

# **Cabinet Member Question and Answer Session**

## **Cabinet Member for Finance, Education and Skills**

**Scrutiny Committee**

**Date: 16<sup>th</sup> March 2020**

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Author: Cabinet Member for Finance, Education and Skills  
Wards: All  
Parishes Affected: All

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### **1. Purpose and Reasons**

- 1.1 This report sets out details of finance related elements of the portfolio for the Cabinet Member for Finance, Education and Skills.
- 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, Education and Skills.
- 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.

### **2. Recommendations**

The Committee is recommended to:

- 2.1 Take note of the report by the Cabinet Member for Finance, Education and Skills;
- 2.2 Put appropriate questions to the Cabinet Member;
- 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 finance related 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 finance-related Portfolio responsibilities for this Cabinet position are as follows:

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3.2.1 Annual Budget (Revenue and Capital Programme)

3.2.2 Finance Management Overview

3.2.3 Medium Term Financial Plan

3.2.4 Commercial Investment Fund

3.2.5 Disposal of Assets

3.2.6 Swindon Housing Company

3.2.7 Revenue and Benefits Services

3.2.8 Welfare and Benefits Policy

3.2.9 Strategic Procurement

### **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 in order to offer support has continued to reduce the number of summonses that could be issued in 2018/19 1,769 summonses were prevented and between April 2019 and January 2020 another 729 were prevented.

3.3.2 Continued to publicise the work of Credit Unions and the Stop Loan sharks team.

3.3.3 Established a Social Enterprise Network (SEN), which holds regular meetings between Social Enterprises and the wider community in order to promote growth of existing Enterprises and the establishment of new organisations and joint working between them. These are non-profit making, sustainable businesses that create positive social and environmental impacts. They also have an "historical record" of helping and assisting those furthest from employment into employment. Further to this the SEN supports other businesses and charities to achieve social and/or environmental impact. Advice is also given to help charities to increase their income or reduce their costs. An example is Ipsum, who are a mental health charity. The SEN has worked with them to increase their income and help support themselves. This work resulted in an income increase of circa. £18,000 per annum for the charity.

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- 3.3.4 The Social Enterprise Network (SEN) held a successful annual conference in October 2019 at the Link Centre at the same time as the Swindon Community Fair.
- 3.3.5 Financial Inclusion Seminars continue to be held, which provide guidance to those that support vulnerable adults and networking opportunities.
- 3.3.6 Support to benefit claimants transferring to Universal Credits and those households who are benefit capped, has continued through budgeting support providing by Citizens Advice and the Libraries helping claimants to make claims online and provision of Job clubs. The payments of Discretionary Housing Payments also assist these households maintain their tenancies.
- 3.3.7 The Council's Family Workers have continued to refer clients to the Money Mentoring programme administered by Swindon Citizen Advice. The service provides a comprehensive financial analysis including debt, benefit eligibility and household budgeting. During the period April to December 2019 £360,517 of potential new income, savings and debt write-off were identified with £93,011 having been verified as attained.

### Achievements during the Year

#### Finance and Procurement

- 3.4 The audit of the statement of accounts for 2018/19 was completed by July 2019. In a challenging year for the sector nationally only around 60% of audits were completed on time. As one of the Council's that was within the timescale that reflects well on the Council's financial management arrangements. Feedback from the external auditor to the Audit Committee highlighted that continued improvement in the quality of the accounts and working papers and a particularly strong performance in the quality of the year end returns for Housing Benefit, Teachers' Pensions and the Pooling of Housing Capital Receipts.
- 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, including demand pressures on social care in particular.
- 3.6 The team has provided support to all of the Swindon programmes themes and has supported the approach taken over the past two years to deliver over £30m of savings required. The support to Children's Services has continued to build on the investment made in the last two budgets and develop further the robust monitoring arrangements to track a very challenging situation.

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3.7 The Council's approach to developing its capital strategy continued through the year, in line with the approach approved at the Council meeting in February 2019. This enabled a more comprehensive medium term capital programme to be presented to Cabinet and Council meeting in February this year.

3.8 Cabinet has approved the purchase of two commercial properties within the borough at a cost of £18.4m 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.

### Revenues and Benefits

3.9 The in-year Council Tax Collection rate increased from 96.38% in 2017/18 to 96.45% in 2018/19. Ultimately a 99.0% collection rate is being achieved for most financial years, although the changes to Council Tax Support (Benefits) in 2013 and the introduction of Universal Credits may impact this. As at the end of March 2019 the collection rate achieved for each previous financial years were as follows:

	Collection Rate (Excluding Credits)
2012/13	99.03%
2013/14	98.89%
2014/15	98.84%
2015/16	98.76%
2016/17	98.56%
2017/18	98.02%

3.10 A full review of Council Tax discounts has been undertaken and as at the end of February 2020 29,328 households were receiving a single person discount, which is 1,100 lower than shown at the end of August 2019 and this equates to an additional £450,000 of Council Tax falling due each year.

3.11 Business Rates collection was maintained at 98.7% in both 2017/18 and 2018/19.

3.12 A Business Rates retail relief scheme has been implemented during 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 reliefs. This

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discount was automatically applied to those businesses that the Council believed would be eligible and 540 businesses were issued bills in April 2019 showing the 33.3% reduction. The value of the reduction granted was £1,581,319. In 2020/21 in accordance with the Central Government announcement the Council are looking to increase this reduction to 50% and also grant. Public Houses will also benefit from a further reduction of £1,000, but again this subject to a rateable value limit of £100,000 and state aid allowances.

### **What would you do differently?**

- 3.13 The timings around the budget process were constrained, particularly due to the timing of the General Election. This meant that development of the budget for 2020/21 was later than it would normally be and the opportunity for wider engagement was limited.
- 3.14 The delays to the Spending Review and the implementation of new arrangements for the distribution of local government funding have also led to uncertainty regarding the development of the Council's longer term financial planning.
- 3.15 It is planned to review and bring forward the planning timetable during 2020 to ensure the position can be improved in respect of future years.

### **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. Financial inclusion work to help low income households and encouraging Social Enterprises will also continue. The Central Library will continue to support Benefits claimants to make claims and job applications online and the running of 'job clubs.' Citizens Advice continue to support Universal Credit claimants directly at the Job Centre. Monitoring of collection rates for local taxation will continue to see if they are impacted by the changes to welfare benefits.
- 3.17 The existing Revenues and Benefits contract expires on 31 March 2023. The commissioning strategy for the services delivered under this contract will be progressed during the year.
- 3.18 The financial pressures on local authorities will continue and the Council's approach will seek to:

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- 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 2021/22 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.
- 3.19 Managing the budget in the forthcoming financial year will require rigorous monitoring of spending and tracking of the delivery of planned savings.
- 3.20 There is significant support required across the finance and procurement teams for a number of high value and complex projects and infrastructure schemes.

#### **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, Heads of Service, and other officers, on the purpose, content, and recommendations of the report.

### **7. Background Papers**

- 7.1 None.

### **8. Appendices**

- 8.1 None.