

## **Overview & Scrutiny Panel – 4<sup>th</sup> February 2020**

### **Corporate Services Update**

#### **Strategic Finance**

##### 1. 5 Year Medium Term Financial Projections

**The MTFS outlook is stable over the next 2-3 years**

**However, the finances do have significant risks within them but these more likely to materialise after 2020/21.**

The 4 main key financial risks are as follows:

New Homes Bonus – it looks likely that this will now be phased out over the next 2 to 3 years. Our allocation for 2020/21 will be announced in the next few weeks. We currently receive over £1m a year for the New Homes Bonus.

Business Rates – both from a revised process, which is out to consultation, and from closure of a major business such as Tata. Possible loss in excess of £1m to CBC income a major employers were to close.

Investment Income – there is now a significantly expanded portfolio with an additional 5 properties in total. After repayment of borrowing costs this makes a return of around £1.5m to £2m a year but there is a risk of loss of income if an organisation were to fold.

Other pressures – these include staffing posts, golf course, property maintenance issues and other pressures that may come from the budget process or future projects.

In terms of the Housing Revenue Account (HRA), the government policy decision to enforce a rents reduction of 1% for each of the next 4 years has now come to an end. The proposed rents increase for 2020/21 is 2.7%. This is 1% above the CPI at the end of September and in line with the recommended rents increase formulae.

##### 2. 2020/21 Budgets

**Budget setting process for 2020/21 is well advanced with a Council Tax freeze currently out to public consultation, along with Housing Revenue Account capital projects and a proposed rents increase of 2.7%.**

##### 3. Reserves

**General Fund Reserves are around £10m. £5m of this has been earmarked for capital schemes in the current year. There is a further £1.9m drawdown to be requested for Unitary contributions as part of the 2020/21 budget process. A further requests for capital projects and any other funding will need to be met from the remaining balance.**

## **Other Corporate Services Issues**

### **4. Customer Services**

- As at 30<sup>th</sup> November, nearly 12,000 customers have been seen in the One Stop Shop, with over 100,000 calls being answered by the switchboard.

### **5. Legal**

- **We have now received a final report from our external legal advisors and their advice is that we are unlikely to succeed in any future claim that we bring against either the contractor or the design team as it is nearly impossible to attribute the blame to either party without incurring potentially significant legal costs that may not be recoverable and will inevitably be greater than any potential compensation. Their findings are to be presented to a Cube Working group in the New Year.**
- **Discussions well advanced for a North Northants Legal Services shared service. A report going to OCPC on 18<sup>th</sup> February with an intended start date of 1<sup>st</sup> transfer and a TUPE transfer of 4 staff.**

### **6. Accountancy**

- **Work on the Statement of Accounts for 2018/19 started in December, some 5 months late. This is due to Ernest & Young resource issues that have affected all authorities in Northamptonshire. Their work is due to conclude in January and an unqualified audit opinion and positive VFM conclusion are expected received.**
- Our own work on the accounts closure for 2019/20 is already in progress.

### **7. Procurement**

- As at end of April 80% of our corporate performance indicators were either on target or within 5% of achieving target.
- **Work is ongoing to undertake procurement of the £5m of capital projects agreed during the One Corby Policy Committee in February 2019. It is becoming increasingly likely that several of these projects my now slip into the new financial year.**
- There are over 40 procurements, ongoing at various stages.
- Some of the on-going processes include Management and Operation of Priors Hall Public Golf Course, Play Areas at Stephenson Way & Glastonbury Road and Cheltenham Road Affordable Housing Programme.

- Procurement processes completed in the last few months include telephone and internet at Corby Enterprise Centre, Improvement Works to Shopping Parades Across Corby and Deene House Refurbishment
- As at end of October 84% of our corporate performance indicators were either on target or within 5% of achieving target.

#### 8. Benefits/Universal Credit

- **The continued effects of Universal Credit has resulted in a 40% shift in the number of claimants now receiving housing benefit from the DWP rather than through our own Benefits team. In addition there also been an approximate 10% reduction in Council Tax Support and claimants overall as compared to 5 years ago. The team continues to be in the top quartile of all LA's in service delivery**

#### 9. IT

- Network drives - ICT services has recently had an issue with users losing network drives. Users will be working ok and without warning lose their drives and some saved files. This is a known issue with windows 10 rollout and ICT services are still investigating the issue with users. A temporary fix is in place, allowing users to gain access to their network drives when lost but this requires ICT intervention each time.
- In terms of the Windows 10 rollout, 242 PC's are currently rolled out with just under 200 left to be upgraded.
- 100 monitors that are height adjustable are to be replaced throughout the council to ensure they meet health and safety needs.

#### 10. Billing

- A full time employee left the team in September. Rather than advertise the post we offered colleagues in Benefits an opportunity to shadow the Billing Team. As workloads within Benefits are declining as Universal Credit arrangements transfer more work to the DWP. Two people volunteered and are currently covering the full time post between them.
- As at 30<sup>th</sup> November, we have issued 23,281 Council Tax bills, 1,171 NNDR bills and 4,119 sundry invoices
- We have processed 5,418 Council Tax changes of address & 1,129 NNDR account changes
- There are 108 NNDR customers receiving retail discount with a total value of £242,978.48
- 5 new businesses are in receipt of Local Discretionary Discount, a value of £338,978.31
- 11 applications for discretionary rate relief have been received, 9 of these were granted.

11. HR

- **The Shared Service between Corby, Wellingborough and East Northants has now been operating on an informal basis since April with positive feedback from our partners. It is expected that there will be a formal transfer of staff for the 2020/21 financial year, ahead of Unitary preparations.**

12. Data Management

- 55 incidents were reported last year, of which 25 were considered to be breached. So far this year there have been 25 incidents reported of which 15 are considered to be breaches.

13. Other Ongoing Project Work

Other project works that are ongoing include the following:

- 493 Freedom of Information Requests received and all responded to in time as at 30<sup>th</sup> November.
- 10 Service Area Requests received, with one not completed in time, as at 30<sup>th</sup> November.
- Within payroll, electronic payslips were introduced for monthly paid employees from December 2019 onwards.
- **Work towards a bid for the £25m towns fund continues. This could become a significant project in the coming months.**
- **A significant amount of officer time is now beginning to directed towards Unitary work.**