



Councillor Cliff Lunn

Executive Member for Finance and Resources

Report to Council on 17 July 2018

Final Results and Budget Exceptions Report to 31 March 2018

Overall 2017/18 was another successful year – the general fund ended the year in surplus by £414k allowing us to set-aside resources to support future spending plans.

There were a number of variance reported at the year-end - staff savings due to natural turnover, vacancies and efficiencies have generated an underspend although this is partly offset by an increase in specialist advice fees in Development Management where increased external resource has been required. In addition, buoyant cash balances have resulted in higher interest returns. It has been a successful year for the commercial waste service and bin round efficiencies have been delivered to avoid increase costs this year, despite new bins coming on stream from new developments. Key carry forward budgets on the general fund include Local Plan and PLAN Selby, the new housing system delivery project and homeless initiatives all of which are expected to deliver in 2018/19.

The General Fund capital programme showed some savings and slippage during the year principally due to a number of ICT projects being rolled up into the broader Digital Strategy Project which will deliver process and service improvements in 2018/19. There was also lower spend on Disabled Facilities Grants but planned changes to this service in the coming year will have a substantial positive impact on our delivery going forward.

A number of projects will continue to be delivered in 2018/19 and their budgets have been carried forward. This includes the budget for loans to the Selby District Housing Trust which will be spent as and when acquisitions occur, the rolling car park improvement programme which is underway, the police co-location programme which is progressing and Portholme Road culvert where works are delayed as a result of the police relocation.

The HRA generated a £734k surplus in the year with lower external borrowing requirements and lower demand on revenue to support the capital programme being the key contributors. In addition the HRA also benefitted from higher cash balances and thus increased interest returns, generated higher savings from the pension deficit reduction and did not require any spend from contingency in the year.

Meanwhile, £2.7m was spent on the HRA capital programme in 2017/18 resulting in an underspend of £523k in the year. A substantial part of this was from reduced boiler repairs following the successful boiler replacement programme. There was also lower requirement for the estate enhancements budget this year and damp proofing works were in lower demand than anticipated.

Some HRA projects will now deliver in 18/19 and as a result the budgets have been carried forward. These include the Byram Park Housing Development which is well underway and expected to complete in January 2019. Also the roofing and pointing schemes will run over

two years and the budget for the housing system implementation will also continue to spend in 18/19.

The target for planned savings in the year has been exceeded due to higher savings than expected from the pension deficit reduction in the HRA. However, the General Fund savings fell short of target by £34k, mainly from delays to the police co-location project and the loans to the Housing Trust commencing later in the year than originally budgeted. Additional ongoing savings were generated that were not in the plan, including providing services to another council and savings generated from the retender of the insurance contract.

Programme for Growth continued to progress in the year, £666k was spent on a number of projects including, the Sherburn all weather pitch and due diligence carried out across a number of strategic sites. The remaining budget in 17/18 has been carried forward as part of the latest approved programme taken to Executive in May 2018.

Treasury Management - Annual Review 2017/18

Average Investment returns were 0.51% for the year. The Bank of England base rate increased from 0.25% to 0.5% in November, but interest rates continue to be low. However, buoyant cash balances did mean that income exceeded budget by £148k.

Portfolio Issues

Police Co-location - This has now been finalised. Work will start within 4-6 weeks.

Closedown of the Council's accounts - The audit is progressing well and we are on track to submit to Audit and Governance Committee for sign-off later this month.

Cliff Lunn