



## **Councillor Cliff Lunn - Executive Member for Finance and Resources**

### **Report to Council on 24 February 2022**

#### **Financial Results and Budget Exceptions Report to 31st December 2021**

The quarter 3 financial report highlighted a continuing trend of improving income, and underspends on projects as a result of slippage.

The General Fund indicates a forecast surplus of (£979k) driven primarily by higher planning and recycling income. The latest forecast in the HRA shows a (£185k) surplus for the HRA. The capital programme is forecast to underspend by over £3m as at the end of quarter 3, the majority of which is in the HRA and is now expected to be spent in the next financial year. Programme for Growth spend to the end of November was £1m with forecasts indicating that £5.1m will be spent in the full year.

The Executive approved the reprofiling of the capital programme and Programme for Growth.

#### **Treasury Management - Quarterly Update Q3 2021/22**

The quarter 3 treasury report presented an improving picture.

On average the Council's investments held in the NYCC Investment pool to the end of December totalled an estimated £79.6m, which at an average rate of 0.20%, has earned interest of £114.5k. The forecast indicates returns of approximately £159k for the full year, a budget surplus of £41k.

The Council also has £5.06m invested in property funds which have achieved a 3.41% revenue return and 8.06% capital gain over the course of the year. This resulted in revenue income of £124.3k to the end of Q3 and an 'unrealised' capital gain of £374.8k which has offset previous losses.

Long-term borrowing totalled £52.8m on 31<sup>st</sup> December 2021. Interest payments of £1.912m are forecast for 2021/22, a saving of £0.015m against budget. The Council's prudential indicators which show the affordable limits for borrowing were not breached during this period.

#### **Draft Budget**

This report presented the draft revenue budget; capital programmes and the Programme for Growth for 2022/23.

As a result of local government re-organisation (LGR) in North Yorkshire from April 2023, this will be Selby's last budget although the report also presents indicative budgets and planned programmes for 2023/24 and 2024/25.

The proposed budget elsewhere on this agenda, includes a Council Tax freeze for 2022/23 and the maximum 4.1% increase for housing rents approved by Executive on 6 January.

Whilst there is a growing deficit between core expenditure and income, there are reserves to enable savings to be deferred as capacity is diverted towards the ongoing Covid response and LGR. The resulting deficit will be drawn from the Business Rates Equalisation Reserve, which has been established for this purpose.

### **Treasury Management Strategy**

The report presented the proposed Treasury Management Strategy together with the Minimum Revenue Provision Policy Statement, Annual Investment Strategy for 2022/23, Capital Strategy 2022/23 and Prudential Indicators 2022/23 as required by the Department for Levelling Up, Housing and Communities (DLUHC) and CIPFA. The Strategy is elsewhere on this agenda for consideration and approval prior to the start of the new financial year.

Acknowledging Local Government Re-organisation, the Treasury Management Strategy is built upon the indicative capital expenditure plans for the next three years, which, along with re-profiled budgets carried forward from 2021/22 total £44.75m. These include Housing Delivery projects and Programme for Growth.

Given the anticipated level of expenditure, whilst there are no immediate plans to externally borrow, the authorised borrowing limit is proposed at £78m to enable prudent assessment of the Council's borrowing needs over the year.

The Council will continue to adopt the NYCC investment strategy for cash balances, along with consideration of other alternative investment opportunities, where considered prudent and operating within CIPFA's investment guidance.

### **Test and Trace support payments**

Since September 2020 the Benefits and Taxation Section has been administering the £500 payments on behalf of the Department for Health & Social Care and the scheme has now been extended to 31 March 2022. The team have been dealing with a large increase in applications following the increase in case numbers; applications have increased from approximately 80 a month in October and November 2021 to 177 applications in December 2021 and 508 applications in January 2022. Payments totalling £456,500 have been made to residents to help them during self-isolation. The main scheme is fully funded by central government, the discretionary funding is limited, however payments issued have not yet exceeded the funding provided.

### **Omicron Hospitality and Leisure Grant**

A further COVID-19 support scheme for businesses was announced on 21 December 2021. The Omicron Hospitality and Leisure Grants support hospitality, leisure and accommodation businesses in rated premises. This recognises that the rise of the Omicron variant meant that some businesses are likely to struggle due to reduced trade. The amount of grant is based on the rateable value of the premises, with the amounts being either £2667, £4000 or £6000. The scheme opened for

applications on 11 January 2022 and the closing date for applications is 18 March 2022. By the end of January, 158 businesses were paid a total of £498,706. A further small top-up of the discretionary Additional Restrictions Grant has also been received and details of a scheme are currently being developed.

### **Annual Billing update**

Preparations are underway by Finance, Data and Systems and Revenues and Benefits for the annual billing of Council Tax and NDDR for 2022/23. Bills are due to be issued on 14 March 2022. A number of new business rates reliefs have recently been announced and the team are working to implement these in time for annual bills being issued.

### **IT improvements**

We continue to deliver improvements to our IT. In recent months we have completed upgrades to many of our key systems such as the Planning Public Access system and our Finance system. We have also upgraded our Cyber Security Firewall and Email protection to ensure advanced protection against threats like ransomware.

We have recently introduced an e-Store payment portal that expands the number of Council services that can be paid for online – increasing flexibility for customers and enabling them to pay for our services at a time that suits them. Alongside the payment portal, we have introduced online licensing applications and further electronic forms on the Citizens Access Portal in Revenues & Benefits giving the customer a full digital journey. We are planning to go live with a new Housing Portal in April, this will enable our tenants to do things like check tenancy details, check rent accounts, pay rent and request repairs online.

Her Majesty's Land Registry ("HMLR") are running a programme to transfer land charges data held by local councils to HMLR. In November we commenced a project to migrate Selby's Land Charges data into a central digital register held by the Land Registry.

**Councillor Cliff Lunn**  
**Executive Member for Finance and Resources**