

Report to the Council

Committee: Cabinet

Date: 29 September 2015

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 17 September and will be considering reports on the Treasury Management Outturn for 2014/15, Financial Monitoring for Quarter 1 of 2015/16 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 3 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.

Members should note that there is greater uncertainty than usual this year as the Chancellor of the Exchequer is currently conducting his Comprehensive Spending Review. We will not know until the Autumn the size of the budget reduction faced by the Department for Communities and Local Government and the proportion of that budget reduction that will be passed straight on to local authorities. The Treasury are also conducting a review of business rates and this too is likely to impact on our future funding.

Benefits

The items to be included in the consultation on the Council's scheme for Local Council Tax Support for 2016/17 were agreed by Cabinet on 23 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 received comments from residents who currently receive support. Anyone who has not yet responded can do so by visiting the 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 2015/16. For 2015/16 the target for processing new claims was reduced from 25 days to 22 days. At the end of the first quarter performance was slightly worse than target at 22.56 days. However, this is an improvement on last year's first quarter performance of 23.06 and as we went on to achieve 21.74 days by the end of the year I am still confident that the target can be achieved for the year as a whole. The average processing time for changes of circumstance at the end of quarter 1 is 7.03 days, which is better than both the target of 10 days and last year's performance of 8.36 days.

The end of this month will see the transfer of our Benefit Fraud Investigation staff to the Department for Work and Pensions. This is part of the rollout of a national scheme to consolidate anti-fraud work into the Single Fraud Investigation Service. I am sure Members are familiar with the work of our team from the many successful prosecutions that have been publicised. I would like to pay tribute to the courage and dedication of these staff as they do complex and challenging work. I am sorry to see them go and I am sure Members would want to join me in wishing them well for the future.

Revenues

The report on progress against the targets for the key performance indicators at the end of the first quarter of 2015/16 includes Revenues items. A Council Tax collection rate of 27.56% had been achieved and this is better than both the target of 27.1% 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 28.52% achieved compared to the target of 28.38%.