



Cabinet Member Report for Finance

Northampton Borough Council

2nd November, 2015

Finance

The medium term financial planning and budgeting process is well underway within the Council. Directorates are currently reviewing their budgets for the continuation of services, a process that will identify any cost pressures that may arise. In addition work is being undertaken to assess opportunities for efficiency savings in next year's budget. Such efficiencies will give the Council a head start in meeting challenges it faces over the medium term.

As reported previously the Council currently has a balanced financial position for the current year and next financial year too. However, over the medium term the Council has a substantial funding gap of £7m per annum by 2020 it needs to develop plans to close. To this end work has started, linked to the update of the Corporate Plan, to develop strategies to raise revenues and reduce the cost base of the Council.

It should be noted the medium term financial position is based on a number of assumptions, which may change. Key areas for potential change are Government Policy announcements and the Spending Review 2015. The Spending review is due to report in late November and the Council's financial position will be updated to reflect any announcements after this. There have been a number of announcements made already for example a reduction in housing rents of 1% per annum, proposals for the "right to budget" of tenants and for business rates to be retained locally. At this stage these announcements have been high level with little detail. However, the Council is using its networks and intelligence sources to understand potential implications on both its finances and service provision.

Revenues and Benefits

The Department is entering a busy period, as it prepares a range of options for consultation on the 2016-17, Council Tax Reduction Scheme. Service managers and the cabinet member for finance will be available to discuss these options as part of planned public consultation at the Guildhall on the 19th October 2015. The Council will also make the consultation available to the public via its website and also communicate plans for the scheme as part of its overall budget setting process for 2016-17.

The team are also supporting the external audit of our 2014-15 housing benefit subsidy claim. This return has a value of over £60 million and requires the Government's appointed external auditor to verify a huge amount of in year processing conducted by the service and to further verify its accuracy before a final claim is agreed.

Support for the implementation of Universal Credit also continues. The services Partnership and Development Officer will be meeting with key partners and focus groups over the coming months in readiness for the initial phase of the roll – out of this new benefit at the end of November 2015. In the meantime the Council are in the process of agreeing the Local Delivery Partnership Agreement that will deliver support to those claiming the new benefit both during the application process and after they start to receive Universal Credit. LGSS and Northampton Borough Council are committed to supporting this early phase of implementation and will ensure support is fully resourced to meet the new demand of services and most importantly our service users. Details of this initial phase of Universal Credit will continue to be communicated to all parties over the coming months.

LGSS continues to perform well against its key performance indicators despite some ongoing resource challenges. Turnover of staff within the team continues to be high and to support maintaining levels of performance the service are continually recruiting to vacant posts. LGSS have an award winning training and development team and therefore the service remains highly capable in terms of continually training both new and existing members of the team.

Improvements to the now separate Revenues and Benefits telephony service continue to be implemented and the service will be investing resource in this area to ensure we can deliver to service users' levels of expectation.

In addition to the services established posts, a resilience team will be in place for the service and operational by December 2015. This team will start to manage peaks removing excess work, improving performance and also creating an income stream to the partnership during off – peak periods. This is an important part of the future service offering for the partnership and ensures it capable of supporting a number of future scenarios faced as a result of reforms to welfare.

LGSS continues to attract interest from prospective partners and are currently engaged with a number of other Council's interested in either joining the partnership or using our services. Growth of the partnership remains very important in order to manage the challenges faced over the coming years in terms of performance, alongside supporting the need for cost savings for the Council.

An important consultation will be commenced shortly to start to engage with local partners and recipients of Council Tax Reductions. This consultation will start to consider options for the 2016-17 schemes and will support any proposed changes to the existing scheme in operation in 2015-16.

Councillor Mike Hallam
Cabinet Member for Finance