

Report to the Council

Committee: Cabinet

Date: 27 March 2012

Subject: Finance and Economic Development Portfolio

Portfolio Holder: Councillor Gagan Mohindra

Recommending:

That the report of the Finance & Economic Development Portfolio

Holder be noted

Accountancy

At Cabinet on 12 March it was agreed that the full £185.5m necessary for the Housing Revenue Account self-financing transaction should be borrowed, with the loans being entirely from the Public Works Loans Board (PWLB). The guidance and regulations relating to this process have been issued late and been subject to amendment as the process has developed. This has meant that, following discussions with our external auditor, it has been necessary to amend the Treasury Management Strategy Statement agreed by Council in February. This was necessary in order to more fully demonstrate the Council's need to borrow and there is a separate report elsewhere on the agenda which seeks approval for the amended strategy.

In consultation with the Director of Finance & ICT and our treasury management consultants, Arlingclose, I have determined the composition of the portfolio of loans. The Council's requirements were notified to the PWLB yesterday and they will transfer the money into our bank account tomorrow so we can then pay it on to the Department for Communities and Local Government (CLG).

This has been a long and complicated process but I think it is worth re-stating that overall the Housing Revenue Account will be in a much stronger financial position. Our existing properties will be maintained to a higher standard and we will be able to build new properties. It is also worth re-stating that this is not a process over which we had any choice in terms of our participation or the size of the payment to CLG.

Benefits

The quarterly figures for the performance indicators were reported to the Finance and Performance Management Scrutiny Panel on 20 March. The processing of new benefit claims is now taking place in just under 27 days, on average. This is falling short of the target of 23 days but is still better than in most previous years. Some of the welfare reforms have now come into place and these and the proposed other changes have generated a lot of additional queries and correspondence.

The processing of changes in circumstances is taking place in 9 days, on average. This falls just short of the target of 8 days, but this target should be achieved for the year as a whole.

Performance by the Benefit Fraud Investigation Team has exceeded their target at the end of quarter three. By the end of December 384 investigations had been completed, against the target of 375. However, one of the investigators left the Council at the end of November and this will impact on the whole year figures. There are other vacancies in the Benefits Division and options for recruitment will be more fully explored as the implications of the welfare reforms and the role of District Councils in delivering Universal Credit becomes clearer.

Revenues

The figures at the end of quarter three show that performance on Council Tax collection continues at a very high level. A collection rate of 78.03% exceeds the target of 77.9% and last year's performance at quarter three of 77.94%. Currently it is anticipated that the full year target of 97.8% for in year collection will be achieved. Of course those amounts not collected in the year of billing will continue to be pursued and ultimately collection will be approximately 99%.

Collection of non-domestic rates is still good at 81.07% but this is behind both target (82.08%) and last years performance (81.64%). Unfortunately economic circumstances have led to an increase in defaults on rates payments. This is particularly the case for premises reliant on discretionary spending, such as restaurants and public houses. Debt recovery procedures will continue to be pursued but it is unlikely that the full year target of 98% will be achieved.

Economic Development

The Business Team, which I chair, with the support of the Chamber of Commerce and the Federation of Small Business is continuing deliver on its targets. For the first time a combined inter-agency work programme has been agreed with targets for delivery on a wide range of projects set out below.

One Shops Local continues to be developed. The 150th business has just registered, and statistics are showing 11,000 pages viewed, almost 2,000 visits and over 1,000 individual users. Champions for the scheme are being identified in every area and programmes of high street leafleting being set up. The partnership continues to receive interest in purchasing the locally developed platform.

The production of the Economic Development Strategy has begun. A first draft for discussion has been produced and is now going through a process of development. This will include generating additional data on employment trends, growth etc. This will be followed with full consultation with local partners and stakeholders prior to being feed into the Local Plan.

Following the Annual LSP Stakeholder Conference a Tourism Task and Finish Panel has been established, meeting at Epping Forest College but with representation from all key stakeholder groups. This area has been identified by colleagues from the private sector as one of the most fruitful for economic partnership work. It is hoped that key objectives and priorities can be established and reported within six months to a specially convened Tourism Summit. This will form the basis of a Tourism Action Plan which will also feed into the Local Plan.

Plans are advancing for a range of other events including, One Eats Local, One Fashion Show, local Business Awards, and a monthly electronic business briefing to partners with key information on activities and facts and figures, and mini surveys.

A small team from the College, the Corporation of London and our own officers continues to work on the Higher Education Campus project and is meeting with the University of Essex over the next two weeks.

Partners have also been active on both strategic bodies, the West Essex Alliance and the London Anglia Growth Partnership (LAGP). A new prospectus for LAGP has been drafted with officers from the district.

A Steering Group has been established to produce a bid for the Portas Initiative including representatives from Waltham Abbey Town Council, Town Centre Partnership and local business. The Townscape Heritage Initiative has passed the pre-application stage and a successful Heritage Lottery Visit has taken place. The bid continues to progress.

Performance Management

Key Performance Indicators 2011/12

A range of Key Performance Indicators (KPIs) for 2011/12 was adopted by the Finance and Performance Management Cabinet Committee and Scrutiny Panel in March 2011, and a target was set for at least 70% of the indicators to achieve target performance by the end of the year. The headline nine-month position (1 April to 31 December 2012) with regard to the achievement of target performance for the KPIs, was as follows:

- (a) 59.26% (16 KPIs) achieved the third quarter performance target; and
- (b) 40.74% (11 KPIs) did not achieve the third quarter performance target.

Whilst the overall number of indicators achieving target remained below 70%, the consistency and direction of performance is felt to be encouraging. Of the KPIs reported as achieving target at the end of the second quarter of the year, none subsequently fell back below target in the third quarter. In addition, in all of the services that reported individual KPI performance below target in the second quarter, at least one additional KPI had achieved target by the end of the third quarter.

Key Performance Indicators 2012/13

The Finance and Performance Management Cabinet Committee and Scrutiny Panel have agreed provisional targets for the KPIs for 2012/13, based on third-quarter performance and the estimated outturn position for the current year. Improvement plans will now be developed for each KPI, identifying actions to achieve target performance. The provisional targets for each KPI will be reviewed at year-end, with reference to actual outturn data for 2011/12 when this available. Any revisions required to targets on the basis of the outturn, will be reported to the Cabinet Committee and the Scrutiny Panel in June 2012.

As it is not yet known whether the Council's overall aim of achieving target performance for at least 70% of the KPIs for 2011/12 will be achieved, the identification of a corporate performance improvement target for 2012/13 will be considered when the KPI outturn data for 2011/12 is reported.

Key Objectives 2011/12

Officers are currently reviewing progress against the achievement of the Council's Key Objectives for 2011/12, which reflect national and local priorities and specific service challenges, and provide a statement of the authority's plans for the year.

Outturn progress against the Key Objectives will be reported to the Cabinet and the Overview and Scrutiny Committee in June 2012.

Facilities Management & Estates

Estates and Valuation

The recent work of the section has included:

(a) Lease at North Weald Airfield

A ten year extension to the lease of one of the hangars at North Weald Airfield is nearing conclusion. This will include rights to sublet in return for a £30,000 premium. Also, a new roof will be supplied to the existing building by the tenant and a new hangar will be built with a new party wall.

(b) New Lettings in Borders Lane and Roundhills

A new letting has been agreed for 72 Borders Lane for an ironing parlour. This is particularly pleasing as the shop has been vacant for two years.

A new letting has been agreed for 78 Roundhills as a carpet shop. This has been vacant for three years although only returned to the Council two months ago.

(c) Langston Road Potential Development

A special meeting of the District Development Control Committee on 27 February granted outline consent for a new retail park at Langston Road which is jointly owned by the Council. Further more detailed reports will be made as this project progresses.