

Report to the Council

Committee: Cabinet

Date: 27 September 2012

Subject: Finance and Technology

Portfolio Holder: Councillor S Stavrou

Item: 6

Recommending:

That the report of the Finance & Technology Portfolio Holder be noted

Accountancy

There is a separate report elsewhere on the agenda on the Statutory Statement of Accounts so I will concentrate on other issues in this section. The Finance and Performance Management Cabinet Committee is scheduled to meet on 20 September and will be considering reports on the Treasury Management Outturn for 2011/12, Financial Monitoring for Quarter 1 of 2012/13 and the annual Financial Issues Paper. The Treasury Management Outturn report confirms that the Council operated within the boundaries that were set for the year and complied with all of the Prudential Indicators. The Financial Monitoring for Quarter 1 shows that at the moment both expenditure and income are broadly in line with the budget. The Financial Issues Paper provides a discussion of the main financial challenges facing the Council and the budgetary outlook. I hope that taster of the agenda items will tempt Members reading this before 20 September to attend the meeting.

Benefits

The six week consultation on the Council's scheme for Local Council Tax Support started on 1 August and will have concluded before today's meeting. At the end of August the number of responses received by Essex County Council on our behalf was 43; this is similar to the 47 received for Harlow but only half the 88 received for Uttlesford. A number of responses have also been received directly at the Civic Offices and all of the responses will be analysed before a suggested final scheme comes back to Cabinet.

I am hopeful that a number of residents who are not in receipt of benefit will have responded as views on the scheme will not be balanced if we have only received comments from residents who currently receive Council Tax Benefit. It is important that the whole community understands the potential impact of these decisions on the Council's services and finances.

Revenues

Another report going to the Finance and Performance Management Cabinet Committee is the response to the Government's Technical Consultation – Business Rates Retention. Under these revised proposals the amount of rates retained locally

has reduced from the 100% originally proposed to 50%. This is a complex report and I urge Members to read the detail on this fundamental change to the financing of local authorities in both the consultation report and the Financial Issues Paper.

One other change in the proposed financial reforms worth mentioning is their effect on the Council Tax bases for town and parish councils. The Government have reflected on the concerns expressed about the potential impacts on town and parish councils and have issued alternative proposals that will leave the tax bases for these authorities unchanged. I know the original proposal caused a lot of concern and I would be grateful if Members could relay this information back to their town and parish councils.

Performance Management

At the 18 September meeting of the Finance and Performance Management Scrutiny Panel, Members will review Key Performance Indicator (KPI) results in respect of Q1 of 2012/13 and consider a number of suggested revisions to targets and methodology. The three-month position with regard to the achievement of target performance for the quarterly KPIs for 2011/12, was as follows:

- (a) 21 (77.8%) achieved the first quarter performance target;
- (b) 6 (22.2%) did not achieve the first quarter performance target.

The performance target for 'KPI 35 - Number of completed benefit fraud investigations' will be reviewed in the light of an increase in the anticipated staff establishment in the Benefit Fraud Team. It is recommended that the target be increased from 150 cases to 300 cases across the whole year.

The performance target for 'KPI 46 - Number of affordable homes completed' will be reviewed in the light of the slippage of a number of house completions from their anticipated 2011/12 date to the first quarter of 2012/13. As a result it is recommended that the target be increased from 34 houses to 72 for the whole year.

The panel will also consider the methodology for the calculation of performance against 'KPI 22 - What percentage of the district had unacceptable levels of litter' and 'KPI 23 - What percentage of the district had unacceptable levels of detritus'. These indicators are the only KPIs which were not reported on a cumulative basis throughout the year and as such were vulnerable to a particularly bad quarter disproportionately affecting performance; especially should Q4 be a poor quarter. To counter this, a cumulative alternative to the currently used reporting spreadsheet has been developed and it is recommended that with immediate effect the definitions of these KPIs be amended to calculate and report cumulative performance for the year at the end of each quarter.

The panel will also be presented with a report detailing the Audit Commission's Value for Money Profiles for all Essex Authorities and the CIPFA Nearest Neighbour Authorities of the Council, and asked to determine any further action, analysis, investigation or discussion considered appropriate. The Value for Money analysis is intended to act, in the first instance, as a one-stop point of reference for much of the data contained in the 2010/11 version of the Audit Commission's Value for Money Profile Tool. Its primary purpose thereafter is to allow officers and Members to identify any Value for Money indicators or issues which they consider appropriate for further in-depth consideration and review.

Technology

Business Continuity

All technical issues with the air conditioning unit have now been resolved and the Buzcom service is now fully available. This means the beneficial side effect of the wireless broadband service is also now available and a number of businesses within the district have already been connected. The Council will not be actively promoting this service ahead of any other broadband provider, but if anyone would like further information or to register an interest, please visit their website <http://www.fibrewifi.com>

Intranet access for Members

Following a request from Members, access to the internal Council Intranet will be available when logging onto the Council network. The Intranet contains information on a wide range of activities. If anyone experiences problems or requires assistance in accessing the site, they should call the ICT helpdesk on extension 4888 who will be able to assist.

Upgrade to Office 2010

Many core system applications now require integration with Microsoft Office 2010. Licences for this product have already been purchased under a previous agreement with Microsoft, so no additional expenditure will be incurred. Accountancy has been selected as the initial pilot with rollout continuing throughout this financial year.