

## Finance Portfolio

Portfolio	Corporate
Ward(s) Affected:	All

### Purpose

**To provide a progress report on the Finance Services Portfolio.**

### Background

1. The Finance Portfolio covers the following areas as set out below:

- Audit
- Corporate Enforcement
- Finance
- Legal Services
- Procurement
- Revenues and Benefits

### Audit

2. In the last 12 months 21 audited have been completed. Of the total number of audits 20 were given “satisfactory assurance” and 1 was given “limited assurance”. Action points arising out of this audit are being implemented and as at the 31<sup>st</sup> October 2017 there were no essential audit recommendations overdue.

### Corporate Enforcement

3. During the last 12 months the service has been very active in a number of different areas. Highlights included:

- Successfully prosecuted 10 cases of waste related offences (Fly tipping & Duty of Care).
- Investigated 2 cases of housing fraud in conjunction with Accent group (both waiting to go to court).
- Trialled the Tikspac dog waste bag dispensers at 6 locations across the borough.
- Providing ongoing resilience to Planning Enforcement.
- Assisted the Community Partnership Officer with the consultation and implementation of Public Space Protection Orders (PSPO) borough wide.
- Successfully facilitated the removal of 4 traveller incursions.
- Played a leading and proactive role in the ongoing Council wide enforcement issues at Swift Lane.

4. Corporate enforcement is a growing area that touches many areas of the Council's activities and the demands on it are likely to only increase in the future.

#### Finance

5. The Finance department completed the 2017/18 budget in time for Council Tax setting in February 2017. 2017/18 was the first year in which the Council received no Central Government grant to provide services. The unaudited financial statements for 2017/18 were published on the Council's website in time for the 30<sup>th</sup> June deadline. The Council has received a clean audit report and value for money statement and there was only one recommendation made relating to preparation for faster closure next year.
6. Treasury management formed a big part of finance's activities last year with the need to borrow funds to purchase "The Square" and other properties. On the advice of Council's treasury advisors borrowings have been kept short, typically no longer than 6 months, and are spread round a number of public bodies. This has significantly reduced the Council's cost of borrowing although it has increased the workload for finance in placing, monitoring and renewing these loans.
7. The Finance restructure was completed in the summer with the appointment of some new staff. In particular Adrian Flynn's appointment as Chief Accountant has brought some urgently needed additional skilled resource to the service. He has been working with services to understand what they are looking for from him to support the team.
8. At the half way mark for 2017/18 the Council was ahead of budget and work has commenced on the budget for 2018/19. Whilst the investment in property has addressed some of the Council's financial challenges there is still the issue of negative grant, changes to new homes bonus and reductions in funding from Surrey which may present challenges – income generation will remain key and indeed this is an area that CMT have been working on. The Chancellors autumn statement in November could also include some surprises but also hopefully agreement that Surrey has been accepted in to a business rates pool thereby retaining more business rates within the county.

#### Legal Services

9. The team is involved in the major transactions such as the town centre and industrial estate acquisitions, and the procurement of a developer for Ashwood House, as well as completing a number of leases for community centres/sports clubs across the borough.
10. Contracts have now been exchanged with Berkeley Homes and Legal Services are leading on the delivery of the first phase of works before Berkeley's start on site. This project has involved an enormous amount of work by the Legal Team, as well as the Corporate Property and I&D

teams. Sorting out the red tape around moving the bus stops has also been very challenging but at least planning permission for the overall scheme has now been granted.

11. The acquisitions have also required intense periods of activity when there are strict deadlines for exchange and completion as is so often the case with commercial property. However doing the legal work in-house not only provides a good variety of work for the Legal Team but also saves a considerable amount in fees!
12. The Ice Rink project has also required input within very tight timescales. The team has been involved in agreeing licences to occupy and procurement issues.
13. There have been a number of prosecutions for various offences, including fly tipping, supporting our colleagues in corporate enforcement. In particular there has been a lot of involvement in the enforcement action in relation to Swift Lane, together with a number of licensing hearings and public inquiries such as the Heath Park Woods application.
14. The team is also carrying out some work for other councils, including a CPO of a listed building, which is bringing in a small amount of extra income, in addition to our normal fees charged for s106 agreements and undertakings.
15. The team also provides advice and guidance in relation to the many FOI's that the Council now receives, and that number is growing fast.
16. Finally as mentioned last year the Legal Service has taken on the Council's first apprentice, Luke Jones who has passed his first exams towards his CILEX qualification, and is now studying for his second year.

#### Procurement

17. The Council has recently recruited a dedicated procurement officer, Mehefin Bell who sits in the Investment and Development area. She has assisted on a number of different procurements for professional advisors, builders and construction amongst other things.
18. The Executive agreed earlier in the year on a tender to determine the future of the Arena Leisure centre and this is on track to report back to Executive in the New Year.

#### Revenues and Benefits

19. Council tax and business rates together collect over £100m from residents and businesses annually. The Council tax collection rate for 2016/17 was 99.49% making us no 2 in the country and for Business Rates 98.81% putting us in the top quartile. The department continue to pursue arrears vigorously through attachment of earnings, liability orders, collection agents and winding up orders. This has resulted in the

almost 70% of the money outstanding in March 2017 from previous tax years being recovered. This recovery action sadly does lead to more complaints however given there are almost 39,000 individual tax payers accounts the number is very small. On a positive side the service does also receive a number of compliments for the service and assistance staff provide in both revenues and benefits.

20. The Revenues Department also ensure that the levy for the BID is billed; the money collected and passed on. This was done both in October 2016, when the bid was renewed, and then again for the new financial year.
21. In terms of benefits the caseload has remained reasonable steady with 1,272 new claims and 8,704 changes processed in the last 12 months. The introduction of "WURTI" which updates claimant's records automatically from the tax system has meant that there have been more changes and more overpayments generated as records are brought up to date. In the future the updating from live information should reduce overpayments and make benefits payments more accurate for claimants. Processing times have also been very good at 8 days for Housing Benefit and 7.85 days for Council Tax Reduction.
22. The introduction of Universal Credit has slipped from its original timetable and at the moment only a handful of residents are in receipt of this benefit. (Currently they have to be new claimants with no dependents and no claims history to go on to UC) The Government has given Surrey Heath a target date of August 2018 for all working claimants to be on Universal Credit and 2021 for pensioners to be transferred – we are waiting to see whether this will actually happen and are working with DWP on this.