

Report to the Council

Committee: Cabinet

Date: 28 July 2009

Subject: Finance & Economic Development

Portfolio Holder: Councillor Chris Whitbread

Item: 6(e)

Recommending:

That the report of the Finance & Economic Development Portfolio Holder be noted

Accountancy

Procurement is one of the activities within the Accountancy Division that has not previously had a high profile. However, given the increasing emphasis on Value for Money, this is an important activity for the Council. An updated Procurement Strategy was approved by the Finance & Performance Management Cabinet Committee on 15 June and subsequently by Cabinet on 13 July. A number of initiatives are being pursued across the Council to encourage best practice in procurement and to achieve efficiencies.

The Statutory Statement of Accounts was approved at the last Council and the Accountancy Division will be busy dealing with the external audit until mid September.

Benefits

The additional funding provided for a "Hit Squad" to deal with the backlog of claims following the introduction of a new processing system has been put to good use. Significant reductions have been seen in the processing times for both new claims and changes of circumstance. However, to ensure that these improvements continue it has been necessary to evaluate the structure of the Benefits Division and the working practices that have been adopted. This review highlighted a need to restructure the Division and create extra capacity to deal with the continuing higher workload. It is hoped that the workload will ultimately diminish as the economy recovers so two of the new posts have been created with fixed term contracts. The Government have acknowledged the extra pressure on benefits administration and provided additional grant of £110,000, which covers most of the funding required for the restructure.

Revenues

It has been a challenging start to 2009/10, with the state of the economy making it increasingly difficult to collect debts. The collection rate for Council Tax at the end of June is 0.65% down on last year, in monetary terms this represents approximately £460,000 as the net collectible debit is £71 million. Officers will continue their efforts to collect outstanding balances and I would urge anyone who is experiencing difficulty in paying their Council Tax not to ignore the problem but to discuss their circumstances with the Council as soon as they can.

The picture for National Non-Domestic Rates collection in the first quarter is less straightforward. At the end of June the collection rate was 0.2% up on last year, in monetary terms this represents approximately £62,000 as the net collectible debit is £31 million. Although the performance is better than 2008/09 it is down 1.4% against 2007/08. The Government has relaxed some of the changes to empty property charges which, together with the general economic climate, caused the sharp fall in collection rates for 2008/09. This relaxation has improved the year on year position but the underlying difficulty in collecting the tax is still evident from comparisons with earlier periods.

Economic Development

As part of the reorganisation of Portfolios I was pleased to take on responsibility for Economic Development and, as agreed at the last Council, I will serve on the Epping Forest Chamber of Commerce as Business Champion for 2009/10. I intend to work closely with Chamber of Commerce and the Federation of Small Businesses throughout the year to continue provide whatever practical support and assistance is possible.