

Resources and Personnel Policy Portfolio

Councillor Greg Marshall

Portfolio Holder's Report to Council – 12 October 2022

Finance Services Update

Audit of the Statement of Accounts

After reporting the financial outturn to Cabinet in July, the draft Statement of Accounts for 2021/22 has now been produced and is available on the Council's website. The accounts are currently being subjected to scrutiny by Mazars, the Council's external auditors, with the audit expected to conclude shortly and the accounts signed off by 30 November. In the meantime, an update was provided by Mazars to the Governance, Audit and Standards Committee on 26 September.

Launch of Budget Setting 2023/24

The Deputy Chief Executive and Section 151 Officer has recently launched the budget setting process for 2023/24. Officers are busy preparing new business plans, revenue and capital budgets and reviewing their fees and charges lists.

The proposed business plans and financial estimates will be scrutinised by Overview and Scrutiny Committee on 30 and 31 January 2023, in advance of being considered at Cabinet on 7 February 2023 with a recommendation onto Full Council to approve the budget on 4 March 2023.

Medium Term Financial Strategy and Business Strategy

Cabinet also recently considered and approved the updated Medium Term Financial Strategy and the refreshed Business Strategy for 2023/24.

As reported to Cabinet in July, there was an underspend of £1.9m on the General Fund revenue budget in 2021/22 resulting in an increase of General Fund balances to £7.4m as at 31 March 2022. This was due to a variety of underspends, additional income, budget carry forwards, changes in provisions, government grants and effective financial management across the Council.

The latest MTFs shows that the Council is experiencing significant budgetary pressures that will impact on its 2022/23 and 2023/24 budgets. These include the cost of pay awards, high price inflation including the rising cost of energy and fuel and construction costs, also linked to issues with the supply chains.

The impact of these pressures on the General Fund in 2022/23 is currently estimated at around £800k and could increase the draw on reserves to £1.5m.

The potential budget gap on the MTFs for 2023/24 is £2.1m. This current projection assumes that no additional financial support is received from Central Government.

The refreshed Business Strategy presented to Cabinet identified £690k of potential revenue savings and additional growth and income to meet the projected shortfall.

This is inevitably going to be another challenging budget round, particularly in view of the impact of high inflation and ‘the cost of living crisis’ on the Council budgets and with uncertainties surrounding what extra central government funding support may be made available to local authorities.

Officers will continue to review the situation as part of the budget setting process and update the MTFs accordingly.

Budget Consultation

Cabinet recently agreed the content of the Budget Consultation for 2023/24. The survey includes questions relating to a resident’s method of access of Council services, the preferred means of interaction with the Council and the impact of the ongoing cost of living crisis.

The web-based questionnaire, which is open until 30 November 2022, is being promoted through social media, ‘email-me’ bulletins, press releases, website and direct engagement with those on the Council’s stakeholder map. All responders will be entered into a prize draw.

The Council received a good level of response last year and is looking for similar levels of public engagement again to feed into the latest budget round.

Revenues, Benefits, Quality & Control and Customer Services

Revenues

The Revenues Team are responsible for the administration of Council Tax and Business Rates, including the recovery of these.

Council Tax is the main source of income for the Council and the other main major precepting authorities, such as Nottinghamshire County Council, Nottinghamshire Police and Crime Commissioner and Nottinghamshire Fire as well as the Parish Councils. In 22/23, the net charge is £76m, with 8% of this being retained by Broxtowe.

Business Rates is a significant income generator for the Council with us being able to retain 40% of the amounts collected, with the remaining amounts being split between central government, NCC and Nottinghamshire Fire. A business is evaluated on its Rateable Value, as determined by the valuation office agency, and this has increased by over £3m since April 2020. This council now collects over £28m in business rates.

Both the Business Rates and Council Tax collection rates continue to improve following the pandemic, there is still some work to go achieve pre-pandemic levels. It is likely that these levels could be impacted again as a result of the cost of living increases. Currently, the Council Tax collection rate is 1.1% below pre-pandemic levels.

The Revenues Team are concluding the Business Support provided during the pandemic and the additional work as a result of the Rising Cost of living.

Energy Rebate

The Revenues Team are also providing the administration of the £150 Energy Rebate payment. This scheme is drawing to a close and the Council is no longer accepting applications. All those that did not apply have had their Council Tax accounts credited with the £150, or if they were entitled to the Discretionary Scheme, the £170. The Council has a remaining balance of £4,170 of its Discretionary Fund to utilise before the end of November.

Benefits

The Benefits Team is responsible for the administration of Housing Benefit and Council Tax Support. Both of these are designed to support the most vulnerable in our community. With the introduction of Universal Credit (UC) we have seen a reduction on the number of Housing Benefit claims processed, however, most of those receiving UC will still be required to apply for assistance on Council Tax Support.

The Team has provided some additional resource to support the Energy Rebate payments but have been able to maintain excellent performance with New Claims taking on average 7 days to process and Change of Circumstances taking 4 days during the month of August.

Quality & Control

Q&C is a small team that is responsible for the recovery of Sundry Debtors, Housing Benefit Overpayments and the Discretionary Housing Payments (DHP's).

DHP's are to assist those receiving Housing Benefit or the Housing Element of Universal Credit and experiencing hardship. This pot of money is received by Central Government but is reducing year on year. This year's balance is £88k, which is down over £36k from 2021/22. A report will go to Cabinet in October, was originally scheduled for the now postponed September Cabinet, to request a top up of £36k to allow the team to support the most vulnerable in the community.

Customer Services

The Customer Services Team is responsible for handling phone calls and face to face interviews for the following 8 services as well as the switchboard. Outside of these, it is the responsibility of the back office team

- Council Tax
- Housing Benefits & Council Tax Support
- Business Rates
- Housing Rents
- Housing Repairs
- Grounds Maintenance
- Street Cleansing

- Refuse

During the year, the Council receives over 115.000 telephone calls. During the pandemic, this team provided valuable information to the public on aspects such as the Business Grants and the restrictions based on the governments tiers. Currently, this team is supporting those that need help applying for the Energy Rebate, in addition to their usual tasks.

The Customer Services Team are currently working with the Overview and Scrutiny Working Group in relation to call answering. This working group is coming to an end with recommendations expected to Overview and Scrutiny Committee in the near future.

The Team has seen turnover with two members of the team moving to Erewash BC. They are currently out to recruit for replacements. This has impacted the service marginally during August, due to holidays, but September performance appears to be returning to expected levels of 10% abandonment rate or lower.

An updated Customer Services Strategy will be put to Members in a Cabinet meeting before Christmas. It is expected to include the recommendations provided by the Overview and Scrutiny Committee.