

**CORNWALL COUNCIL FINANCE BRIEFING
HOSTED BY CALC, THURSDAY 13TH JANUARY VIA MS TEAMS**

Sarah Mason (CALC) introduced the briefing and the presenters, Tracie Langley (TL) and Peter Hoskins (PH), from Cornwall Council (CC).

TL said partnership between CC and local councils important. The main pressures CC was under when the budget was drawn up are

1. reforms of funding for local government coming but no idea what it will look like re social care etc. Lots of uncertainty
2. recruitment to key posts – difficult to find the right people with the right skills post-covid in the care sector and other professional posts. Plus issue of higher wages
3. cost of resources/raw materials for construction has increased
4. current RPI inflation rate is 4.2% but expect it to rise, so first 6 months of budget is costed at 4.2% and the second 6 months at 5.5%

PH – engagement with stakeholders process

30/11/21 2022-23 draft budget proposal launched

8/12/21 Consultation launched – online survey will close 23/1/22

10/1/22 Stakeholder consultation event

11-20/1/22 Budget discussed at various CC oversight committees (OSC)

25/1/22 Budget & feedback from consultation discussed at Customer & Support Services OSC

There will be a councillors briefing on 28/1, then the budget will go to Cabinet on 9/2 and full council on 22/2

TL – draft priorities for the budget and for 2022/3

1. to manage complexities and deliver outcomes
2. challenges – adult social care, homelessness, waste
3. modernisation and digitisation to improve efficiency
4. investing £45m into adult social care to stand still but projected annual growth is unaffordable so will need to put in reduction strategies
5. other investment – carbon neutral, homes etc

Budget will be a cornerstone of the Cornwall Council 2022-26 business plan which will focus on

1. Cornwall is a brilliant place to be a child and grow up
2. A thriving sustainable Cornwall (secure home, decent income)
3. Vibrant, safe, and supportive communities (help each other and live well)
4. Supported by an empowering and enterprising council

with a ‘our part, your part’ approach

PH – context the budget was drawn up in

Local government is facing considerable challenges with uncertainty around local government funding in future, and no confirmation when funding reforms will be in place

Local Government Association report – local services across UK to cost £8bn more by 2024

Effect of pandemic

Used only evidenced growth to ensure growth and pressures are realistic

Cornwall is part of the 100% business rates pilot, but CC cannot affect ratings which are set by government.

Projected 2% pay and 4% contract inflation

CC want the budget to create a sustainable financial position with spending coming from sustainable recurrent income sources (like carparks, rent etc), and maintain a general fund reserve of £40m

Fees and charges will increase in line with inflation, and there will be a precept increase of 2.99% (1.99% core and 1% for adult social care) which means Band D will be £1717.11, an increase of £49.85. As the budget stands there is an expected shortfall of £6m in 2022/23.

Sharron Kelsey