

Report to the Council

Committee: Cabinet

Date: 25 April 2017

Subject: Finance

Portfolio Holder: Councillor G Mohindra

Recommending:

That the report of the Finance Portfolio Holder be noted

Accountancy

Since our last meeting in February the Chancellor of the Exchequer has delivered his Budget and I thought Members would find it helpful if I highlighted a few key points. The majority of the coverage in the media has concentrated on the proposed changes to National Insurance and their subsequent reversal but there were some important announcements for local government.

The most significant announcement was the additional £2 billion of funding over the next three years for adult social care services. It has also been acknowledged that wider reforms will be needed to put the system on a more secure and sustainable long term footing and the Government will be setting out their proposals in a green paper. Even though this Council is not responsible for adult social care we do provide many related services and this injection of funding should ease some of the pressure in this area.

There were several significant announcements on business rates, including support for businesses losing Small Business Rate Relief to limit the increases in their bills to £600 per year. Public houses were singled out for assistance and those with a rateable value of up to £100,000 will get a £1,000 discount off their business rates. A wider scheme of discretionary relief is also being consulted on with £300 million being made available over four years. Indicative allocations have been published and it is likely that we will have £300,000 in 2017/18 to assist those businesses that have been hit hardest by the revaluation. When the allocations and associated regulations have been confirmed I will bring a report to Cabinet with suggested qualifying criteria to apply in distributing this discretionary relief. The Budget did include a promise that local government would be compensated for the loss of income from the business rates measures so our overall funding position should not be harmed by these very welcome measures to support business.

The Budget also included announcements on supporting sustainability and transformation plans and accident and emergency services in the NHS, more money for both new schools and maintaining existing schools, £690 million for new local transport projects and support for 5G and full-fibre broadband. If Members are interested in finding out more of the detail I would strongly recommend the on the day briefing note provided by the Local Government Association. This is written in relatively plain English and at only eighteen pages is rather less intimidating than the Budget itself.

Benefits

The Welfare Cap, designed to improve Parliamentary accountability for the level of welfare spending, was reset by the Autumn Statement 2016. The Office for Budget Responsibility forecasts that welfare spending will remain within the cap and margin set at Autumn Statement 2016. In the Budget the Government stated that they would deliver the welfare savings already identified but had no plans for further savings in this Parliament beyond existing announcements.

The year-end position on the key performance indicators will be considered at the July meeting of the Resources Select Committee, but I will take this opportunity to give a brief update. The average time taken on processing a new claim was 21.83 days, which is better than the target of 22 days. The other processing indicator is for changes of circumstance and at 4.77 days this is also performing better than the target of 6 days.

Revenues

This is always a very busy time of year for staff in both Benefits and Revenues as the new-year bills and notifications generate a lot of calls and correspondence. As always, help and advice is being offered to support both residents and businesses that are facing changes in their bills.

The key performance indicators at the end of the year are positive for both Council Tax and Non-Domestic Rates. At the end of March the in-year collection rate for Council Tax was 97.99% which was ahead of the target of 97.0%. Similarly, Non-Domestic Rates was also ahead of the target of 97.7% with 97.75% having been collected.

I thought other Members may also be interested in some of the management information that the Revenues Service collects and the very good level of customer service this illustrates. The busiest week in March sees the service receive 2,000 phone calls of which only 8 were abandoned this year, compared to 36 and 158 in the two previous years. The average wait for callers was reduced to 36 seconds from 1 minute 12 seconds last year and 2 minutes 18 seconds in 2015. I would like to take this opportunity to thank the staff of the Revenues Service as this continuous improvement demonstrates how we are making good use of technology and putting residents at the heart of what we do.

Customer service has been further enhanced by the launch of on line self-service for Council Tax and Business Rates. This system allows users to view their accounts and check transactions, make payments and sign up for direct debit. The most exciting feature of the system is that users can chose to receive their bills electronically in future and do away with paper bills. So far we have had nearly 800 users register on the system and more than 200 have asked to receive their bills electronically in future. This system is secure, quick and easy and allows people to manage their accounts at a time that suits them so I would encourage both residents and businesses to sign up.