

Cabinet Member Question and Answer Session

Cabinet Member for Finance

Scrutiny Committee

Date: 25th March 2019

Author: Cabinet Member for Finance

Wards: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 This report sets out details of the portfolio for the Cabinet Member for Finance.
- 1.2 A key purpose of the Scrutiny Committee function is to hold the Cabinet to account and ensure that Council priorities and performance are being delivered. The Scrutiny Committee partly fulfils this requirement through the use of question and answer sessions with the Cabinet Member for Finance.
- 1.3 The purpose of the Question and Answer session is to ensure that the Cabinet Member provides the Scrutiny Committee with performance information relative to their portfolio responsibilities. It also requires the Cabinet Member to provide budget information for their portfolio responsibilities and provides an opportunity for the Scrutiny Committee to ask questions on the portfolio responsibilities.
- 1.4 The remit of the Committee includes the review, scrutiny, and development of policy recommendations and the monitoring of performance of corporate priorities including One Swindon and the Corporate Strategy.

2. Recommendations

Scrutiny Committee is recommended to:

- 2.1 Take note of the report by the Cabinet Member for Finance;
- 2.2 Put appropriate questions to the Cabinet Member for Finance;
- 2.3 Decide if any further action is required.

3. Detail

- 3.1 The Cabinet Member for Finance is Councillor Russell Holland who is accountable for the following Pledge from the Council's Vision:
 - 3.1.1 Pledge 17. Provide early support so that Swindon residents are financially included and avoid getting into debt.
- 3.2 The Portfolio responsibilities for this Cabinet position and are as follows :
 - 3.2.1 Annual Budget (Revenue and Capital Programme)

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3.2.2 Finance Management Overview

3.2.3 Medium Term Financial Plan

3.2.4 Procurement

3.2.5 Revenue and Benefits Services

3.2.6 Welfare and Benefits Policy

3.2.7 Commercial Investment Fund

What have you done well?

Delivering The Council's Vision and Pledges

3.3 In support of the pledge 17 the following work has been undertaken:

3.3.1 Text reminder and telephoning of residents in arrears of their Council Tax in order to offer support has continued to reduce the number of summonses that could be issued. In 2017/18 2,158 summonses were prevented and between April 2018 and January 2019 another 1,593 were prevented.

3.3.2 Publicising and encouraging residents to join Credit Unions. The Wiltshire Savings and Loans Credit Union merged with the Steam Ahead Credit Union and changed its name to Wiltshire and Swindon Credit Union. The offices at Cavendish Square have been taken on and enhanced. New collection points at Penhill, Toothill and Highworth have been started. The Clivey Credit Union is also promoted.

3.3.3 Using the Local Welfare Fund a grant of £51,027 was made to support and maintain the new charity running the Swindon food bank. Without this the food bank would have ceased. The food bank helps provide food for 5,000 people per year, including many children. The grant helped purchase the vans and ensured the distribution centre was able to continue. If the Local Welfare Fund had to directly provide food for 5,000 people there would have been a cost of at least £100,000 to the Council.

3.3.4 A newsletter was produced and delivered to 20,000 households providing information on the work of the Stop Loan sharks team and promoting the Credit Unions. The printing was paid for by the Stop Loan Sharks team (National Illegal money lending Unit).

3.3.5 A Social Enterprise Network has been established which promotes the creation and growth of Social Enterprises. These are non-profit making,

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sustainable businesses that create positive social and environmental impacts. They also have a historical record of helping and assisting those furthest from employment into employment.

- 3.3.6 Financial Inclusion Seminars continue to be held, which provide guidance to those that support vulnerable adults and networking opportunities.
- 3.3.7 Support to benefit claimants transferring to Universal Credit and those households who are benefit capped, has continued through budgeting support providing by Citizens Advice, the Libraries helping claimants to make claims online and with the payments of Discretionary Housing Payments

Achievements during the Year

Finance and Procurement

- 3.4 The audit of the statement of accounts for 2017/18 was completed by July 2018. This compares with September in previous years, in line with the new requirement to bring forward the deadline. Feedback from the external auditor to the Audit Committee highlighted that continued improvement in the quality of the accounts and working papers.
- 3.5 The Council received an unqualified value for money opinion and continues its strong record of financial management and keeping within its overall budget at a time of pressures on local government finances generally, and children's social care in particular.
- 3.6 The team has provided support to all of the Swindon programmes themes and has supported the approach taken in September and October 2018 to identify £21m of savings required for 2019/20. There has also been a particular focus on support to Children's Services to strengthen the understanding of the financial implications of the challenges being faced by the service and to develop robust monitoring arrangements to track a very challenging situation.
- 3.7 In keeping with the Organisation Excellence principles the team has identified efficiency savings of £354k for 2019/20. The team has also been working hard on the complex procurement of the new HR and Finance system which, when implemented, will enable organisation wide improvements in HR and Finance business processes as well as transform the way the team works.
- 3.8 Four commercial properties have been purchased in at a cost of £17m which will contribute an annual gross return of £1.2m to the Council. The surplus from these purchases has been used to help fund core council services.

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- 3.9 The Council has entered into an agreement for the sale and leaseback of a new Headquarters for Zurich Municipal which will act as a catalyst for Kimmerfields regeneration and will also deliver a financial return back to the Council for a minimum period of 20 years.
- 3.10 The successful delivery of strategically and operationally important procurement projects, enabling the delivery of budget savings and spanning a broad range from new business critical complex IT systems to works infrastructure projects such as large scale highway schemes and the Carriageworks refurbishment
- 3.11 The successful conclusion of the Financial Monitoring Board that was established in last financial year to support and monitor the changes to improve services and deliver financial benefits that have been made in Adult Social Care to improve our processes and services whilst also managing demand. Adult Social Care continue to review on a monthly basis the data and financial reports that were produced for the Board and the £2.160m savings target linked to this work has been delivered in full.

Revenues and Benefits

- 3.12 Business Rates in year collection increased from 98.2% to 98.7% during 2017/18. Unfortunately the Council Tax collection rate reduced from 97.9% to 97.4%, but much of this is believed to be as a result of a full review of Council Tax discounts, which increased the amount due by £926,000 (approximately a 0.8% increase). This increase has allowed the Council to increase its total income from the collection fund. The Council continues to collect monies owed during the following financial years and ultimately collects 99%. As at 31st January 2019 the collection rate for 2018/19 Council Tax was 0.3% ahead of the same point the previous year, whilst the Business Rates collection was 0.2% lower.
- 3.13 The Council discount and exemption scheme for Swindon care leavers under the age of 21 has been implemented. 20 Individuals have been supported and a total of £13,241 Council Tax has been discounted. Those that reach 21 are offered further support, but none have requested this to date.
- 3.14 The Business Rates limiting large increases schemes continued during 2018/19. For businesses that received Small Business Rates Relief in 2016/17, increases have been limited to £600 per annum for the last 2 years (this benefited 11 businesses). Public Houses with a rateable value of less than £100,000 have been offered a £1,000 reduction for both 2017/18 and 2018/19 and 40 businesses have been granted this. Thirdly medium sized businesses that could have faced increases of up to 42% have had increases limited to 12.5% in 2017/18 and 2018/19, subject to a maximum reduction of £5,000 per

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property unless hardship was shown. 31 businesses have benefited from this relief, but many businesses were not eligible due to the state aid regulations. A new retail relief scheme will operate in 2019/20 offering small and medium sized shops, cafes, restaurants and public houses a 33.3% reduction in their rates bills, again subject to state aid limits.

What would you do differently?

- 3.15 The Housing Company has not delivered as quickly as was hoped in terms of units delivered as well as financial returns back to the Council. Whilst a significant number of sites were identified early to form a pipeline of opportunities, early engagement with local members needs to be improved to ensure a reduction in aborted costs which has impacted company profitability.

What are the Challenges facing your Portfolio?

- 3.16 Revenues & Benefits will continue working on providing support to Universal Credit claimants and preventing summonses and reducing bailiff referrals for Council Tax. Undertaking further financial inclusion work to help low income households and encouraging Social Enterprises. The Government's Department for Works and Pensions have entered into a new partnership directly with Citizens Advice to help Universal Credit claimants and the funding available to the Libraries for helping people claim online is reducing. The intention is to utilise another DWP grant to maintain support to residents in the Libraries to make claims online, making job applications online and the running of 'job clubs.'
- 3.17 The additional contracting capacity required for one off projects including those funded by the Local Enterprise Partnership such as the New Eastern Villages infrastructure schemes.
- 3.18 The financial pressures on local authorities will continue and the Council's approach will seek to:
- 3.18.1 Extend further the financial planning horizon to prepare the organisation for the challenges ahead, including the Council's capital strategy;
 - 3.18.2 Engage with the development of the new funding arrangements for 2020/21 onwards to ensure that Swindon's interests are protected and that local decisions are taken with the best information of their impact;
 - 3.18.3 Maintain financial stability through effective decision making to ensure a focus on our essential services.
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- 3.19 Managing the budget in the forthcoming financial year will require rigorous monitoring of spending and tracking of the delivery of planned savings. In particular the budget contains a significant investment in children's social care to address the challenges within the service and ensure its future financial sustainability.
- 3.20 The implementation of the HR and Finance system will be a complex project impacting on the team and the wider organisation. It will require a significant investment of effort from the team to support the implementation and will lead to major changes in how the team works in future.
- 3.21 There is significant support required to a number of high value and complex procurement projects such as New Eastern Villages infrastructure schemes, passenger transport services and residential and nursing placements for Adult services.

4. Alternative Options

- 4.1 The Committee can choose not to operate a Cabinet Portfolio Question and Answer session system.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 There are no direct financial or procurement implications arising from this report.

Legal and Human Rights Implications

- 5.2 Section 21 of the Local Government Act requires every local authority to establish an overview and scrutiny function to hold the Executive to account, undertake policy development and review, monitor, and improve performance.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.3 There are no other direct implications arising from this report. Any further implications will be identified when a topic is reviewed by the Overview & Scrutiny Committee and in any recommendations made by it.

Diversity Impact Assessment

- 5.4 No Diversity Impact Assessment is required at this stage. Any DIA that is required during review of topics included within the work programme will be identified at the appropriate stage.

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Risk Management

- 5.5 No risk management issues have been identified at this stage. Any risk management issues will be identified at the appropriate time when a topic is under review by the Overview Scrutiny Committee and if it makes any recommendations.

6. Consultees

- 6.1 The author has consulted, where appropriate, with Corporate Directors, Directors, Heads of Service, other officers, and relevant partners on the purpose, content, and recommendations of the report.

7. Background Papers

- 7.1 None.

8. Appendices

- 8.1 None.