

COUNCIL MEETING – 20 SEPTEMBER 2023 MEMBER QUESTION TIME

The following question has been submitted by Councillor Ray Godwin for response by the Leader of the Council:-

“As we all know Birmingham city council recently issued a section 114 notice, Conservative media has since blamed an ineffective Labour administration for this failing, but Birmingham is not alone, and these financial pressures are not isolated to any political persuasion.

Northamptonshire County Council was the first to declare bankruptcy in over two decades. The Conservative-run authority had long prided itself on leading the way in privatisation, low-council tax and resident value for money. But its high-risk strategies of outsourcing social care services and selling off public buildings backfired.

Thurrock, on the Thames Estuary in Essex, filed a section 114 in December 2022 after declaring a £469m black hole in its finances. Concerns had been raised as far back as 2018 over the Conservative-run authority's alleged "extreme" appetite for financial risk.

The latest authorities which have warned that they face issuing a section 114 notice in the near future include Kent, Guildford, Hastings, Southampton and Bradford. This is as a result of the dire financial situation that they currently face and is seen as the tip of the iceberg.

Looking at the wider picture of local authorities' accounts for 2022/23, it would seem these councils are not alone, and as the year unfolds it will not be surprising if more authorities warn that they are also at risk.

The spate of warnings of trouble ahead follows on from the high-profile financial failure of Woking Borough Council, which was put under government intervention in May and issued an s114 in June. This was an issuance which many people have argued will have ramifications for the whole of the local government sector.

To give further insight into Woking Borough Council:

The Liberal Democrats took over Woking from the Conservatives at this year's local elections. With most debts racked up under the previous Conservative administration with failings blamed on various questionable investments - including a 23-story Hilton hotel.

Taking all of the above into account My Question to the leader of the council is:

What is the latest financial forecast within SBC and what is putting the biggest pressures on our financial resources?"