

Report to the Council

Committee: Cabinet

Date: 29 June 2010

Subject: Finance & Economic Development

Portfolio Holder: Councillor C Whitbread

Recommending:

That the report of the Finance & Economic Development Portfolio

Holder be noted

Accountancy

The Accountancy Division have been very busy producing the Statutory Statement of Accounts for the year to 31 March 2010 and that is a separate item on the agenda. The outturns for 2009/10 contain a number of underspends and so the reserves are higher at 31 March 2010 than had been anticipated. Whilst an underspend is clearly preferable to an overspend, underspends are not generally a good thing. It is important that budgets are set at realistic levels and that any "padding" or "comfort zones" are removed as left unchecked these can lead to unnecessary service reductions in other areas. I have asked the officers in Accountancy to review budgets that have been consistently underspent and in formulating our budget strategy going forward we will seek to reduce waste and unnecessary budgets as a priority.

Publication timetables mean that I am writing this before the budget on 22 June and I may need to give an update to cover any significant announcements. On 14 June the Finance and Performance Management Cabinet Committee received an update on the effect of some of the new government's announcements on the Medium Term Financial Strategy (MTFS). This report highlighted that the need for savings over the next three years is likely to increase from the £1.2 million in the MTFS to something more than £2 million. It will not be possible to give exact figures until after the results of the Comprehensive Spending Review are made public in the autumn. However, it is clear that we are now entering a period of great challenge and over the next few months the levels and means of service provision going forward will need to be carefully considered.

Benefits

A detailed action plan has been completed in response to the external inspection of the Benefits Division and that is being considered by the Audit and Governance Committee on 21 June. The Finance and Performance Management Scrutiny Panel has previously been given the role of monitoring progress against the action plan and they will be receiving an update at their next meeting.

Revenues

The collection statistics have been calculated for 2009/10, and the in year collection achieved of 97.48% fell a little short of the 98% target for Council Tax. This was not surprising given the weakness of the recovery in the economy and the ongoing difficulty in collecting debts. I should remind Members that any Council Tax not

collected in a particular year still remains payable and officers will continue their efforts to collect all outstanding balances.

Similarly, the collection rate for National Non-Domestic Rates fell short of the 98.2% target with the actual rate being 97.56%. I urge anyone who is experiencing difficulty in paying either their Council Tax or National Non-Domestic Rates not to ignore the problem but to discuss their circumstances with the Council as soon as they can.

Economic Development

There was a meeting of the Sustainable Communities Theme Group of the Local Strategic Partnership on 21 May. This meeting received a report on the latest award of Local Authority Business Growth Incentive (LABGI) of £71,584 for 2009/10. The Federation for Small Businesses and Business Link had a number of suggestions on how this money could be used to assist businesses in the District and I will be reporting to Cabinet in July on these ideas.

On 10 June officers from the Procurement and Economic Development sections worked with colleagues from the Chamber of Commerce, Business Link and the Federation of Small Businesses to put on another breakfast briefing. I am pleased to report that this, like the previous briefings, was well attended. There were more than 100 businesses present and as well as finding out about the Council's procurement practices they were given presentations on the National Apprenticeship Scheme and the work of Epping Forest College.

A number of other events are planned throughout the year and these will be publicised in due course.