

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

25 January 2016

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Information

1 GRANT THORNTON PUBLICATION – REFORGING LOCAL GOVERNMENT

Grant Thornton in December 2015 published its report entitled 'Reforging local government'.

1.1 Introduction

1.1.1 The publication, 'Reforging local government', details the findings from the fifth year of financial health and governance reviews carried out by Grant Thornton.

1.1.2 Based on this latest review of financial resilience the report highlights the recent Autumn Statement presents a serious challenge to many councils that have already become lean.

1.1.3 The report suggests that:

- The majority of councils will continue to weather the financial storm, but to do so will now require difficult decisions to be made about services.
- Most councils project significant funding gaps over the next three to five years, but the lack of detailed plans to address these deficits in the medium-term represents a key risk.
- Whitehall needs to go further and faster in allowing localities to drive growth and public service reform including proper fiscal devolution that supports businesses and communities.
- Local government needs a deeper understanding of their local partners to deliver the transformational changes that are needed and do more to break down silos.
- Elected members have an increasingly important role in ensuring good governance is not just about compliance with regulations, but also about effective management of change and risk.

- Councils need to improve the level of consultation with the public when prioritising services and make sure that their views help shape council development plans.

1.1.4 The full report can be found at the following link:

<http://www.grantthornton.co.uk/globalassets/1.-member-firms/united-kingdom/pdf/publication/2015/reforging-local-government-finance-2015-final.pdf>

1.1.5 The Council is keenly aware of the significant financial challenge that lies ahead as reductions in funding from central government continue. We believe, however, that our Medium Term Financial Strategy is resilient and the financial pressures likely to confront us can be addressed in a measured and controlled way, but with ever increasing pressure this is becoming progressively more difficult.

1.1.6 In recognition of the scale of the challenge, alongside the MTFFS is to sit a Savings and Transformation Strategy. The purpose of the Strategy is to provide structure, focus and direction in addressing the significant financial challenge faced by the Council and, in so doing, recognise there is no one simple solution and as a result we will need to adopt a number of ways to deliver the savings within an agreed timetable.

1.1.7 Members' attention is also drawn to the Annual Audit Letter for the year ended 31 March 2015 to be found elsewhere on the agenda as one or more of the key messages are of relevance here.

1.2 Legal Implications

1.2.1 None.

1.3 Financial and Value for Money Considerations

1.3.1 As set out in the report published by Grant Thornton.

1.4 Risk Assessment

1.4.1 As set out in the report published by Grant Thornton.

Background papers:

Nil

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