



BUDGET SCRUTINY 2023/24 FINANCE & COMMERCIAL

01 DECEMBER 2022

OVERVIEW

- The Finance & Commercial directorate has a 2022/23 budget (as at period 6 / September 2022) of a net £8.787m, comprised of a gross controlled expenditure budget of £24.891m and a gross income budget of £16.104m
- As part of the budget for 2022/23, the directorate set a savings target of £1.051m. The current projected achievement against this target is £1.051m
- The forecast outturn for 2022/23 as at period 6 is an underspend of (£0.143m)
- The directorate is proposing £3.143m of savings towards the Council's overall target for 2023/24 for review by the Scrutiny Committee
- EIAs have been prepared and made available in respect of these proposals, and of these, none are assessed to have equalities impacts which require a full assessment to be undertaken

2022/23 – KEY ISSUES FACED AND MITIGATIONS (1)

The key issues currently faced by the directorate are as follows:

- Grossly inadequate records and professional standards in the production of previous year's (2018/19, 19/20, 20/21, 21/22 (part)) accounts and budgets
- Inadequate reserves
- Very poor professional standards
- Inadequate finance service structure
- Inadequate design and operation of the systems
- Grossly inadequate initial capitalisation direction for 21/22 budget
- Effects and impact of S114

2022/23 - KEY ISSUES FACED AND MITIGATIONS (2)

- Excessive borrowing
- No management action on the DSG
- No management response to internal audit recommendations

MITIGATIONS in 2022/23:

- Appointment of highly skilled interim team of accountants
- Proper planning and prioritisation
- Clear focus and leadership

2023/24 - KEY ISSUES ANTICIPATED

It will take 5 years to resolve all financial issues within the Council, as before these are as set out in the third slide with the addition of:

- Achieving asset sales at the estimated price
- Dealing with the local government financial settlement
- Dealing with related cost pressures due to interest rates, energy costs etc
- Challenge in attracting skilled personnel on permanent contract
- Transitioning from current interim staffed service to permanent staff with minimum disruption

2022/23 – BUDGET BY SERVICE AREA

Service Area	Expenditure £m	Income £m	Net £m
A) Commercial	0.848	(0.025)	0.823
B) Finance	4.423	(0.509)	3.914
C) Financial Governance	2.115	(0.240)	1.875
D) Revenues & Benefits	17.713	(15.537)	2.176
TOTAL BUDGET 2022/23	25.098	(16.311)	8.787

2023/24 – BUDGET SAVINGS PROPOSALS (1)

The following savings proposals have been put forward for delivery to contribute towards the 2023/24 budget target:

Staffing reduction - Fraud department - RES-2324-11 - £0.012m

- Reduction by 0.2 FTE of one post

Increased taxbase and collection rate - RES-2324-13 & 14 - £0.917m

- Increase council taxbase rate by 2% and collection rate by 0.1% in 2023/24

Reduction in Audit Fee and Other Initiatives - RES-2324-15 - £0.400m

- Expected reduction in audit fees due to catchup in accounts and resolution of past audit issues; use of duplicate payments system and the recovery of costs from other external bodies

2023/24 – BUDGET PROPOSALS (2)

Single Person Discount - RES-2324-16 - £0.350m

- Proactive Single Person Discount monitoring through implementation of an effective and robust process to prevent / reduce fraudulent claims and to ensure inaccurate claims or unreported changes are identified at the earliest possible

Pension Contributions discount - RES-2324-17 - £0.350m

- Proposal of early payment of pension contributions which attracts a discount of 2.6% per annum

Vacancy Factor - RES-2324-18b - £0.299m

- Application of a vacancy factor against staffing budget across the directorate

2023/24 – BUDGET PROPOSALS (3)

Efficient working practices in Revenues and Benefits - RES-2324-50 - £0.440m

- Improved processes and controls in order that overtime is no longer needed to be charged and vacant posts can be removed from the hierarchy structure.

Budgeted Overhead Cleanse - RES-2324-48 - £0.375m

- By means of unutilised budget arising from efficiencies over the course of time

2023/24 – BUDGET PROPOSALS SUMMARY (1)

Ref. No.	Saving title	2023/24 Saving (£m)
RES-2324-11	Staffing reduction - Fraud department	0.012
RES-2324-13 & 14	Increased taxbase and collection rate	0.917
RES-2324-15	Pursuit of outstanding debts through calling/tracing software	0.400
RES-2324-16	Proactive Single Person Discount monitoring to reduce fraud and error	0.350
RES-2324-17	Early payment of pension contributions	0.350
RES-2324-18b	Vacancy Factor	0.299
RES-2324-50	Efficient working practices in Revenues & Benefits	0.440
RES-2324-48	Budgeted overheads cleanse	0.375
	TOTAL	3.143

PUBLIC CONSULTATION

None required