

FULL COUNCIL

7TH JULY 2020

REPORT OF THE CABINET MEMBER FOR RESOURCES

1. COUNCIL UPDATE REGARDING RESOURCES

1.1 Purpose of Report

1.1 To advise Members of the decisions taken at the Resources decision making sessions held on 19th February 2020, 2nd April 2020 and 2nd June 2020.

1.2 Background

1.2.1 This report highlights some of the decisions which have been made, but not all. Members wishing to view all decisions made can find these at <http://eservices.solihull.gov.uk/mgInternet/mgListCommittees.aspx?bcr=1>

1.2.2 Attached to this report is a list of decisions made.

1.3 Decisions

1.3.1 19th February 2020

1.3.2 At my February decision session, I awarded discretionary rate relief of 10% for one year to the Knowle Parochial Church, for their premises at 5 St Johns Way, Knowle. I declined two other applications for rate relief because of the level of unrestricted funds held by the organisations. The Council's budget for discretionary rate relief is limited and is targeted towards those organisations where the rate relief will make a significant difference to the organisation's finances.

1.3.3 One of the priorities in the Council Plan is to make best use of our people and our physical assets. To enable the delivery of this priority and ensure our physical assets are fit for purpose to deliver our future service offers, we require a Corporate Asset Strategy. I approved an update to the Corporate Strategy 2019-2025, which updated the aims of the Strategy, provided the latest delivery programme for asset related projects and included amendments to reflect the Council's emission reduction pledge. The update also showed what has been achieved over the past year.

1.3.4 2nd April 2020

1.3.5 Welfare reform has resulted in a number of key changes to the benefits system since its introduction in 2013. At my April decision session I received an up to date position statement on the impact of these changes. The report provided details of a number of alterations to housing benefit that will take effect from 2020 and beyond. Figures from the Department for Works and Pensions show that as at November 2019, 8,699 residents in Solihull were receiving Universal Credit, an increase of 2,067 compared to the same point in 2018. The report also gave an update on Discretionary Housing Payments (DHPs), which is a grant given to local authorities by the government to provide financial support to residents who are experiencing hardship with their housing costs. In 2019/20, we awarded a DHP to 328 customers totalling £281,092.

1.3.6 The Council recognises that there are risks in everything it does and has a duty to manage these risks in a balanced, structured and cost effective way. Approval and publication of a Risk Management Policy and Procedure demonstrates this intention. The Risk Policy has been reviewed following a recent External Risk Management Health Check (which was undertaken by Gallagher Bassett), to ensure that our existing risk management arrangements continue to be proportionate and the most appropriate for the Council. There were no significant changes to the Policy, which was endorsed by the Audit Committee on 9th March 2020. I approved the amended Policy.

1.3.7 The Capital ICT Projects Programme for 2019-20 has an approved budget of £1,325,540. Rephasing requests of £725,000 were approved by Cabinet on 5th December 2019, thereby reducing the in-year budget to £600,540. Of this balance, all but £24,670 has been committed to the projects that make up the current Capital ICT Projects Programme. The remaining £24,670 is available to spend on ICT projects approved by the Cabinet Member. I approved some minor changes to the programme.

1.3.8 2nd June 2020

1.3.9 In response to the impact of Covid-19, the Government announced a number of initiatives to assist taxpayers suffering from financial hardship. Funds have been provided to the Council under section 31 of the Local Government Finance Act 2003 and must be paid in accordance with Section 131A (1) (c) of the Local Government Finance Act 1992.

1.3.10 The funds named by Government as the 'Covid-19 Hardship Fund' relate to the 2020/21 financial year only and are designed to meet the immediate needs of all working age taxpayers who are currently claiming local council tax reduction.

1.3.11 It is for Local Authorities to determine how to use the funds, however guidance received from the Ministry of Housing, Communities and Local Government (MHCLG) states that in order to retain the funding, Councils must look to use monies as directed by them and in accordance with their latest guidance released on 25th March 2020.

1.3.12 The scheme guidance issued by MHCLG states:

- The Government's strong expectation is that billing authorities will provide all working age recipients of local council tax reduction during the financial year 2020/21 with a further reduction in their annual council tax bill of up to £150, using discretionary powers outside of their formal scheme design;
- Where a taxpayers liability for 2020/21 is less than £150, then their liability would be reduced to nil;
- Where a taxpayer's liability for 2020/21 is already nil, no reduction to the council tax bill will be available;
- There should be no need for any working age recipient of local council tax reduction to make a separate claim under this scheme. The billing authority should assess who is eligible for support from the hardship fund and automatically rebill those taxpayers;
- Whether or not a taxpayer has been affected by Covid-19, directly or indirectly, should not be taken into account in assessing eligibility for this reduction.

1.3.13 Government has provided each Council with an individual allocation of the Covid-19 Hardship Fund. The allocation for Solihull is £1,571,871. From this, all working age claimants receiving local council tax reduction at any point during 2020/21 will be entitled to a hardship award of up to £150.

1.3.14 I approved a revised Council Tax Discretionary Reductions Policy, which has been updated to reflect the guidance issued by Government regarding the Covid-19 Hardship Fund.

1.3.15 Council Plan and Priorities

1.3.16 Work on the implementation of Oracle Cloud and on the Corporate Approach to delivering an Asset Masterplan is continuing, with some slight revisions to the plans due to recent events.

1.3.17 On the Employee Journey, a return to work strategy is currently being developed to take into account the learning we have from the majority of staff working from home for the last three months. Productivity has not suffered. This allows us to consider more flexible working as a permanent feature of our offer to employees.

1.4 Issues of Interest

1.4.1 The coronavirus pandemic is having a significant impact on the Council's financial position, through the loss of income, pressures in adult social care and in the cost of supporting those residents who have been shielded. A detailed report on the financial impact was taken to the 18th June Full Cabinet meeting. I would encourage all members to read this report in order fully understand the current position and the range of government grants we have been provided with to support residents and businesses in the borough.

1.4.2 Throughout the pandemic, the various teams within the Resources Directorate have been required to very quickly implement new ways of working to ensure that front line services continue to be delivered. IT systems have been changed to enable the majority of our workforce to work from home, all payment systems (payroll, payment of residents, carers and suppliers) have been run remotely, business rates discounts have been granted, business grants have been paid out, additional local council tax support has been awarded, supplier terms have been changed to immediate payment and essential maintenance works at the Council House have been 'fast-tracked' whilst employees have been away from the office. Standards have not slipped during this difficult period.

1.4.3 I am pleased to advise Council that the Final Accounts for 2019/20 have been closed down in line with usual deadlines. The Ministry for Housing, Communities and Local Government extended the deadline but the Finance Team wanted to work to the original timescales. The draft Accounting Statement was presented to the Audit Committee and the Governance Committee on 22nd June and 25th June respectively. The Statement is now with our Auditors for review. The final accounts position was £98,000 ahead of the approved Medium Term Financial Strategy.

1.5 Future Decisions

1.5.1 At future Resources decision sessions, reports will be presented on Revenue and Capital Monitoring, Debt Monitoring, Applications for Discretionary Rate Relief, Welfare Reform, ICT Capital Project updates, Health and Safety, the Digital Strategy and on the implementation of the Corporate Landlord Model covering all of the Council's land and property assets.