

# ***Report to the Council***

**Committee:** Cabinet

**Date:** 27 September 2016

**Subject:** Finance

**Portfolio Holder:** Councillor G Mohindra

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**Recommending:**

**That the report of the Finance Portfolio Holder be noted**

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## **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 15 September and will be considering reports on the Treasury Management Outturn for 2015/16, Financial Monitoring for Quarter 1 of 2016/17 and the quarterly update of the Corporate Risk Register. 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. Financial Monitoring for Quarter 1 shows that at the moment both expenditure and income are broadly in line with the budget.

The annual Financial Issues Paper went to the July meeting of the Cabinet Committee and provided a discussion of the main financial challenges facing the Council and the budgetary outlook. This report had an update to the Medium Term Financial Strategy and suggested savings targets to work towards. Following agreement by Cabinet on 1 September of the recommendations from the Cabinet Committee, officers are continuing to work on a range of savings proposals that will be reported in due course as part of the normal budget process.

Members should note that there is greater uncertainty than usual this year in terms of both the economic position of the country and the future financing of local authorities. The economy has not suffered the immediate meltdown that some predicted a vote to leave the European Union would precipitate. However, it is still likely that in the short term at least the economy will grow at a slower rate than had been previously predicted. We will not know the extent of the revisions to the forecasts of the Office for Budget Responsibility until the Chancellor of the Exchequer makes his Autumn Statement. There is likely to be less money available to the public sector overall but the timetable of the previous Chancellor to achieve a surplus has been discarded and so austerity may present a longer but less steep hill to climb.

Whatever money is available to local authorities will be allocated under different mechanisms in the future. We still await the outcomes of the consultation on New Homes Bonus and so the size of the reduction in our funding from this source remains unclear. The Department for Communities and Local Government is still moving towards 100% business rates retention and a consultation on this is being considered by the Finance and Performance Management Cabinet Committee. This is a completely new system and their target to design and implement this by 2020 seems ambitious.

## **Benefits**

The items to be included in the consultation on the Council's scheme for Local Council Tax Support for 2017/18 were agreed by Cabinet on 21 July. In previous years the level of response to this consultation has been low. I am hopeful that this year 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 got comments from residents who currently receive support. Anyone who has not yet responded can do so by visiting either the Benefits or consultation areas of the Council's website.

I mentioned earlier the September meeting of the Finance and Performance Management Cabinet Committee and some of the reports going to that meeting. The meeting will also receive a report on progress against the targets for the key performance indicators at the end of the first quarter of 2016/17. Performance for processing new claims was slightly better than the target of 22 days at 21.28 days. This is an improvement on last year's first quarter performance of 22.56. The average processing time for changes of circumstance at the end of quarter 1 is 6.91 days, which is behind the target of 6 days. However, this is an improvement on last year's first quarter performance of 7.03 and as we went on to achieve 4.47 days by the end of the year I am still confident that the target can be achieved for the year as a whole.

## **Revenues**

The report on progress against the targets for the key performance indicators at the end of the first quarter of 2016/17 includes Revenues items. A Council Tax collection rate of 27.61% had been achieved and this is better than both the target of 27.27% and the collection rate at this time last year. The collection of non-domestic rates was also above target at the end of June, with 28.83% achieved compared to the target of 28.48%.

The successful replacement of the Waltham Abbey cash desk with payment kiosks is being replicated with the main cash office in Epping. Two kiosks have been installed and are now taking transactions with staff available to assist the public while they get used to using the new technology. After a period of transition it is intended to close the cash desk in mid-September after which there will be a period until the end of October when floor-walkers will assist customers with their transactions. There is no plan yet to introduce kiosks to the Debden cash desk but this may be considered in the future.