

**COUNCILLOR QUESTIONS TO CABINET – 1 December 2020****Question 1****Councillor Nigel Shaw, Bromyard Bringsty Ward****To: leader of the council**

I note that the administration is now anticipating a £4m overspend by the end of the year which I presume it will seek to cover from reserves. What confidence can the leader give that his budget will be any more accurate next year, given an anticipated fall in income and current rise in revenue expenditure?

**Response**

The global pandemic has challenged all of us, Herefordshire Council has intervened in a number of ways to help keep our residents safe and support the businesses in Herefordshire. As has been reported to cabinet and council these interventions have taken a number of different forms. Some of these were time limited, dealing with specific emerging issues, and others such as ensuring the provision of PPE are longer term and are likely to continue for a while longer. The Council has been working with central government, providing evidence of the costs of responding to the challenges of Covid 19. Government have provided a number of grants, and we expect to receive further grants. We expect to deliver more of a balanced out turn at the end of the year as grants are confirmed and new grants agreed. However we recognise that by its very nature of the pandemic it is difficult to forecast the financial outturn with complete accuracy.

I am confident that the process to agree next year's budget is robust and will deliver a balanced budget, we have started the consultation process and it will be presented to the council scrutiny meetings shortly. We welcome the Chancellor's announcement in the recent spending review that Government will continue to fund councils into the future as they deal with the pandemic.

**Supplementary Question**

Thank you for your answer and I hope that your confidence is well placed, given this year's forecast £5m revenue overspend within the looked after children budget.

If the government settlement is not as generous as the current ambition of the administration requires, where will the leader be looking first to cut costs, in order that we can continue to protect our most vulnerable citizens?

**Response**

I think I can only say that we are looking at what options are available. Consultation has started with the various parishes to start with and no commitments have been made at the moment. We're still not quite sure about the government funding but as Nigel Shaw knows we do have to provide a balanced budget and that is what we'll be doing, working with the officers to ensure that it's robust and deliverable and to make sure that we're complying with our statutory requirements as to how we should operate as a council.