



Report of:	To:	Date	Item No.
Cllr. Alan Vincent, Resources Portfolio Holder	Council	20 October 2011	9(b)

EXECUTIVE REPORT: RESOURCES PORTFOLIO HOLDER

1. Purpose of Report

1.1 To inform Council of progress on key objectives and the current position on issues within the Resources portfolio.

2. Current and Future Issues

2.1 Summary information is attached in Appendix 1 on the following key issues:

- Finance;
- Human Resources;
- Procurement; and
- Asset Management.

3. In accordance with procedure rule 11.3 any member of Council will be able to ask me a question or make a comment on the contents of my report or on any issue, which falls within my area of responsibility. I will respond to any such questions or comments in accordance with Procedure Rule 11.5.

RESOURCES PORTFOLIO HOLDER PROGRESS UPDATE – OCTOBER 2011

1. Finance

- 1.1 I am pleased to report that the authority's 2010/11 Statement of Accounts received an unqualified audit opinion. The External Auditors Report to those charged with governance, which was considered by the Audit Committee at their meeting in September, also commented that the authority has good financial reporting processes and concluded that there is robust financial governance, financial planning and financial control processes with no significant risk areas being identified. I would like to add my thanks to those of the Audit Committee to all staff who were involved in the production of the Accounts.
- 1.2 In addition to the recent consultation on the Local Government Resource Review concerning 'Proposals for Business Rates Retention' which would enable councils to keep a share of the business rate growth, the Government is also consulting on their proposal for a localised Council Tax Benefit Scheme. The replacement scheme is intended to support public spending deficit reduction by reducing the amount available to local authorities to spend by 10%. This equates to approximately £900,000 at Wyre and £9.2M per annum across the District Councils within Lancashire County Council. The Government has indicated that certain policy priorities must be met within the new scheme. Specifically pension age customers (both current and future) must not suffer any reduction in their Council Tax rebate compared to the current scheme. This means that the reduction in available funding for Council Tax support to low income households will only affect working age households. Nationally around 50% of all customers receiving CTB are of pensionable age therefore the reduction in Council Tax Benefit for working age customers will be around 20%. In Wyre, the percentage of the caseload that is aged 60+ is 57% and across Lancashire it varies significantly between authorities from Blackburn at one extreme – where only about 40% of the caseload are pensioners to Ribble Valley at the other where 66% are pensioners. If all authorities were subject to a 10% cut in funding for council tax support, the higher the percentage of pensioners in the area the greater the reduction in available monies for working age customers. The new scheme will be fundamentally different from the current demand led scheme in that it will be cash limited, requiring local authorities to forecast and allocate limited expenditure based on anticipated demand and local priorities. It is likely that many low income households will have to increase the amount of Council Tax they pay or have to pay Council Tax for the first time. This is likely to cause some hardship and the development of policy will need to be especially sensitive to the needs of the most vulnerable and the duty to prevent child poverty. The requirement to collect additional Council Tax from low income households will clearly result in additional recovery work for billing authorities and is likely to affect Council Tax collection. The potential implications of any reduction

in collection rates (and impact on bad debt provision) on each authority's financial position will need to be estimated. Consultation responses are sought by 14 October 2011 and the Government intends that the new localised scheme will be operational from April 2013. We will monitor the situation as it develops and keep Members informed accordingly.

2. Human Resources

- 2.1** The competency framework reflecting the values and behaviours that are expected to be demonstrated by all staff has now been agreed. Each employee together with their line manager will undertake an assessment using this framework as part of their 6 monthly performance appraisal. The regular assessment will identify any learning and development needs and ensure that the Council's values are embedded across the organisation.

3. Procurement

- 3.1** The Council is working with the Procurement Hub and six other Lancashire councils to produce a framework for procuring building maintenance work which it is hoped will be in place from March 2012. The framework will be used for low value spend and ensure that local small and medium sized suppliers can tender for the works.
- 3.2** After a recent quotation exercise, the Council's print and design works have now been let to Preston City Council. Having one supplier for the whole Council will ensure future efficiencies are maximised and remove the need for quotations to be sought each individual piece of work.
- 3.3** Work on a number of key procurement contracts is continuing and these include the purchase of mechanical sweepers, the new depot facility at Copse Road and a joint contract with Fylde for the maintenance and servicing of pumping stations.

4. Asset Management

- 4.1** There are no specific issues to report at this time.