



Councillor Cliff Lunn

Executive Member for Finance and Resources

Report to Council on 22 July 2021

Financial Results and Budget Exceptions Report to 31st March 2021

This report reviewed the financial performance in 2020/21. The year was heavily impacted by the pandemic. A revised budget was set in year to help to address some of the shortfalls in budgeted income which were expected as some services and facilities remained closed for extended periods of the financial year. There were challenges delivering some of the programmes of work in both the General Fund and the housing revenue account, both from the perspective of changing priorities of delivery in the year and ability to deliver works on the ground.

The return completed for Government detailing the additional costs, delayed savings and income losses as a result of Covid-19 indicated overall losses of £2.9m split between the General Fund at £2.4m and the HRA £0.4m. This was partly offset by £1.168m of covid-19 emergency funding from Central Government plus an additional £0.487m as compensation for loss of sales, fees and charges income.

After carry forwards, the Council's year end results showed a surplus of £0.494m on the General Fund, £0.451m better than budget. Variances included higher income from a number of sources including covid-support grants and investment interest partly offset by increased costs on the streetscene and leisure services. The surplus has been transferred to the contingency reserve.

The Housing Revenue Account reported a surplus of £6.5m against a budgeted surplus of £5.5m, a variance of £1.0m which was mainly driven by covid support grant income and a number of cost savings. The surplus has been transferred to the major repairs reserve to help fund future capital expenditure.

The planned savings programme was reduced as part of the revised budget and fell £15k short of target due to two savings targets which could not be achieved due to covid-19.

Projects in the capital programme experienced a number of delays. £4.66m was spent in the General Fund, £0.781m lower than budget. £0.716m has been carried forward. £4.6m was spent on the Housing Revenue Account capital programme, £1.5m lower than budget. The majority of this underspend has been carried forward into 2021/22.

Programme for Growth spend totalled £1.462m in 2020/21 with £2.334m carried forward into 2021/22. £12.97m of approved budget remains to be spent in this multi-year programme.

Treasury Management - Quarterly Update Q4 2020/21

This report reviewed the Council's borrowing and investment activity (Treasury Management) for the period 1st April 2020 to 31 March 2021 and presented performance against the Prudential Indicators. Overall, it was a challenging year given the reduction in investment interest rates and the economic impacts of the pandemic.

On average the Council's investments held in the NYCC investment pool totalled £74.91m over the year at an average rate of 0.48% and earned interest of £364k (£263k allocated to the General Fund; £101k allocated to the HRA) which was £104k above the total revised annual budget as result of higher than estimated balances.

In addition to investments held in the pool, the council had £4.65m invested in property funds as at 31 March 2021. The funds achieved 3.69% revenue return and 0.72% capital loss. This resulted in revenue income of £169.9k to the end of Q4 and an 'unrealised' capital loss of £33.9k. These funds are long term investments and changes in capital values are realised when the units in the funds are sold.

Long-term borrowing totalled £52.833m at 31 March 2021, (£1.6m relating to the General Fund; £51.233m relating to the HRA), Interest payments of £1.992m were paid in 2020/21, a saving of £2k against budget. The Council undertook no short-term borrowing in year.

The Council's affordable limits for borrowing were not breached during this period.

Business Grants

The business grant schemes from the November and January national lockdowns have now closed for applications and payments. Over 500 businesses forced to closed in the national lockdowns received grant payments totalling £5.9 million.

Public houses forced to closed in the Tier 2 restrictions received grants totalling £94,232 and 56 wet led pubs received Christmas Support payments of £1,000.

The discretionary Additional Restrictions Grant (ARG) scheme has also closed for applications and 352 individual businesses were paid support grants totalling £2,637,506 from this fund. As the allocated funding for this scheme has been spent the Council has secured further funding from central government of £672,000 which should be received

shortly, and this will be used for supporting those businesses still affected by any restrictions and if funds allow, wider business support.

The Restart Grant which was announced in the Budget from 1 April onwards closes for applications on the 30 June and so far £3,889,364 has been paid to 512 businesses. They have been paid individual grants ranging from £2,667 to £18,000. The amount of grant is determined by the sector the business is in, eg retail, leisure, and the rateable value of the business rates assessment.

Test and Trace support payments

The Benefits & Taxation Section is still administering these £500 payments on behalf of the Department for Health & Social Care, the scheme has now been extended to 30 September 2021 due to the extension of the governments road-map. Payments totalling £115,000 have been made to residents to help them during self-isolation.

Digital update

Progress continues around enhancing our use of technology to support service delivery. Amongst other things, we are readying the housing system for its next upgrade – one that will bring automation to the lettings function and reduce administration for setting up tenancies for void properties. Training has concluded in advance of the launch of our new online payments system – due to launch later this month – which will expand the range of payments that can be taken online. We will shortly be launching online licensing applications functionality.

From a security perspective, we continue to ensure we are running latest software versions – and several upgrades have taken place recently. We have introduced new password arrangements for our devices - making laptops easier to access for users whilst mitigating cyber security risks – and have enabled biometrics (fingerprints) on council mobile phones and tablets. Biometrics on laptops will follow shortly on relevant devices.

Organisation wide training sessions have taken place to embed the investment in Microsoft products, such as using Teams sites and using files in Sharepoint and One Drive. This improves how we work collaboratively and communicate with others. The team worked closely with Democratic Services to enable hybrid committee meetings after the legislation underpinning virtual meeting expired in May. Finally, the coming months will see a rollout of new laptops to councillors.

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