

## BABERGH DISTRICT COUNCIL CABINET MEMBER UPDATE

<b>From: Councillor John Ward Cabinet Member for Finance</b>	<b>Report Number: <big>CMU15</big></b>
<b>To: Council</b>	<b>Date of meeting: 21 January 2020</b>

### TO PROVIDE AN UPDATE FROM THE CABINET MEMBER FOR FINANCE

#### 1. Overview of Portfolio

- 1.1 This report summarises the key areas of activity in my portfolio since my last report in September, before highlighting what is coming up for the next 3 months. The portfolio includes Finance, Commissioning and Procurement and the Shared Revenues Partnership. For Babergh it also includes HR and Organisational Development.
- 1.2 Due to the pre-election period, the planned finance reports to Cabinet or Committee, that I mentioned in my last report to Council, have been deferred until this month or circulated outside of a formal meeting.

#### 2. Recommendation

- 2.1 That Council notes the report.

#### 3. Key Activities since September

##### *2018/19 Statement of Accounts*

- 3.1 I mentioned in my report in September that our external auditors, Ernst & Young LLP (EY), were unable to complete their work and sign off the accounts by the end of July, due to resourcing issues. Their challenges have continued since September and the intention is now to present their report and the audited accounts to Joint Audit and Standards Committee at the end of January.

##### *2019/20 Budget Monitoring*

- 3.2 The second quarter budget monitoring reports for the General Fund and HRA were due to be presented to Cabinet in December, but due to the general election and the pre-election period it was decided by the Leader and the Chief Executive to circulate the reports outside of the January Cabinet meetings, in order to manage those agendas. The reports have been made available to all councillors and the public on the Council's website.
- 3.3 Based on the information at the second quarter, projected to the end of the year, the General Fund is showing a favourable variance of £18k for Babergh and £397k for Mid Suffolk comprising several favourable and adverse variances that are detailed in the report. Capital spend is currently projected to be £15.2m less than budget for Babergh and £12.6m for Mid Suffolk. This is as a result of the total budget for some major capital projects being included within the 2019/20 budget, but the expenditure will be incurred across more than one year. Any underspend on these projects will be carried forward to 2020/21.

- 3.4 For the HRA, the position is different with an adverse variance of £109k currently being projected to the end of the year for Babergh and £230k for Mid Suffolk. Again, these are made up of a range of favourable and adverse variances with the detail being set out in the reports. Capital spend is currently projected to be £250k less than budget for Babergh and on target for Mid Suffolk at the year-end.

#### *Finance Training for Councillors*

- 3.5 Since my last report in September, the two remaining finance training modules on business rates and council tax have been delivered. Attendance continued to be disappointing for these last two modules, but the feedback from those that did attend was positive.
- 3.6 As attendance reduced to about one quarter of all councillors attending the final session on council tax, I would be interested in hearing your views as to what could be done differently in future to increase participation.

#### *Shared Revenues Partnership (SRP)*

- 3.7 Since my last report there has not been a meeting of the SRP Joint Committee, due to the general election and pre-election period. The next one will be held on 29<sup>th</sup> January 2020.
- 3.8 Two reports linked to council tax were approved by Cabinet in January. The first was the introduction of a Council Tax Penalties Policy and the second was the adoption of the Citizens Advice Collection Protocol.
- 3.9 The former has been introduced as part of an anti-fraud strategy to protect the public purse and maximise the tax base and will be used in cases like the single person discount. Cases will be considered on an individual basis to ensure that the most vulnerable residents are not adversely affected by the new policy.
- 3.10 The latter has been adopted following a review by the Shared Revenues Partnership of their council tax collection processes and how these could be improved. The Citizens Advice Collection Protocol reflects best practice and will further facilitate regular liaison between the Councils, our enforcement agents and Citizens Advice on practices and policy concerning council tax collection.
- 3.11 In my last report I outlined that the Shared Revenues Partnership was undertaking a review of the Council Tax Reduction Scheme. Following the exploratory work, it became evident that it was not possible to make changes that would assist with administering the scheme without having a significant impact on our most vulnerable residents. This work has therefore been put on hold.
- 3.12 A review of long-term empty properties has been undertaken in order to maximise the new homes bonus payment (NHB) for 2020/21. This resulted in a reduction in the number of properties recorded as being unoccupied and unfurnished for over 6 months by 33 for Babergh and 31 for Mid Suffolk. This reduction will form part of the NHB payment.
- 3.13 A project is being run to identify either missing rateable value or undervalued business rate properties. At the end of November, 32 reports for Babergh and 63 reports for Mid Suffolk have been raised with the Valuation Office Agency. The outcome so far is an additional £32,580 rateable value for Babergh and £273,725 for Mid Suffolk.

- 3.14 A new portal has been implemented that allows landlords to view their Housing Benefit account online and check what payments they will be receiving for their tenants. This has resulted in a reduction of printed and mailed items. 702 items were recorded for the last week in September and this has reduced to a maximum of 4 items per week since the portal went live.
- 3.15 The Shared Revenues Partnership continues to promote the retail discount when contacting ratepayers. As at the end of November, £560,896 had been awarded to ratepayers in Babergh and £334,763 in Mid Suffolk.

#### *Staff Survey*

- 3.16 The second staff survey was launched in November and closed at the end of December. The responses are currently being analysed and the Senior Leadership Team will see the results in February. The results will then be shared with all staff and councillors with an action plan being developed in conjunction with a cross-section of employees.

### **4. Future Key Activities**

#### *Regular Reports to Cabinet / Committees*

- 4.1 Due to the general election and pre-election period some of the regular reports that I mentioned in my last report are being presented later than anticipated. I have already spoken about the Statement of Accounts and the second quarter budget monitoring report, but the other report impacted was the half-year report on treasury management. This is now being reported to Joint Audit and Standards Committee on 27<sup>th</sup> January along with the 2020/21 Capital, Investment and Treasury Management Strategies and the external auditors report on the Statement of Accounts.
- 4.2 The third quarter budget monitoring report will go to Cabinet in March. I will report the key messages from all these reports in my next Cabinet Member report to Council.

#### *2019/20 Budget and Medium-Term Financial Strategy*

- 4.3 Since my last report, a lot of work has been done in preparing the 2020/21 budgets. An all Member briefing was held in early January before the proposals were published, followed by the draft budgets being presented to Cabinet and more recently reviewed by Overview and Scrutiny Committee. Any further amendments will be made before the final proposals are presented to Cabinet in February for recommendation to Council for approval at the end of February.

#### *External Review of Commissioning and Procurement*

- 4.4 Following the Management Review and the creation of one new team that covers Finance, Commissioning and Procurement, the decision has been taken to invite the East of England Local Government Association to undertake a review of our commissioning and procurement activity. This will begin in early February and be concluded in April/May with a report being produced. This will be considered by the Commissioning and Procurement Board and the Senior Leadership Team and an action plan developed to respond to any areas for development.