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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>6 February 2024</b>
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/03/24/AP/LA</b>
<b>Contact Officer:</b>	<b>Alan Puckrin</b>	<b>Contact No:</b>	<b>01475 712090</b>
<b>Subject:</b>	<b>Finance Services Update</b>		

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## **1.0 PURPOSE AND SUMMARY**

1.1  For Decision  For Information/Noting

1.2 The purpose of this report is to update Committee on a number of matters pertaining to the Finance Service and to highlight relevant matters.

1.3 The areas covered within this update are:

- Council tax collection
- Migration to Universal Credit
- Treasury activity

## **2.0 RECOMMENDATIONS**

2.1 It is recommended that the Committee notes the update.

**Alan Puckrin**  
**Chief Financial Officer**

### **3.0 BACKGROUND AND CONTEXT**

3.1 Each reporting cycle the Committee receives an update on relevant service delivery matters relating to the Finance Service that are not covered in reports elsewhere on the agenda. Given the focus on the Budget which has been extensively reported elsewhere and the two other Revenues Policy reports elsewhere on the report, this cycle's update is shorter than usual.

#### **3.2 Council Tax Collection**

Council Tax collection levels continue to be lower than recent years with collection at 31 December being 0.9% lower than at the same point in 2019/20, the comparator year. The projected in year collection of between 94% and 94.5% is up to 1.9% lower than 2022/23 when 95.9% was collected, the highest ever collection rate when many council taxpayers were assisted by £5m in covid and cost of living one off grants.

3.3 Analysis indicates that whilst Direct Debit payments are largely being maintained, it is within those who pay by cash, which tends to include those on lower incomes, where collection levels have reduced. The service continues to focus on ensuring council taxpayers are billed correctly and on time and to signpost those with debt to Advice Services

#### **3.4 Benefits**

The Department for Work and Pensions (DWP) announced the 2024/25 programme to manage the migration of legacy benefit claimants onto Universal Credit. People in scope will be contacted starting from April 2024 in cohorts according to the type of benefit they claim notifying them of the need to claim Universal Credit. Employment and Support Allowance claimants who do not get tax credits will not be required to claim UC until 2028. The latest published information shows the caseload rollout is 75% complete with 8,557 households (9,771 individuals) in Inverclyde in receipt of UC and a further 2,814 households estimated to still on legacy benefits and tax credits. The service expects to be contacted by DWP imminently with more detail on the national roll out and what this means locally.

#### **3.5 Pension Credit Uptake**

Officers were asked to report back to Committee on measures taken to identify people who are eligible and owed Pension Credit. The timing of the request interposed by the festive break has not permitted a complete review of activity so the update report to the next Committee will provide this information

#### **3.6 Treasury**

The Council's cashflow continues to tighten with the Council's final fixed term deposit repaid on 10 January and a £7.5m PWLB loan repaid on 22 January. Officers are monitoring the cashflow position daily and, given the medium term projected reduction in interest rates, are only taking out shorter term loans when the need to borrow arises. A full update on the Council's Treasury Strategy is due to be presented to the next meeting of the Committee.

3.7 As part of the Finance Strategy in December the Council approved a £500,000 recurring saving in loans charges from 2025/26 on the basis of a one-off transfer of £3.0million to the loans charge earmarked reserve from projected excess internal resources income. This has been factored into the 2024/26 Revenue Budget.

#### 4.0 PROPOSALS

4.1 There are no specific proposals arising from this update.

#### 5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

<b>SUBJECT</b>	<b>YES</b>	<b>NO</b>
Financial	x	
Legal/Risk		x
Human Resources		x
Strategic (Partnership Plan/Council Plan)		x
Equalities, Fairer Scotland Duty & Children/Young People's Rights & Wellbeing		x
Environmental & Sustainability		x
Data Protection		x

#### 5.2 Finance

The Chief Financial Officer will assess the level of Council Tax collection to be factored into the 2024/26 Budget after considering the latest collection information. This will be factored into the final Budget report. Each 0.1% reduction in the ultimate collection rate reduces income by around £35,000.

One off Costs

<b>Cost Centre</b>	<b>Budget Heading</b>	<b>Budget Years</b>	<b>Proposed Spend this Report</b>	<b>Virement From</b>	<b>Other Comments</b>
N/A					

Annually Recurring Costs/ (Savings)

<b>Cost Centre</b>	<b>Budget Heading</b>	<b>With Effect from</b>	<b>Annual Net Impact</b>	<b>Virement From (If Applicable)</b>	<b>Other Comments</b>
N/A					

#### 5.3 Legal/Risk

There are no legal/risk matters arising from this report.

#### 5.4 Human Resources

There are no HR matters arising from this report

## 5.5 **Strategic**

There are no strategic matters arising.

## 6.0 **CONSULTATION**

6.1 No consultation was required.

## 7.0 **BACKGROUND PAPERS**

7.1 None.