

**RESOURCES AND PERSONNEL POLICY PORTFOLIO
COUNCILLOR G MARSHALL**

Report to Council -12 July 2023

Finance Services Update

Accounts Outturn

As reported to Cabinet on 4 July, there was an underspend of £2.1m on the General Fund revenue budget in 2022/23. Overall, after transfers to and from earmarked reserves, there was a net withdrawal of £1.0m from balances resulting in a closing General Fund Reserve of £6.4m at 31 March 2023. This variation was due to a variety of a net budget underspends, additional income, budget carry forwards, changes in provisions, government grants and effective financial management across the Council.

In terms of budget variations, there was a net overspend in direct staffing costs of £281k against the budget which included a challenging vacancy target. Outturn included the full-year impact of the inflated pay award and agency and other temporary staff used to cover vacancies within the establishment. Other budget increases impacted by the high price inflation economy included energy costs and transport fuel costs, with pressure on all other general operating expenses. It was pleasing to note increased income generated from planning fees, refuse collection services and commercial property rentals. Almost £1.0m of revenue grant monies was received from DLUHC for the Stapleford Town Fund and the UK Shared Prosperity Fund. Some of this was utilised in year, but the remaining balance has been moved into earmarked reserves for application in 2023/24.

In terms of financing the budget, the main area of risk, volatility and complexity is linked to Business Rates. Whilst there has been growth in the net rates payable, this is accounted for through the Collection Fund with any benefit in the General Fund not materialising until the following year. The value of Section 31 grants received in year, to compensate the Council for discount and relief schemes, was significantly less than estimated due to a late notification of grant conditions. This shortfall has been fully provided for in the accounts and will be largely balanced out by an increase in net rates payable, which if all things remain constant, will see an increase in the distributed Collection Fund surplus in future years. This timing issue for the General Fund is being monitored by the Section 151 Officer.

Also reported to Cabinet was a £395k overspend on the Housing Revenue Account in 2022/23. This resulted in an increased draw on HRA working balances which amounted to £2.97m at 31 March 2023. The main reason for the overspend was the cost of using sub-contractors to complete necessary works, as there were vacancies in the Housing Repairs team. This cost was partially offset by vacancy savings across the HRA establishment throughout the year. There was also a technical overspend on capital depreciation charges largely due to an increasing Housing stock valuation. It was pleasing to note that Housing Rent income was £198k higher

than the budget, whilst income from investment interest was £143k higher than budgeted due to positive cash flows and increases in the Council's investment rates across the year.

In terms of the approved Capital Programme for 2022/23, the Council spent £13.9m against a budget of £26.1m. This included significant investment in the Council's housing stock, housing acquisitions and new builds, Stapleford Towns Fund, Beeston Square, parks and open spaces, vehicle fleet and the ICT development programme. The programme is financed by a mixture of capital receipts, grants and prudential borrowing. The main slippage in the programme largely related to the Housing Delivery schemes, where progress can be affected by many external factors, and the Stapleford Towns Fund, which continues to progress at a pace. The majority of schemes showing a budget underspend at year end, around £11.9m, were approved for carry forward into the 2023/24 capital programme. The progress made and risks associated with all schemes continues to be carefully managed by the respective budget holders and is monitored GMT.

Medium Term Financial Strategy and Business Strategy

The Council's Medium Term Financial Strategy and Business Strategy will be refreshed over the summer to reflect outturn and the latest budget information. The outcomes will be presented to Cabinet on 3 October 2023 for approval in advance of 2024/25 budget setting.

Audit of the Statement of Accounts

In addition to reporting the financial outturn to Cabinet on 4 July 2023, the draft Statement of Accounts for 2022/23 have been produced and are published on the Council's website. The accounts closedown process remains an extensive and complex project and it was a real achievement by the Finance Services team to meet the 31 May statutory deadline – brought forward by two months from 31 July in previous years. The accounts will now be subjected to scrutiny by Mazars, the Council's external auditors, with the audit expected to conclude and the accounts signed off by 30 November at the latest. In the meantime, regular updates will be provided to the Governance, Audit and Standards Committee.

Financial Procedure Rules, including Contract Procedure Rules

As part of the review of the Constitution, a review of the Council's Financial and Contract Procedure Rules has been undertaken. The updated rules were considered by Governance, Audit and Standards Committee on 19 June and unanimously recommended onto Council tonight for formal approval and adoption. These rules are designed to assist the Council to regulate and control finances across the Council and are fundamental to maintaining acceptable standards of financial administration, supporting good governance and high performance. Every employee shall comply with these rules when carrying out their duties. The review sought to ensure the rules remained fit-for-purpose, complied with the relevant legislation and regulations and meet the current and future needs of the Council. The review process included benchmarking against similar documents published by other local district councils.

The existing Financial Regulations were found to be generally effective but did require some update in terms of process and to specified delegated limits, which had not been refreshed for many years. The main changes proposed included updates to budget virement limits, including capital virement from approved contingency; increasing write-off delegated limits; and adding a new section referring to partnership arrangements and external funding. The Contract Procedure Rules were subjected to more extensive revision, to underpin the main objectives of allowing greater flexibility in our approach to procurement; allowing for new UK Procurement Law anticipated in 2024 and potential changes in procurement thresholds; and to structure the rules in a more logical order. These changes were unanimously supported by Members at the Governance, Audit and Standards Committee.

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 23/24, the net charge is £79.9million, 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. This council now collects over £28m in business rates.

The Council Tax collection rate for 2022/23 was 97.4%, an improvement of over 0.4% on the previous year. Business Rates collection rate was 98.7%, an improvement over 1.2% on the previous year.

The Revenues Team has recently concluded a Single Person Discount Review which has generated a further £84k for all precepting authorities to share based on their percentage of the Council Tax charge.

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 support to customers through the Council Tax Support Fund. This allows an additional amount up to £85 to Council Tax Support customers

for the 2023/24 year. The fund equates to an additional £171k to support the most vulnerable in the community.

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 equivalent to the 2022/23 amount but lower than previous years. Nottinghamshire County Council have awarded a further £28k that the Council can add to the DHP fund through their allocation of Household Support Fund.

Alternative Energy Rebate

The Q&C team have been administering the alternative Energy Rebate schemes. This is to provide support for those that are not able to obtain the £400 directly from their gas or electricity supplier. The scheme closed on 31 May 2023 and a further £98k has been awarded to support people in Broxtowe.

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

The Council receives over 100,000 telephone calls. In addition to this, they provide a reception service at the Beeston Council Offices as well as seeing customers face to face with more detailed queries regarding the services above.

The Number of services provided is due to change with Housing Repairs being managed within the Housing Team. There is no specified date for this transfer to take place but is expected within the next couple of months.

The Team has experienced a high volume of turnover recently and has encountered recruitment issues, which are consistent with other areas of the Council. In view of this, the team conducted an open day in which prospective applicants were welcome to see how the service works, what would be expected and also to provide support in the process of completing an application form. The Team had over 30 attendees and received very positive feedback from those that attended. As a result, we have

been able to recruit 5 new people to join the team. This is expected to assist in the improvement process for Customer Services.

This works in line with the Customer Services Strategy that was approved by Members in January 2023.

Human Resources Update

A new Human Resources Officer has been appointed, from Leicester City Council who has completed a Level 3 Apprenticeship and is about to finish Level 5 Apprenticeship in Human Resources. The Officer has fitted into the team well and is already involved in a lot of case work across the authority. Her final Apprenticeship project, will be developing a comprehensive Manager's Induction Programme which will provide newly appointed Managers and internally appointed/promoted Managers with a wide-ranging training and induction programme that covers HR/Payroll/Learning & Development, Finance, Democratic Services, and Legal functions.

Mental Health

The Health and Safety Manager has been rolling out Mental Health training for all Senior Managers – so far 33 Managers have received training.

We celebrated Mental Health Awareness Week in May and organised a Charity cake sale and raised £61 for the Mental Health Foundation, wear it Green day for employees to show support for Mental Health awareness, cakes at the Depot with mental health resources provided to the teams and drop-in sessions in the Wellbeing Room

We have successfully reviewed and renewed our Mindful Employer Charter status, having maintained status for 10 years. The charter renews our commitment to supporting all employees and job applicants with a mental health condition. Maintaining this status, along with our recent award status of a Disability Confident Leader ensures that we are leading the way with Mental Health and Disabilities support.

HR Policies

The following policies are being reviewed at LJCC on 29 June:

- Reserve Forces Mobilisation Policy – supporting Armed Forces Reservists
- Leave Scheme – incorporating the additional days' leave agreed from the 2022/23 National Pay Award and amending relevant clauses to support the above Mobilisation Policy.

Restructures

The HR Team has supported a successful restructure within Housing Repairs which has improved terms and conditions, working arrangements, work/life balance, service delivery, internal promotions and recruitment opportunities.

Bramcote Crematorium is undertaking a restructure that upskills some posts, adds resilience to rotas including Saturdays and harmonises some contractual anomalies

Pre-Retirements

The Council's existing Pre-Retirement Course provider (Nottinghamshire and District Pre-Retirement Council) is ceasing to exist from July after 55 years. We have sourced an alternative (Affinity Connect) who provide the course to all the other Local Authorities. This service is free and will generate a saving.

Apprenticeships

We currently have 10 apprenticeships in progress, and have enrolled existing employees and new apprentices on a number of new apprenticeship courses including Senior Leader (Level 7), Internal Audit Professional, Horticulture, HR and ICT.

We arranged an open day in February for the Horticulture Apprenticeship role, which was a huge success with around 10 prospective applicants attending on the day which included men, women, school leavers and adults, along with some candidates with disabilities.

National Pay Award Negotiations

The pay offer for 23/24 has been rejected by Unison/GMT/Unite and unions will be undertaking balloting over the next few months with strike action potentially proposed, although this will be done nationally on a 'disaggregated' basis which could result in strikes at some locations but not others depending on voter turnout at each organisation. We will await further information from the unions and the LGA. The pay offer was £1925 as per the 2022/23 award.

Projects

The HR Team were able to support the Council's Elections work during April and May and conducted around 400 right to work checks for everyone working on the elections.

We have successfully applied for and gained the Silver Award for the Armed Forces Employers Recognition Scheme and adapted our policies to support any Reservists.

The HR Team is supporting the Deputy Chief Executive with the recruitment of a number of roles in the Asset Management team.

Customer Services recently held an open day for a number of vacancies and had around 30-40 people attend – the HR Team supported activities on the day.

Communications

Several consultations have recently taken place, led by the Communications Team. The annual employee survey and the Let's Talk Broxtowe Consultation to gather feedback on the new corporate plan, the latter of which received significantly higher return rates than a similar exercise in 2019. Results for both are currently being analysed and will be presented in due course.

Other recent and ongoing communications and engagement activity includes:

- Behaviour change communications to support the climate change and green futures programme.
- Working with the Disability Forum to attract new people to the group and deliver new projects.
- Activities to mark Armed Forces Day.
- Supporting the Levelling Up, Towns Fund and UKSPF projects.

The Council's website was ranked first place out of 404 local government websites in the Q1 Sitemorse Index (up one place from Q1 of 2023/24). The Index assesses and ranks websites on usability, accessibility for people with disabilities, quality and performance. Significant work has been undertaken to review and continually improve the website for residents over the last 12 months and this is reflected in its high ranking in the index.