

Appendix G

FINANCE

Portfolio Holder Statement Update – Mid Year

1. What have the measures in the Portfolio Holder Statement been telling you about how things are going in service during 2013/14?

Benefits/Council Tax Reduction

Whilst there are monthly variances in the number of claimants, in each month of this year there have been fewer claimants than for the same period last year.

Number of claimants	April	May	June	July	August	September
2012	9,795	9,742	9,757	9,754	9,743	9,245
2013	9,421	9,406	9,401	9,370	9,348	9,221
Change	-374	-336	-356	-384	-395	-24

These reductions have been in working age and pensioner claimants, however the total number of changes in circumstances processed has increased.

Staff have continued to work with claimants for the introduction of the various Welfare Reforms, notably the changes relating to the Spare Room Subsidy and the Benefits Cap. Not surprisingly, there have been more applications for Discretionary Housing Payments.

2. Which measures have been of particular interest or concern during the period and what have you learnt about your systems from these measures?

Business Rates Retention

Since the commencement of Business Rate Retention in April 2013, Business Rate income due has been very tightly monitored, something not required under the previous regime. Whilst it was always anticipated that there would be growth in the amount due to two new large retail developments opening, this growth has been partly undermined by some successful appeals.

Appeals are now being analysed in more detail, with greater details being sought of outstanding appeals from the Valuation Office. In addition, investigation is being given to acquiring support to forecast changes in the debit, in conjunction with neighbouring district councils.

Other initiatives are being undertaken to ensure all properties are being correctly rated.

Despite the appeals, there has been growth in the total rateable value of £2.4m on a base of £163m, which should release increased debit without recourse for the overall assumptions in the Council's medium term financial strategy being amended.

3. What have you done to date as a result of learning from these measures?

Collection Rates

The collection rates (based on total due for the whole year) for the first half year were:-

Council Tax 56.95% (57.40% for 202/13)

Business Rates 57.44% (58.00% for 2012/13)

Whilst these reductions are disappointing, these figures are still impressive compared to most other local authorities. Whilst there undoubtedly may be many causes for this change, one of the issues is the backlog that has resulted due to staff shortages within the Revenues Section.

There has been a larger backlog in council tax processing than for business rates. This is largely due to staff shortages within the council tax team. This processing delay may have contributed to the increase in council tax arrears (compared to the same time in 2012/13).

New "generic" job descriptions are being trialled for two new revenues officers (commenced in September) and for some existing staff which will enable staff to work on either council tax or business rates. In addition, staff are continuing to work overtime to seek to reduce the backlog.

The success of these changes on the backlog and arrears levels is being monitored on a continuous basis.

4. What has been the impact of what you have done to date?

Budget Review

The Budget Review process has continued throughout the year, with regular reports to SMT and the Executive. This proactive monitoring is currently forecasting saving of around £600k compared to the original estimates. This surplus primarily relates to increased income. Identification of this sum will help the Council in planning how to manage all the competing demands upon its resources.

The financial projections now go up to 2018/19, where a shortfall of around £1m is forecast, taking into account various assumptions, including certain savings. Alongside this, work has been on-going with Services to identify how budget reductions can be made for 2014/15 in line with the Council's agreed approach. This will be detailed more in the December 2013 Base Budget report.

5. What else do you plan to do as a result of learning from these measures?

Transaction Review

Finance is working with all service areas to seek to reduce the number of financial transactions (numbers of suppliers, orders, invoices, payments). Initiatives include:-

- Seeking to set up a "procurement card" to improve manage of small value spend, in place of current credit cards
- Setting up corporate contracts to seek to include all Council spend
- Working with suppliers to provide "amalgamated" orders.
- Help to officers in raising orders effectively, eg pro-actively raising annual orders.

- All creditor invoices to be processed by FSTeam. Work on-going with Housing & Property Services to migrate their invoices.
- Leasehold property invoicing to be all managed by Housing & Property Services (plan to be confirmed, likely to be 2015).

6. Of your key projects (as identified in your portfolio holder statement) how many are on track in line with the original milestones? Of those that are not on track please indicate what the revised dates are.

Project	Progress	Original milestones	Revised milestones
Council Tax Reduction – amend scheme for 2014/15	Project progressing to plan.	December 2013 Council to agree scheme.	
Welfare Reforms – manage impact and prepare for Universal Credit	Lack of detail from central government and uncertainty how UC will be rolled out is delaying any detailed preparation. Benefits staff have received training on UC.	On-going	
Business Rates Retention – monitor and ensure all businesses are being correctly rated	Work on-going to plan – see earlier comments.	On-going	
Budget Review – continue review, review process in light of 2012/13 outturn	Review on-going. Work will be informed by the internal audit of budget monitoring currently being prepared.	Review to be completed by July 2013	Completion December 2013
Implementation of Income Management “On Line Returns” module	Delays with supplier and required software upgrade are delaying project. Still seeking for completion by March 2014.	October 2013 target Live Date	March 2014 target live date.

Project	Progress	Original milestones	Revised milestones
Council Tax Penalty – introduction following April 2013 Executive approval	Project progressing to plan.	Charging in place from November 2013	Charging in place from December 2013
Transactional Review – continue to seek to reduce transaction numbers and increase overall efficiency	Discussions being held with Housing and Property Services for all creditor invoices to be processed by FSTeam (in line with all other Council invoices), and also for leasehold property debtor invoices all to be managed by H&PS.	On-going	
Risk Management Strategy – continue to promote good risk management in line with Strategy and Action Plan	Annual report presented to Finance & Audit October. Risk Registers receiving much consideration by F&A and officers. RM training for Senior Officers March 2014.	On-going	
Code of Financial Practice – officer training	Suitable E-Training module acquired and being tailored to WDC.	Rollout Autumn 2013	Rollout early 2014
Finance Staffing/Workforce Planning	Consideration being given to workforce planning in light of all known and proposed changes.	On-going	
Review Housing & Property Accountancy support	Discussions being held with H&PS over support being provided.	On-going	

Project	Progress	Original milestones	Revised milestones
Review Discretionary Budget and implement reductions from 2014/15	Selected discretionary budgets being reduced from 2014/15. In addition, all non-contractual supplies/services budgets being reduced by 2.5% per annum over 4 years. Finance working with Service Areas to seek to ensure these budget reductions are achievable.		
Sign up to new Procurement Card and associated support system	Interim Procurement Manager prepared feasibility report. Discussions being held to acquire procurement cards in place of current credit cards.	On-going	
Consider impact of Public Sector Internal Audit Standards	Internal Audit & Risk Manager studying requirements so as to report to F&A.		Report to November F&A
Assist local suppliers to tender for Council contracts.	New procurement software in place, enabling suppliers to tender for WDC contracts along with other neighbouring council contracts. Event recently held for local suppliers interested in tendering for catering contract. Procurement Manager producing a plan for further initiatives.	On-going	

7. Does your Service Area Plan/Portfolio Holder Statement need to be amended? If so, please describe the changes.

Milestones to be amended as in section 6.