

# ***Report to the Council***

**Committee: Cabinet**

**Date: 31 July 2018**

**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**

Since the last Council meeting we have closed the accounts to the new earlier 31<sup>st</sup> May deadline. This was as expected quite challenging and was a little more hurried than planned, which was not ideal with some checking not being complete until after that date. The draft accounts were authorised for issue to the auditors on 30<sup>th</sup> May.

Normally there has been around two weeks between issuing the accounts and the audit commencing. Because of the change in date the audit by necessity moved a month earlier. The amount of work required by the auditor has if anything increased slightly and coupled with trying to do three month's work in two has made the earlier deadline quite tough for the Auditor as well as us. Hopefully this meeting will be in a position to approve the accounts which will mean the auditors have been able to complete their accounts work and issue their opinion. I remain to be convinced of the value of the earlier deadline and hope a full and thorough high level review of this will occur and seriously consider whether this tighter deadline is really necessary.

E-Invoicing on all invoices processed through our Marketplace ordering system was switched on during June. This will mean few paper invoices being passed around the organisation so should help improve our invoice processing performance indicator. Prior to this change around 120 e-invoices were being processed the latest figures show this to be around 250 per month. There are still a lot of paper invoices being received and these relate to orders initiated in communities for housing repairs. This is the next e-invoicing project to be tackled.

## **Benefits**

Universal Credit full service continues to be rolled out across the country for new claims and the Jobcentre at Redbridge partially rolled out in June with the remainder of their postcodes becoming full service in July. Universal Credit is not currently having much effect on our Benefits Service at present as the majority of the District falls under the Loughton Jobcentre which will go live with full service in December 2018. The current plan by the DWP is that it will not be until 2023 until the existing Housing Benefit claims are transferred to Universal Credit.

One change to Universal Credit that has been made recently is that anyone placed in Bed & Breakfast accommodation by the Council, will be exempt from Universal Credit and they will still be able to claim Housing Benefit. This is a welcome change because under Universal Credit these vulnerable people could not afford to pay their rent for their Bed & Breakfast accommodation.

(N.B. The roll out schedule for Universal Credit in the District is on the website)

One success for the Benefits Service is the Data matching project that is being carried out in Essex to protect & increase the Council Tax base. After a slow start, this began to produce results in October 2017 and for the last 3 months, we have been in the top two authorities in Essex for increasing the council tax base. As of 4th July, we have increased the council tax by £85,500, whilst across Essex, the council tax has increased by £538,500.

### **Revenues**

Collection performance at the end of Q1 2018/19 showed Council Tax at 27.54% which is around the target collection rate of 27.55. Business Rates collection exceeded last year's performance at the end of Q1 by 0.63%, at 29.88%. Whilst the Business Rates performance is welcome it is how much debit we are actually collecting and the benefits of increasing the Business Rates tax base through growth in the District's rateable value through economic development that is important. I can report that the rateable value for the District has increased since 1/4/18 by £800,000 to £96.8m through property growth in the valuation list.

Following the annual billing this year the number of residents signed up for self-service on their Council Tax accounts has risen to 3,400 with 1,400 now opting for e-billing. The figures continue to grow negating the need for residents to contact the Council for routine account enquiries or sign-up for Direct Debit. The next major phase of self-service has now gone live enabling residents to notify the Council Tax team when they move into, out of or within the District. The information is then updated automatically in the database without the re-keying of information by officers providing a faster service for residents with their Council Tax bills.

One major exercise that is anticipated over the summer months is the release of several technical consultation papers by Government that will outline the ideas around the move to 75% Local Business Rates Retention from the current level of 50%. This will have a major impact on how local government is funded and which service could be transferred as part of any settlement. A briefing paper will be forthcoming when the consultation papers are released.