

Report to the Council

Subject: Finance and Technology Portfolio

Date: 26 September 2013

Portfolio Holder: Councillor S Stavrou

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 19 September and will be considering reports on the Treasury Management Outturn for 2012/13, Financial Monitoring for Quarter 1 of 2013/14 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 raises some concerns about our income streams but 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. This year the financial challenges have been increased by reductions in grant funding, the top slicing of the New Homes Bonus and reductions in key income streams. I encourage Members reading this report before 19 September to attend the meeting and join in the debate about the Council's finances.

Benefits

The six week consultation on the Council's scheme for Local Council Tax Support for 2014/15 started on 14 August and will conclude on 30 September. 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 support. Anyone who has not yet responded can do so by visiting the consultation area of the Council's website.

The benefit cap has now been introduced to limit the total amount of benefit that can be received in a week, with any excess amount being deducted from the claimants housing benefit. This, along with the other welfare reforms, has generated a considerable amount of additional work. In view of this I was particularly pleased to see that the processing statistics for both new claims and changes of circumstance were better than the target for the first quarter of 2013/14.

Revenues

With the introduction of Local Support for Council Tax and the issue of small bills to many residents who had not paid Council Tax before, it was anticipated that the collection rate for Council Tax would reduce. For the whole year it was estimated that

the collection rate would reduce from 97.8% to 96.6%. For the first quarter this translates to a reduction in the target from 27.5% to 27.06%. The actual collection in the first quarter was 27.2% and so exceeded the target. This is an encouraging start but performance will continue to be closely monitored throughout the year.

The collection of non-domestic rates was slightly lower than the target at the end of June, with 29.8% achieved compared to the target of 31.04%. However, this reduction on the in-year collection has been partly offset by an improvement in the collection of residual amounts from previous years. A bigger concern at the moment is the reduction in the overall value of the non-domestic rating list. With the partial retention of non-domestic rates from the start of this year, this now has a direct impact on the Council's finances.

Performance Management

(a) Key Performance Indicators 2013/14

The Finance and Performance Management Scrutiny Panel has recently reviewed first quarter performance for the key performance indicators adopted for 2013/14.

The position with regard to the achievement of target performance for the KPIs at the end of the first three months (1 April to 30 June 2013) of the year was as follows:

- (a) 21 (61.8%) indicators achieved the first-quarter target; and
- (b) 12 (35.3%) indicators did not achieve the first-quarter target, although 3 of these KPI performed within an agreed tolerance for the indicator.
- (c) performance information for one indicator was unavailable at the time of compiling this report.

To enhance the quarterly review of performance, KPI reporting now reflects an additional 'amber' performance status. This performance category identifies indicators that have not achieved the target for the quarter, but where performance is within a tolerance or range. All KPI tolerances have been agreed by Management Board and reflect year-end targets. In addition, from the first quarter of the year, performance against all of the KPIs is to be reviewed by the Scrutiny Panel on a quarterly basis, and no indicators will in future be subject to scrutiny at year-end only.

A specific corporate KPI performance improvement target has not been set for 2013/14, as the Council's key objectives for the year seek the achievement of targets for all relevant objectives and indicators. Improvement plans have been developed for each KPI, identifying actions to achieve target performance.

(b) Key Objectives 2013/14

The key objectives adopted each year focus on national priorities set by the Government and local challenges arising from the social, economic and environmental context of the district. The objectives represent the Council's high-level initiatives and over-arching goals for each year.

In addition to the KPIs, progress against the annual key objectives is also now to be reviewed on a quarterly basis. Progress against the key objectives has previously been reported on a six-monthly basis, but this revised reporting arrangement will help to ensure the timely identification and implementation of appropriate corrective action where necessary.

First-quarter progress against the key objectives for 2013/14 was reported to the recent meetings of the Overview and Scrutiny Committee and the Cabinet.

Technology

(a) Telephone switch replacement project

The implementation has now started and staff and Shoretel engineers were on site over the weekend to install and configure the new telephone switches. The process went well and the next stage of testing has started. This testing phase will be completed by week commencing 16 September and the general rollout and training of staff will commence immediately afterwards. I remain optimistic that the project will be completed by the end of the financial year.

(b) Wireless coverage

The initial trial has been completed successfully. The order will be placed with the successful supplier by the end of September with an anticipated live date of February 2014. When fully implemented, full site wireless coverage will be available for open access to the internet and restricted access to the Council's local area network.

(c) Internet connection upgrade

The 30Mb fibre connection has been installed and the two connections are currently running in parallel until final testing has been completed. It is anticipated that the testing will have been completed by the end of October when the old 10Mb connection will be terminated.

(d) ICT Strategy

The new five year draft ICT Strategy is due to be presented to the Finance and Performance Management Scrutiny Panel on 17 September, followed by Cabinet on 21 October. All Members should have now received the core strategy document in the internal post. If any Member wishes to comment or requires any further clarification, please contact David Newton, the Assistant Director responsible for ICT.

(e) Mobile working trial

A large scale trial of mobile working and 4G data connectivity was carried out at the recent North Weald Airfield resilience event, which allowed for real time updating of social media sites and uploading of photos within minutes of them being taken. No major technical issues were experienced during this time and practical lessons learned will be fed back into the mobile working project.