



Councillor Cliff Lunn

Executive Member for Finance and Resources

Report to Council on 18th December 2018

National Non- Domestic Rates Discretionary Rate Relief Scheme for 2019/20 and 2020/21

The allocated funding to the authority for the Discretionary Rate Relief Scheme for 2019/20 is £37,000.00. All those businesses who currently receive the relief in 2018/19 would be eligible for relief in 2019/20. Based on the estimated increase in business rates cost for the next financial year an award of 2.2% in relief would cost £36,082.00. To allow the maximum possible relief within the allocated funding the relief allowable for 2019/20 will be set at 2.2%. This will ensure that the scheme will continue to be easy to administer and will also support different types and sizes of business.

The allocated funding for 20/21 is £5,000. To allow a percentage relief with such a low funding amount would mean each business eligible would receive very little. The Council will consider any applications on a case by case basis. Applications will only be considered from eligible businesses who fulfil the previous criteria and who have received the relief in previous years and only if they can provide evidence that the increase in business rates has caused them severe hardship. The Council will not make awards in excess of the available funding.

Treasury Management Quarterly Update Q2

The trend of relatively positive returns compared to our benchmarks and approved interest budget continues. The previously reported increase in the Bank Base Rate from 0.5% to 0.75% is helping to improve returns, with an average interest rate of 0.73% in quarter 2.

At quarter 1, approval was sought to invest in a select number of property funds via a procurement process carried out by NYCC. The funds were in place for the end of October and future quarterly reports will include the funds' performance. Entry fees will be treated as revenue expenses and will offset returns in year one.

Financial Results and Budget Exceptions Report to 30th September 2018

At the end of quarter 2, the General Fund indicated an outturn deficit of £26k. There are a number of variances (positive & negative) which make up this deficit including; shortfall on planned savings, staffing savings; changes in waste and recycling income and higher investment income. The HRA indicated an outturn surplus of (£348k), which is mainly driven by lower external borrowing requirements, offset by lower rents and grants.

The forecast outturn at Q2 continued to indicate a deficit on the General Fund, with a slight improvement to £26k. The HRA continued to report a forecast surplus of £348k.

The drivers for the variance on the General Fund remain broadly the same as Q1, the most significant being the shortfall on planned savings and changes to the lifeline service. These are offset by staff savings and higher investment income. The HRA surplus is driven by lower external borrowing requirements.

Planned savings for the year have already been achieved in the HRA. However, General Fund savings were showing a forecast shortfall of £157k which is consistent with that reported at Q1.,. Work continues to mitigate this with in-year savings, including holding vacancies where appropriate.

The capital programme forecast at Q2 was an underspend of (£2,001k); (£516k) GF and (£1,485k) HRA; the majority relates to Disabled Facilities Grants and ICT systems. Some of this underspend will be required to be carried forward to 2019/20 to meet project profiles.

The Programme for Growth continues apace with projects well underway. Projects are expected to be delivered over a number of years.

2019/20 Budget

Work is underway on the draft budget proposals, which will be considered by the Executive at our meeting on 10th January 2019. This slight delay will allow the Local Government Finance Settlement to be incorporated into the proposals.

As part of the consultation, Member briefings have been scheduled for week commencing 7th January and I urge all members to take the opportunity to feed in their views.

The consultation will run for 4 weeks before the Executive approve recommendations to full Council at our meeting on 6th February, with Council considering the proposed budget on 21st February.