

**BROMSGROVE DISTRICT COUNCIL**

**AUDIT STANDARDS AND GOVERNANCE COMMITTEE    11<sup>th</sup> OCTOBER 2018**

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**GRANT THORNTON – SECTOR REPORT**

<b>Relevant Portfolio Holder</b>	Councillor Brian Cooper
<b>Portfolio Holder Consulted</b>	-
<b>Relevant Head of Service</b>	Jayne Pickering – Exec Director Finance and Resources
<b>Ward(s) Affected</b>	All Wards
<b>Ward Councillor(s) Consulted</b>	No
<b>Key Decision / Non-Key Decision</b>	Non–Key Decision

**1. SUMMARY OF PROPOSALS**

To present a sector update report from Grant Thornton relating to emerging public sector national issues.

**2. RECOMMENDATIONS**

2.1 That the Committee note the update.

**3. KEY ISSUES**

3.1 This report attached at Appendix 1 details a number of key issues that are emerging in the public sector environment that Grant Thornton feel the Council should be aware of. These include:

**3.2 Financial Resilience Index**

CIPFA has proposed a financial resilience index to provide reassurance to councils who are financially stable and to highlight areas that may need further consideration in relation to financial modelling and funding.

The decision to develop an index is driven by CIPFA’s desire to support the local government sector as it faces a continued financial challenge. The index will not be a predictive model but a diagnostic tool – designed to identify those councils displaying consistent and comparable features that will highlight good practice, but crucially, also point to areas which are associated with financial failure. The model is purely a proposal at present .

**3.3 Social Housing Green Paper**

The Green Paper aims to rebalance the relationship between residents and landlords, tackle stigma and ensure that social housing can be both a stable base that supports people when they need it and also support social mobility. The paper proposes fundamental reform to ensure social homes provide an essential, safe, well managed service for all those who need it.

**3.4 Business Rates Pilots**

As Members are aware Worcestershire has submitted a bid to become a Business Rate Pilot for 2019/20. From April 2019, selected pilot areas will be able to retain 75% of the growth in income raised through business rates, incentivising councils to encourage growth in business and on the high street in their areas. This will allow money to stay in communities and be spent on local priorities - including more funding to support frontline services

**3.5 Fair Funding Review**

The government's 'Fair Funding Review' is aimed at designing a new system for allocating funding between councils. It will update and improve methods for estimating councils' differing abilities to raise revenues and their differing spending needs. The government is looking for the new system to be simple and transparent, but at the same time robust and evidence based

3.6 Other emerging issues include the Health and Social Care interface, the Vibrant Economy Index and the new Supply Chain Insights tool.

**3.7 Legal Implications**

None as a direct result of this update

**3.8 Service/Operational Implications**

The impact of any changes would be managed by services delivered by the Council

**4. Customer / Equalities and Diversity Implications**

None, as a direct result of this report.

**5. RISK MANAGEMENT**

The Corporate Risk register includes risk associated with changes to national policy

**6. APPENDICES**

Appendix 1 – Sector Update

**7. BACKGROUND PAPERS**

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Available from Financial Services

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