



Cabinet Member Report for Finance

Northampton Borough Council

8th June, 2015

Finance

Creating a stable and sustainable financial position continues to be a primary aim of the Council. Since 2010 Government funding received by the Council has reduced by around 40% and, although specific allocations for this Council are not yet known for future financial years, it is expected that further reductions will continue until at least 2018. The new Government announced it will be having a second Budget for the current year which will be presented to the House of Commons on 8th July 2015. Whilst it isn't expected that allocations will be announced for individual councils (these are expected later on in the financial year), it is anticipated the Chancellor will announce plans for a Comprehensive Spending Review that would set the overall funding envelope for Local Government and also outline how further savings to public expenditure, including welfare budgets, will be delivered.

The uncertainty around our funding position remains a risk and as set out in the Medium Term Financial Plan approved by Council in February 2015 places the Council in a good financial position for the next two years. This is due to the savings programme agreed in the 2015/16 budget. However, over the medium term as Government funding is expected to reduce further a deficit of £7m is anticipated by 2019/20. The Council will need to continue its approach to robustly managing its finances by making itself more efficient, as well as increasing its revenue streams by growing the local economy to balance its budget.

Currently the Council is in the process of delivering its savings of £2.5m as set out in the 2015/16 budget. Progress of this savings programme is on track to deliver and updates will be reported to Cabinet on a quarterly basis.

In addition the Council is preparing its accounts for the 2014/15 financial year. These will be passed across to the Council's external auditor by 30th June, who will then audit them and then signed off the Accounts by 30th September. Audit Committee in July will consider the draft Accounts and sign them off at their meeting in September.

Revenues and Benefits

LGSS Northampton has had another successful year with the service achieving its targets for both performance and efficiency. This also included national recognition for their work in training and developing its team (IRRV award winners). This recognition is important in raising its national profile to support increasing the membership of the service in the future. Taken against a backdrop of continued national reform and increased workloads the team continues to improve its level of performance during this challenging period.

In 2015-16 the service are expecting to manage locally new welfare reforms, highlighted during the election campaign. Managing these effectively, alongside priority projects aimed at delivering further improvement and efficiency will again present the service with significant challenges. The Governments Universal Credit programme is also expected to begin its roll – out in Northampton from September 2015. The service is fully prepared for the impact of the new benefit, although at this stage the impact on service in 2015 – 16 is expected to be minimal. The team will continue to ensure that officers and members are fully informed of national reforms, as and when information is made available.

Other Projects underway include a countywide single person discount review, which aims to increase collectable Council tax within Northamptonshire but more importantly ensure support is going to those that are entitled.

A project to support resilience in Northampton will contribute to managing increased workloads and also remove any remaining reliance on the private sector during peak periods. This will build on the implementation of shared telephony between our Norwich and Northampton operations and will ensure our customers continue to be supported during busy periods.

Councillor Mike Hallam
Cabinet Member for Finance