



Report of the Cabinet Member for Finance

Northampton Borough Council

Monday 10th December 2018

Finance

The draft budget report for Cabinet 12 December 2018 has been published, I am pleased that we have currently achieved a balanced budget position at the time of writing, however we are dependent on the outcome of the Government Funding announcement and subject to the review of Scrutiny Committee. The formal final budget will be proposed to Cabinet early in 2019.

The Statement of Accounts for 2016/17 are going through their final stages of review by KPMG. Progress is being made to produce the 2017/18 Statement of Accounts.

Finance continues to review costs to assist in reducing the forecast overspend for 2018/19 and seek new or improved income streams to support service delivery.

Revenues and Benefits

The full (digital) service for Universal Credit (UC) is now live in the Northampton and will start taking new UC claims from *nearly* all client types (until this month it was just single jobseekers). The service provides each claimant with an account, where they can make a claim, view their payments & report changes in circumstances on line. All new claims for UC include an element to cover rent payments (formerly Housing Benefit). From early in the New Year the service will also start taking new claims from the last remaining group, families with 3 or more children. The remaining live housing benefit caseload in Northampton will migrate to UC over the next 4 years and as a result the service in Northampton will continue to support new claims for Council Tax Support, existing Housing Benefit claims and new benefit claims for exempt accommodation (supported and homeless accommodation).

The Revenues Service continues to work hard to collect debts owed to the Council and maintains a high level of debt in active recovery processes. Recovery of debts, particularly Council Tax, remain a challenge, as the national reform of the benefits system continues. The Council continues to offer a supportive scheme for Council Tax Support, however remaining balances are a challenge to collect. Support also continues for those struggling to pay their rent through the administration of a Discretionary Housing Payments scheme. Plans supporting continuous improvement in maximising collections through increasing liability through targeted visiting routines, reviewing approaches to collection and focusing on those with the highest propensity to pay will be implemented in 2019. This is to ensure that income due for critical services are collected on behalf of the residents of Northampton. The service collects over 98% of the Council Tax due each year and efforts to increase this will also be explored, having regard of course for the affordability of these debts.

The service have just launched a new Risk Based Verification system in Northampton. This project will support faster processing of benefits claims by minimising the evidence needed to assess a claim, whilst also safeguarding the system through the identification of fraud and error.

Treasury Management

Cash investment balances (excluding third party loans) have averaged £83m to end of October, earning an average return of 0.66%. Investments are held in a mixture of on-call accounts to meet cashflow demands and tradeable term deposits. External borrowing stood at £255m at the end of October, at an average rate of 3.07%. Scheduled repayment of £8m are due in the second half of the year and, with healthy cash balances, it is anticipated that the Council will not need to undertake any borrowing activity during the year.

NBC Payables and Income Team

The team provides an Exchequer function to Northampton Borough Council, and Northampton Partnership Homes, this includes Accounts Payable and Accounts Receivable functions. During 2017/2018 they processed 52,359 payments, and raised almost 12,000 invoices, totalling £83,459,864.

The team also collect Direct Debits for sundry debtors, and manage the contract for Third Party Payments and Cash Collection contracts. The team has met all its KPI's in the past four years, exceeding the target each month.

**Councillor Brandon Eldred
Cabinet Member for Finance**