

Report to the Council

Committee: Cabinet

Date: 17 February 2015

Subject: Finance

Portfolio Holder: Councillor S Stavrou

Recommending:

That the report of the Finance Portfolio Holder be noted

Accountancy

This is always a very busy time of year for the Accountancy Service with the work to compile the budget and produce a variety of reports to the many meetings that consider the budget. As there is a separate report on the budget I will not say anything more about it here.

Benefits

Cabinet on 3 November 2014 gave delegated authority to the Director of Resources and I to negotiate a revised income sharing agreement with Essex County Council and the other preceptors. This follows on from the previous agreement to minimise losses on Local Council Tax Support which has been successful in the two years of its operation. I am pleased to inform Council that a new agreement has been signed. This provides funds for not only the work on Local Council Tax Support but also a wider initiative to review and examine various discounts and reliefs to ensure that these are not being fraudulently or incorrectly claimed. The County Council is often subject to criticism so it is good to be able to be positive about this ongoing joint working.

The quarter three position on the key performance indicators will be considered at the March meeting of the Finance and Performance Management Scrutiny Panel, but I will take this opportunity to give a brief update. New claim processing shows an improvement for the third quarter running. The current average time taken on a new claim is now 21.63 days, which is significantly ahead of the target of 25 days. The other processing indicator is for changes of circumstance. These are also doing well and are currently being processed in 8 days, compared to a target of 10 days.

The key performance indicators for our work on benefit fraud are showing a positive picture as well. By the end of the third quarter we were hoping to have completed 169 investigations and the actual number is 188. This is despite a member of staff suffering with a long term sickness issue. Not only has more work been done but it has also yielded better results than we had hoped. There is a target that fraud should be proven in 35% of the cases investigated but we have proven fraud in 55% of cases.

Revenues

Having touched on joint working above, I can also update on the pooling of non-domestic rates. In my report to Council in December I informed Members that

modelling had predicted a benefit across the pool of £3 million and that our share would be likely to exceed £100,000. Of course the outcomes from the pool are uncertain as they will be determined by how the economies of the participating districts perform during 2015/16. However, this is an opportunity for us to benefit from economic growth and I am pleased to report that an agreement has now been signed with nine other authorities to pool in 2015/16.

The key performance indicators at the end of quarter three are mixed for Council Tax and Non-Domestic Rates. At the end of December the in-year collection rate for Council Tax was 77.63% which was slightly ahead of the target of 77.56%. Non-Domestic Rates is behind the target of 82.33% with 78.72% having been collected. As I have reported previously, this is due to the extension in instalment arrangements this year from 10 to 12 payments. I am still confident that performance for the whole year will be close to the 97.7% target for in year collection.