

Committee(s):	Date(s):
Efficiency and Performance Sub-Committee	30 January 2013
Subject: Trigger Reports	Public
Report of: Deputy Town Clerk and Chamberlain	For Information
<p>Summary</p> <p>The Efficiency Board has monitored the various sources that might trigger a report to the Sub Committee.</p> <p>There are four reports submitted for Sub Committee consideration:</p> <ul style="list-style-type: none"> • Tough times • Striking a Balance • Towards a Tipping Point • 50 Ways to Save <p>Recommendation</p> <p>Members are asked to receive this report and identify any particular areas where further work should be undertaken.</p>	

Main Report

Background

The Efficiency Board monitors a number of source documents to identify issues that should be reported to the Sub Committee from a value for money perspective. This is summarised on Appendix A. There are four trigger reports submitted for Sub Committee consideration:

- Tough times
- Striking a Balance
- Towards a Tipping Point
- 50 ways to save

Tough Times

1. This Audit Commission report was issued in November 2012 and is summarised on Appendix B. One issue to highlight for the Sub Committee is the Commission's view that those authorities with high cuts and/or low reserves were most likely to have struggled financially in 2011/12 and are seen as a high risk looking forward. The Corporation is not in that position. Although it has suffered from reductions in government grant, budget savings

and reductions have been made which have not, so far, resulted in cuts to services or the drawdown of reserves. Looking forward, that should continue to be the case until 2016/17.

Striking a Balance

2. This Audit Commission report issued in December has some specific recommendations for both the Chief Financial Officer and for elected members. These are set out in the summary to the report on Appendix C. In looking at those recommendations I would say that the Corporation conforms to them, but I would highlight one particular recommendation - that reports should show clearly the interaction between the council's planned spending, income, movements on reserves and council tax.
3. As the report says elsewhere -there is no set formula for deciding what level of reserves is appropriate, too low or too high – councils are free to determine the reserves they hold. However, reserves do need to be appropriate for local circumstances, and councils are accountable to taxpayers for the decisions they make. Compared to other councils – particularly London Boroughs - the Corporation's reserves may appear relatively high. But at the same time, the Corporation's flexibility in raising council tax is relatively low with each 1% on Council tax being worth only around £50,000; the equivalent figure in a London Borough would typically be around the £800,000 figure. So, in terms of "spending power" (combined resources from tax and grant) the Corporation's reserves are not comparatively high.

Towards a Tipping Point

4. This report from Grant Thornton makes a number of interesting points. Again, if I were to highlight one for the Committee's attention it would be with regard to liquidity. This has never really been an issue for local authorities but under the new system of local government finance there can now be a real risk here especially for those authorities – like the City Corporation – which collect high levels of business rates and face appeals. This is because although appeals relate to business rates already collected and paid over to Government, it falls on the billing authority to make any refunds. This risk is very relevant to the City Corporation and we will need to monitor it carefully.

50 Ways to save

5. This paper has been issued by the Department for Communities and Local Government and sets out examples of sensible savings in local government. The Efficiency Board has not had time to review this fully as yet but, nevertheless is issued for members' information, with some short comments. This document has publically attracted some criticism from local authorities who point out that the level of savings made over the past 6-7 years by local government compared to national government speaks for itself.

Conclusion

6. There is quite a lot of material in these various reports. Members are invited to identify any areas where they feel specific work should be undertaken.

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Appendices

- Appendix A – Trigger Summary
- Appendix B – Tough times
- Appendix C – Striking a Balance
- Appendix D – Towards a Tipping Point
- Appendix E – 50 ways to Save