

Report to the Council

Committee: Cabinet

Date: 30 September 2014

Subject: Finance

Portfolio Holder: Councillor S Stavrou

Recommending:

That the report of the Finance 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 18 September and will be considering reports on the Treasury Management Outturn for 2013/14, Financial Monitoring for Quarter 1 of 2014/15 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 8 September of the recommendations from the Cabinet Committee, officers have started work on a range of savings proposals that will be reported in due course as part of the normal budget process.

Benefits

As part of the consultation on the Council's scheme for Local Council Tax Support for 2015/16 Cabinet had decided to include the possibility of a residency qualification. This type of qualification was already being operated by two other councils in Essex. However, due to a subsequent ruling in the High Court on the scheme operated in Sandwell it was necessary to remove this option from the consultation. It has become clear that residency qualifications do not currently comply with the law but this may change in the future if the Localism Act is amended.

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 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.

I am pleased to report that the Essex Benefits Mangers group are one of the five finalists for the Institute of Rating, Revenues and Valuation (IRRV) annual award for excellence in partnership working. This is well deserved recognition for the work that

has gone into the implementation of Local Council Tax Support across the county. The winners will be announced on 8 October at the IRRV annual conference.

Revenues

The September meeting of the Finance and Performance Management Scrutiny Panel received a report on progress against the targets for the key performance indicators at the end of the first quarter of 2013/14. A Council Tax collection rate of 27.32% had been achieved and this is better than both the target of 27.03% and the collection rate at this time last year.

The collection of non-domestic rates was slightly lower than the target at the end of June, with 28.43% achieved compared to the target of 29.68%. This is a consequence of the change in the legislation to allow ratepayers to spread their instalments over 12 months (April to March) instead of the previous requirement to make payment over 10 months (April to January). Understandably, most of the Council's significant ratepayers have taken up the 12 month option to improve their cash flow. As these amounts should still ultimately be collected I am confident that the annual target will still be achieved.