
 - f. Ongoing support for troubled families fund, confirmed as continuing– this is an important part of Early Help response.
4. Mid-term financial situation reviews our current budget, and spend for the next 4 years. There is a projected gap of 6M for next year but we are making efficiencies to counteract this. If we do nothing the gap rises to 17.3 million by the end of the 4

years. The deficit is significant but not insurmountable, before the chancellors announcements it was a lot more.

5. Employee pay has been forecasted in line with previous years. We have assumed a flat 1% increase across all pay bands for 2019/20.
6. Discussions are ongoing to consider options to close the gap term look at closing gap. Part of this focuses on Special Educational Needs pupils and a proposal to build a SEN school and not pay lots to transport pupils elsewhere. Medway also owns a property development company. This allows us to invest in land etc. that commercial developers wouldn't bother investing as it is too expensive. We are building a lot of properties ourselves and are looking into the possibility of setting up a rental arm. Ultimately the plan is that regeneration projects will bring in revenue to the area. A 1% increase on Council Tax income equates to about 1m and increasing the stock of houses is the quickest way to close the budget gap and become financially resilient.