

LOCAL GOVERNMENT FINANCE BILL AND WELFARE REFORM – FUNDING IMPLICATIONS 2012/13

EXECUTIVE MEMBER: Councillor Gillian Troughton
LEAD OFFICER: Joanne Wagstaffe, Corporate Director Resources and Transformation
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WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS

The allocated funds will enable a smoother transition for the new Finance and Welfare Reform proposals.

WHY HAS THIS REPORT COME TO THE EXECUTIVE? (eg Key Decision, Policy recommendation for Full Council, at request of Council, etc.)

The budget allocation needs to be formally approved by the Executive in accordance with budget and policy framework and financial regulations.

RECOMMENDATION:

The Executive agree to recommend:

- (i) The release of budgets of £84,000 grant specifically awarded for the purpose of implementing the new Finance Bill proposals.
- (ii) Delegate detailed spending decisions to the Chief Financial Officer in consultation with the Portfolio Holder.
- (iii) That any further grant that may be awarded for this specific purpose be delegated to the CFO to authorise spending as required.

1. INTRODUCTION

- 1.1 Members have previously been informed of the main proposals included in the Local Government Finance Bill and the Welfare Reform Act. At the time of writing this report, detailed regulations are still awaited and so no further information can be given at this stage on the government's proposals for the scheme.
- 1.2 The introduction of the localised Council Tax support scheme, the localised Business Rates proposals and the Welfare reform proposals will require additional funding to ensure the proposals can be implemented as smoothly as possible.
- 1.2 Funding is available as set out in this report and the report requests authority to release and utilise the budgets.

2. PROPOSALS

- 2.1 Notification has been received from the Department for Communities and Local Government that initial funding totaling £30m has been made available to assist authorities in preparing for the change to localised council tax support schemes.
- 2.2 Of this £30m, this Council has received an initial grant award of £84,000. It is possible that further funding will be forthcoming and the request is made that any additional funding allocated be delegated to the Chief Finance Officer to authorise detailed spending as required.
- 2.3 In addition to this, the Council holds earmarked reserves totaling £65,392 for Revenues and Benefits shared service implications and initiatives. A further report will be brought back to a future meeting to request release of this funding once more details are known as to what specific spending may be required.
- 2.4 The Executive are therefore asked to approve release the total funding of £84,000 to enable the implementation of the new proposals. A further £65,392 is currently held in Earmarked Reserves and will require Council approval for release at a later stage as it will increase the 2012/13 budget by this amount.
- 2.5 Currently, the following estimated items have been identified that require additional funding:
- Business Rate Modeling tool £1,000
 - Council Tax Modeling tool £2,000
 - Project Management costs £20,000 (cost shared between shared service partners)
 - IT Supplier CTB modeling £2,400
 - Scheme Construction and Design £20,000 (estimate)
- 2.6 In addition to the above, it is anticipated that much of the expenditure will be required to fund system upgrade costs for the new Council Tax Benefit system. It is not possible to estimate how much might be required for this purpose at this stage. Members will be kept informed of total spend against the budget in the regular briefings they have requested.

3. ALTERNATIVE OPTIONS TO BE CONSIDERED

- 3.1 If the budgets are not released in full, it may cause delays in the project if specific approval is required on each item of spend.

4. CONCLUSIONS

- 4.1 To enable the smooth implementation of the new Finance and Welfare reform proposals it will be necessary to allocate some funding. This report requests release of funding already earmarked for this purpose.

5. STATUTORY OFFICER COMMENTS

- 5.1 The Monitoring Officer's comments are: No additional comments

- 5.2 The Section 151 Officer's comments are: Included in the report

- 5.3 EIA Comments: None at this stage - This will be carried out at a later date

- 5.4 Other consultee comments, if any:

Each of the Finance and Welfare Reforms will have significant consultation requirements and this will be built into the project plans.

6. HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?

- 6.1 A project manager has been appointed within the Revenues and Benefits Shared Service to manage the Council Tax Benefit and Welfare Reform proposals.

- 6.2 The Council will also identify resources to project manage the reforms from within the Council.

7. WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?

- 7.1 A new Council Tax Benefit system must be agreed by 31 January 2013 and in place by 1st April 2013

- 7.2 The new Business Rate System will be in place for 1st April 2013 and will require much more responsive and accurate internal processes to enable the financial effects of the new system on the Council's finances to be available on a timely basis.

- 7.3 The technical reforms of the Council Tax system (e.g. review of empty property reliefs) need to be fully reviewed and recommendations made on alternative proposals to have these in place for 1st April 2013.