



Councillor Cliff Lunn - Executive Member for Finance and Resources

Report to Council - 16 July 2019

Treasury Management – Annual Review 2018/19 (Executive 30 May 2019)

2018/19 was another positive year for our treasury activities with buoyant cash balances helping us to out-perform our income target. On average the Council's treasury deposits totalled £63.4m over the year at an average rate of 0.81% earning interest of £518k (£356k allocated to the General Fund; £163k allocated to the HRA), which was £279k above budget.

2018/19 also saw our first investment into property funds – with a budget of £5m approved. Following a procurement process through North Yorkshire County Council, these funds have been split equally between Blackrock and Threadneedle. Entry fees of £76k were treated as revenue expenses and offset against returns in year one, resulting in net income of £6k. Whilst the closing investment value of £4.93m was 0.69% (£34.2k) below the original the investment, excluding entry fees, the funds achieved a combined return revenue return of 4.13%.

And finally, our long-term borrowing totalled £59.3m at 31st March 2019, (£1.6m relating to the General Fund; £57.7m relating to the HRA). Interest payments of £2.49m were made during 2018/19, a saving of £0.37m against budget, which was due to deferral of borrowing assumed for the Housing Development Programme. The Council has not undertaken any short term borrowing during 2018/19.

Financial Results and Budget Exceptions (Executive 30 May 2019)

Overall Selby achieved positive financial results for the year with surpluses on both the General Fund (£59k) and Housing Revenue Account (£753k). The large surplus on the HRA was the result of some delays to the housing development programme which meant that borrowing planned for 2018/19 was deferred.

There were a number of variances against budget, both positive and negative, including some delays on our savings programme. On that particular front I'm pleased to report that plans are progressing – for example members will be aware that the police co-location has now taken place.

Some funds have been rolled forward to continue programmes that have started but are not yet complete and these will continue to be monitored by the Executive over the coming year.

Overall our finances remain strong and the outlook for delivery of the Council's corporate objectives is positive – a position many other Councils across the country would envy.

2018/19 Final Accounts

The focus for the last quarter has been the closedown of the Council's accounts. Draft accounts were signed off by the Chief Finance Officer by the statutory 31 May deadline. The audit is now underway with a view to the full accounts being signed off at the end of July.

Digital improvements

We are getting on with delivering on our Digital Strategy to ensure we maximise the use of technology to improve how we work and deliver services to residents.

Last month we installed two new 'scanning stations' at the Contact Centre. These allow customers to scan supporting documents straight into the back office system - removing need for manual scanning by officers which can take up to 40 minutes. This is just one part of our 'digital customers' strand which will see more services become accessible online – more convenient for customers and helping to reduce more costly face to face contact. Reducing the amount of high volume but low complexity transactions coming through the Contact Centre helps us to re-focus our efforts on customers with more complex enquiries and enables us to move the Contact Centre to the Civic Centre which will bring customers closer to the back office.

We are also progressing on our 'digital workforce' strand – using technology to raise productivity and flexibility across the workforce whilst also upskilling our staff. In recent months we have implemented new software in Planning to improve workflow and performance management and we are engaging with all staff to introduce them to the different functions of Microsoft Office365 – a key step in ensuring O365 delivers real improvements to how we work. Staff engagement is also a key element in the development of our draft People Plan – more of which in my next update to Council.

Finally, on technology, we continue to fix the foundations. We have recently completed replacement of older servers – allowing us to continue to comply with government requirements that allow us access to their systems (such as DWP). We have improved the backup of our systems and information by moving to a digital solution; secured data improvements such as removing over 23,000 duplicate records on our Land charges system and securing a GeoPlace Gold Award for accurate address data; and delivered well received Cyber Awareness training to over 100 employees – including the Chief Executive.

We are planning on offering this same training to members so watch this space.

Cliff Lunn

Executive Member for Finance and Resources