

# Finance: challenges and pressures

Alan Finch, LGA Principal Adviser

Cllr Graham Chapman, Nottingham City Council

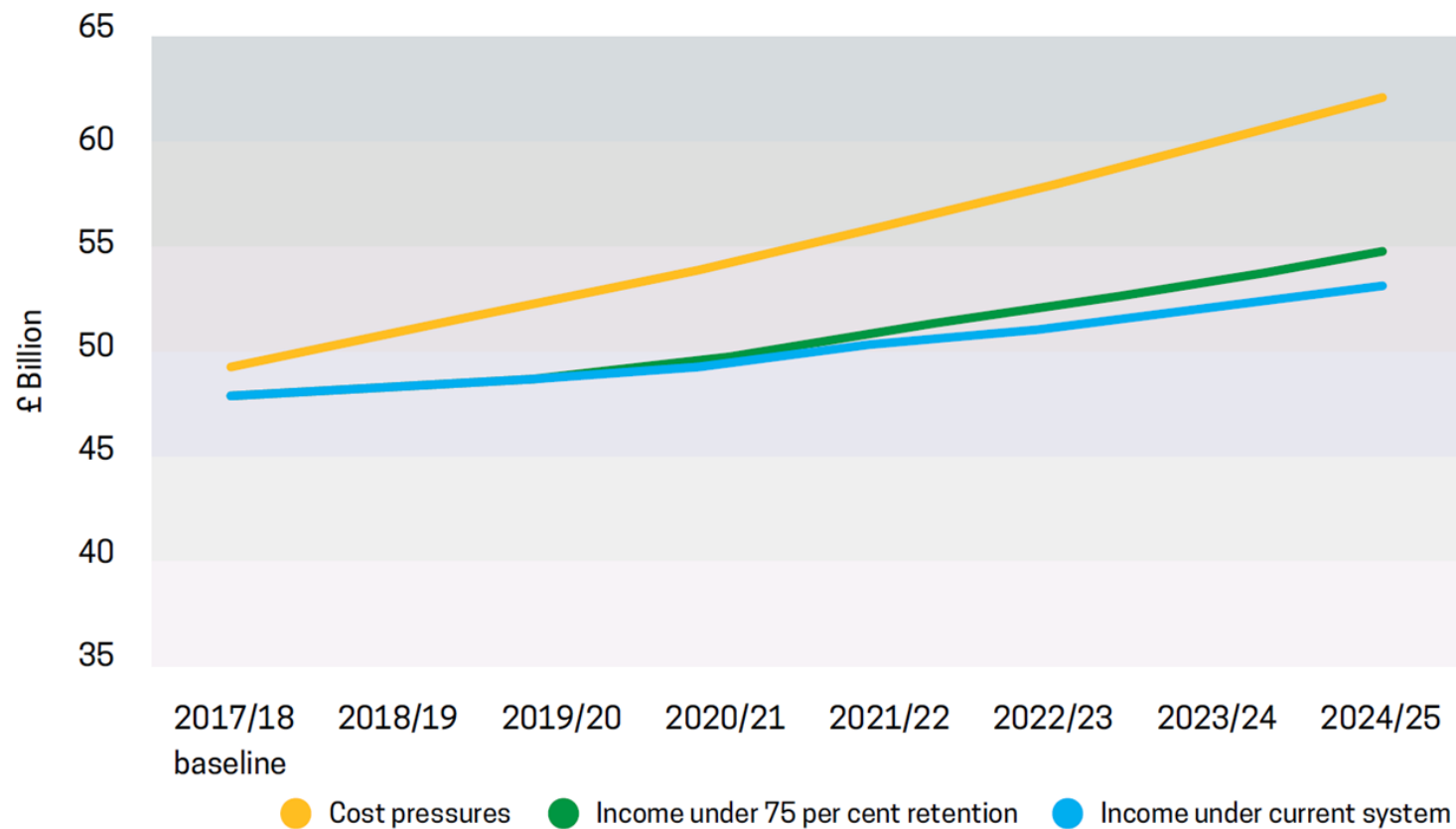
Cllr Laura Evans, Trafford Council

# Today's session

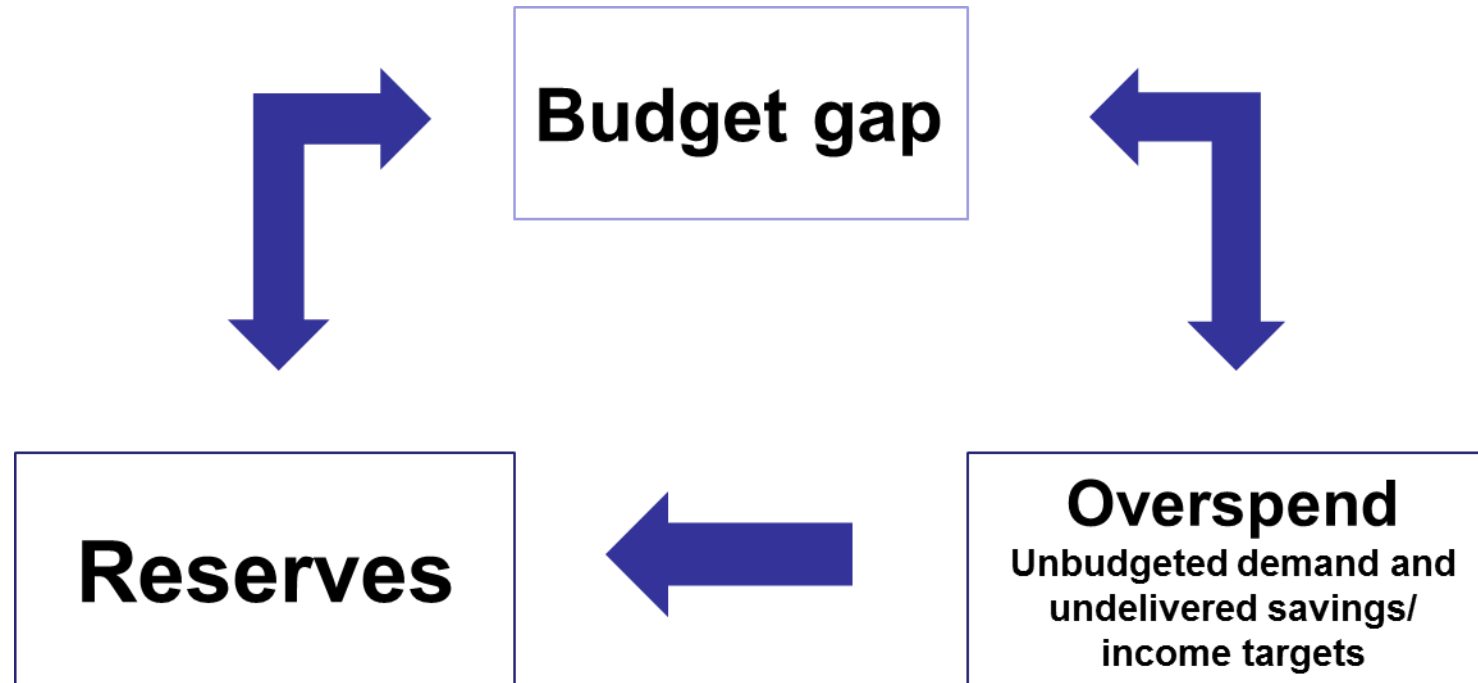
- Diagnosing problems
- Twenty questions (Issues identified from working with councils)
- Discussion
- The LGA finance support offer



# Problem 1 : austerity is not quite over



## Problem 2: the unholy trinity



## Typical (upper tier) authority

Budget gap:	6-8% of net budget pa (*)
Overspent:	By between 1-2% (2016/17)
Reserves:	30-40% of net revenue budget (**)
Council Tax:	Used full 5-6% flexibility

(\*) Savings target 2018/19, after taking account of Council Tax increase

(\*\*) Total usable reserves

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# 20 Financial Questions

## Revenue

- 1 How big and adequate are your reserves - earmarked, unearmarked?
- 2 How well provided are your provisions?
- 3 What was the real budget outturn last year?
- 4 Is the latest gap what it appears to be?
- 5 Were last years' targets reached and in the way they they were supposed to be?

# 20 Financial Questions

## Revenue ctd

6 Is that round number really that round?

7 Do you believe in that savings target or are you just putting items in to 'get you over the line'?

8 Ok, there is inflation in your service/provision but what about the volume?

9 Will those savings cost more than they save or are you just cost shunting?

10 What member involvement was there in deciding carry forwards?

# 20 Financial Questions

## Capital

11 How allocated is the capital programme?

12 What is the opportunity cost of capital?

13 So the business case stacks up but what about the carrying cost?

14 What are the revenue costs of capital?



# 20 Financial Questions

## Children's

15 Do you have a gateway process for assessing each referral?

16 How much use do you make of out of area placements

17 Have you a plan to wean yourselves off agency workers?

# 20 Financial Questions

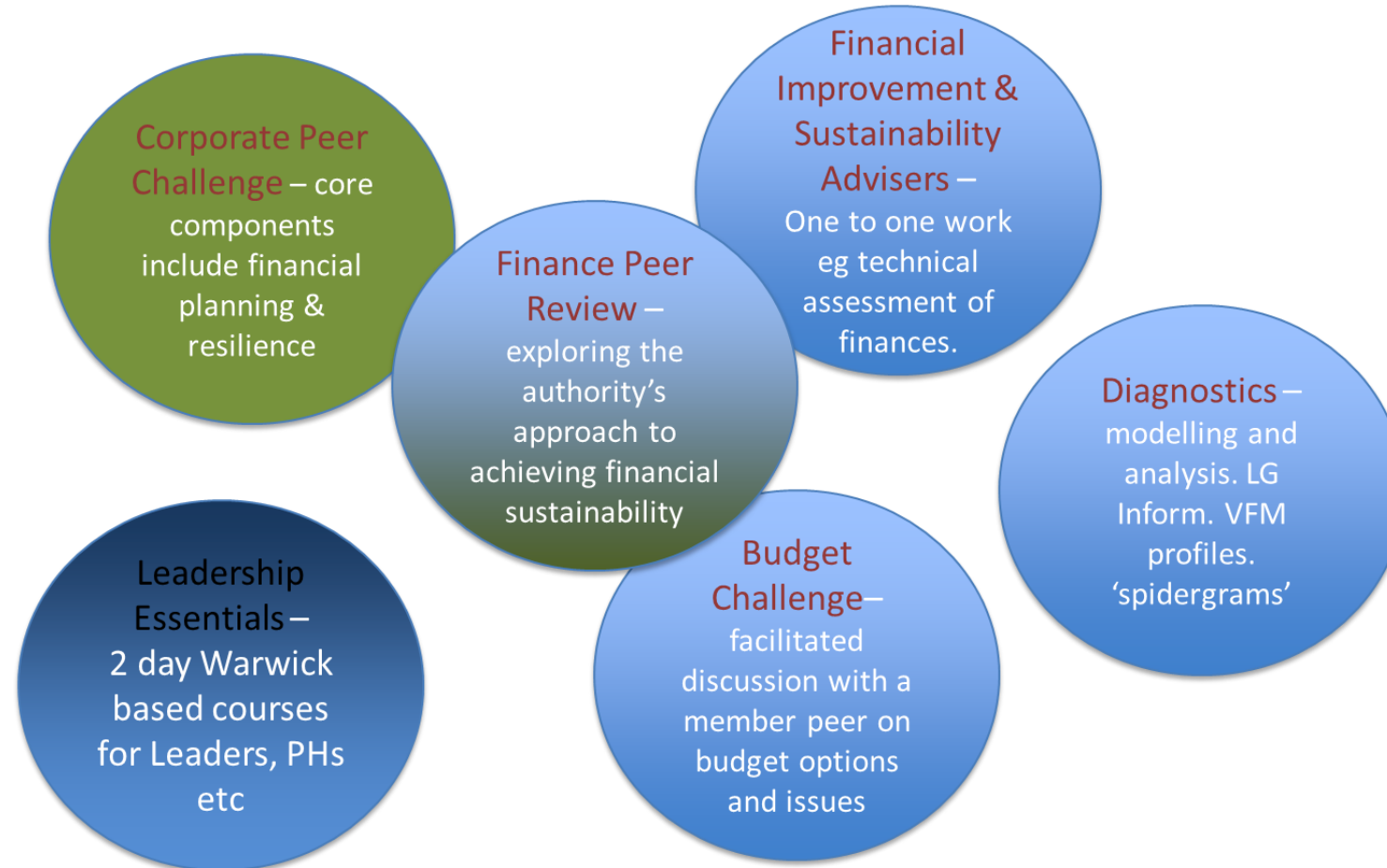
## Adults

18 Are you looking at care closer to home services?

19 What future proof modelling is being considered ?

20 What are the costs associated with consultations fees?

# The Finance Improvement Offer



# Thank you!

**Contact:**

Alan Finch

Principal Adviser (Finance)

[alan.finch@local.gov.uk](mailto:alan.finch@local.gov.uk)

07786 331467

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