CABINET

13 JUNE 2019

Index

KEY DECISION: YES

MONEY MATTERS 2018/19: REVIEW OF FINANCIAL PERFORMANCE AGAINST THE FINANCIAL STRATEGY

1. Decision:

The Cabinet:

1.1 Noted the report and issues raised within and agreed that Leadership Team with Cabinet Members will continue to closely monitor and manage the Medium Term Financial Strategy.

1.2 Noted the transfers to earmarked reserves and the level of general and earmarked reserves at 31 March 2019.

1.3 Approved £819,000 of Capital Programme slippage related to 2018/19 being added to the Approved Budget in 2019/20 as outlined at appendix D of the Cabinet report.

1.4 Noted the Community Infrastructure Levy (CIL) financial year report which is in accordance with Regulation 62 of The Community Infrastructure Levy Regulations 2010 (as amended).

Agreed that Council be recommended:

1.5 To approve the actual 2018/19 Prudential Indicators contained within the report.

1.6 To increase the Investment Limit, for any group of pooled funds under the same management, from £4m per manager to £9m per manager.

2. Statement of Reasons:

The report covered the financial performance for the financial year 2018/19.

The Net Cost of Services had a (£139,875) favourable variance compared to the target of +/- £250,000, corporate accounts had a (£6,352) favourable variance and funding had a (£338) favourable variance. Therefore the overall favourable variance was (£146,565).

The contribution to general reserves was £789,135 (the Original Budget estimated a transfer of £26,990) compared to the Approved Budget that estimated a transfer of £642,570, an increase of £146,565.

The Capital Programme was (£444,058) lower than the Approved Budget mainly due to under performance on Disabled Facilities Grants of (£609,547).
Capital Receipts were higher than the Approved Budget by (£404,254) due mainly to additional Bromford RTB Sales achieved at the end of the financial year.

In terms of Council Tax, Business Rates, Sundry Debtors and Supplier Performance:

- Council Tax collection performance was 97.19% and total arrears were £2,112,706.
- The Council Tax Collection Fund was in surplus as projected with the Council's 13% share being (£75,705) compared to the Approved Budget of (£29,490). This additional income of (£46,215) will be included in the 2020/21 budget.
- Sundry Debt for income to be collected in 2018/19 has increased by £1,069,569 compared to 2017/18 and the value outstanding at 31 March 2019 has increased by £867,387.

- Retained Business Rate Income was (£3,628,680) compared to the Approved Budget of (£3,082,000). This is additional income of (£546,680) and is due to additional Section 31 grants and lower levy payments.

- The Business Rates Collection Fund was in surplus as projected with the Council's 40% share being (£239,523) compared to the Approved Budget of (£212,700). This additional income of (£26,823) will be included in the 2020/21 budget.

- Business Rates collection performance was 97.89% and total arrears were £811,958.

- The payment of suppliers within 30 days was 81.78% and remains below our 90% target.

The Council's investments achieved a risk status of AA- that was more secure than the aim of A- and yield exceeded all four of the industry standard London Interbank (LIBID) yield benchmarks.

The Treasury Management function was reviewed by Internal Audit and received 'Substantial Assurance'.

The Council collected a total of £208,492 in Community Infrastructure Levy (CIL) receipts, of these receipts £25,326 (5%) has been applied to administrative expenses, £368,146 CIL expenditure was allocated or took place and £59,574 of CIL receipts were allocated or transferred to Parish Councils.

3. Any Alternative Options:

There were no alternative options.

KEY DECISION: NO

REPORT ON PERFORMANCE AGAINST THE DELIVERY PLAN – END OF YEAR 2018/19

1. Decision:

The Cabinet:

1.1 Noted the Council's performance against its Delivery Plan targets as of April 2019.

1.2 Noted that of the 82 actions, 54 actions are either complete or on target.

1.3 Noted and approved that 25 actions have a revised due date, due in the main to external factors, and are on target to meet these new due dates.

1.4 Noted that two projects are currently behind target, and one has not yet been started.

	Completed	On target	Revised target	Behind target	Not started
Delivery Plan ctions – total 82	25	29	25	2	1

2. Statement of Reasons:

The Cabinet report described the Council's progress towards its performance targets, as set out in its Delivery Plan, which reflected the commitments and priorities set out in the Council's Strategic Plan 2016 – 2020.

The report provided a snapshot of the Council's performance as of the end of April 2019, which represented the 2018/2019 end of year position, and third full year of the current strategic plan period.

The Delivery Plan is monitored throughout the year and updates are entered into the council's performance management system (Pentana). The full year delivery plan performance update 2018 – 2019 was drawn from the system in April 2019.

3. Any Alternative Options:

The report detailed performance against the council's Delivery Plan 2016 – 2020, which had previously been approved by Cabinet as the most appropriate method for managing and monitoring council performance.

KEY DECISION: YES

BUSINESS RATES - RETAIL DISCOUNT SCHEME - AMENDMENT TO THE NON DOMESTIC RATES RELIEF POLICY

1. Decision:

The Cabinet approved the amendment to the Council's Non Domestic Rates Relief Policy, as set out in the Cabinet report, in order to be able to apply the Retail Discount to bills of qualifying ratepayers.

2. Statement of Reasons:

Business rates may be reduced where the property and occupier is eligible for business rate relief. There are different types of relief that may be awarded based on criteria laid down in the Local Government Finance Act (LGFA) 1988 and subsequent statutory instruments.

In addition to mandatory reliefs, a council has the discretion to award additional relief, using discretionary powers under section 47 of the LGFA. The council's own policy allows the council to award discretionary relief to charitable/ non-profit distributing organisations, and to private businesses in the cases of hardship and where there are compelling social and economic reasons to do so. In 2017, the Policy was amended to allow the council to deliver rate relief in accordance with the government's policy for small businesses and public houses.

Reducing the rates bills will help businesses in the District's city, town centres and villages become more financially sustainable and help nurture and maintain vibrant and economically successful high streets and shopping centres.
Where new reliefs are introduced the government often seeks to use section 47 to apply them rather than introducing new legislation. When the government uses section 47 in this way, the council is required to amend its Non Domestic Rates Relief Policy to enable these discounts to be applied to bills.

In 2019/20 with the Staffordshire Business Rates Pilot, income from business rates is retained in the following proportions: Lichfield District Council (40%); Staffordshire County Council (34%), Staffordshire Fire Authority (1%) and central government (25%).

The government will fully reimburse councils using grants paid through Section 31 of the Local Government Act 2001 to compensate for any reduction in rate income.
The retail discount will be awarded from 1 April 2019 to all businesses that satisfy all of the criteria. Whilst ideally the discount would have been awarded on the annual bill in March, the tested software upgrades were provided too late to allow annual bills to be produced with the discount applied.

Should the amendment be approved then bills will be re-issued with the discount applied.

It is estimated that the maximum value of the relief, based on all eligible properties being occupied by eligible ratepayers, is approximately £1.3m pa.

Eligible properties are located in the following areas: Lichfield (153), Burntwood (41), Little Aston / Streetly (17) Fazeley/Mile Oak (11), Fradley (7), Armitage with Handsacre (5), elsewhere (36).

Criteria to be eligible for the retail discount scheme are as follows:

- the rateable value of the premises must be less than £51,000

- the premises must be occupied and
- the premises must be used wholly or mainly as a shop, restaurant, café or drinking establishment.

A full list of the type of operations that would qualify is provided at Appendix A of the Cabinet report.

It is intended to discount automatically the bills of all ratepayers that meet the criteria described above but we will be emphasising to all occupiers that they must report to us if the discounting of the bills brings them close to the maximum level of support that can be provided under state aid rules. This is not likely to affect the vast majority of eligible ratepayers but there are some companies with many premises across the country that might get close to state aid limits.

If the property satisfies the above criteria, a discount of one-third of the liability is granted, after any mandatory or other discretionary reliefs have been granted.

There are currently around 270 businesses that will benefit from this discount and a potential for a further 50 properties which are currently unoccupied to become eligible.

3. Any Alternative Options:

No alternative options were considered. The Government expects this discount to be granted.