



## **Councillor Cliff Lunn**

### **Executive Member for Finance and Resources**

#### **Report to Council on 17 December 2019**

#### **Executive Meeting 7 November 2019**

##### **Admittance of Scarborough Borough Council to Veritau North Yorkshire**

Following consultation with the Audit and Governance Committee, the Executive approved the re-admittance of Scarborough Borough Council to Veritau North Yorkshire (VNY). The arrangements will add resilience to the team and take us back to the position we were in when VNY was first established.

##### **Financial Results and Budget Exceptions Report to 30th September 2019**

The General Fund outturn forecast at Q2 was a £298k deficit by the year end which is driven principally by some shortfalls on planned savings. Service budgets are forecasting a small surplus but there are a number of income pressures (planning applications, industrial units, recycling and lifeline services) which are being mitigated through salary savings and higher than budgeted investment interest.

£777k of new General Fund planned savings will be achieved this year against a target of £1.141m. The main categories that are falling short of target are planning (the service is currently under review and with it the savings target), asset rationalisation and digital transformation.- the latter two savings are still expected to deliver but these will slip into 2020/21.

The HRA continues to report a surplus of £118k as a result of lower external borrowing requirements partly offset by delayed savings on the implementation of the new housing system.

The capital programme is forecasting to spend £3.9m on the General Fund. This is £12m below budget but £11.6m of this relates to the Housing Loans to the Selby District Housing Trust which are dependent upon the Trust undertaking the development of new schemes.

The HRA programme is forecast to spend £8.9m which is £1.9m lower than budget. The main drivers of this variance are the delayed roof replacement programme, the empty homes programme which will deliver over two years and delays in housing work programmes due to tendering for large supplier contracts to provide a more attractive proposition to the market and deliver better value for money.

Programme for Growth is showing good progress across a number of projects with £806k spent in the year to date. Projects are expected to be delivered over a number of years and project updates can be found in the report.

## Treasury Management – Quarterly Update Q2 2019/20

Treasury performance continues to produce relatively positive returns compared to our benchmarks and approved interest budget. At quarter 2 we achieved average returns on our standard treasury investments of 0.93%.

Our property fund investments achieved a net return of 2.71% which included a further capital loss as the uncertainty over Brexit continues to impact on financial markets.

There were no changes to long term borrowing in the quarter.

## **Executive Meeting 5 December 2019**

### Empty Homes and Council Tax Premium Charges

Recent changes in legislation have allowed local authorities to increase the Council Tax Premium charged on those properties which have been empty for more than 2 years. From 1 April 2019 the premium was increased from an extra 50% charge to a 100% charge and Selby District Council adopted this new amount. From 1 April 2020 the enabling Act will allow properties that have been empty more than 5 years to be charged a 200% premium and from 1 April 2021 properties that have been empty more than 10 years can be charged a 300% premium.

I presented a report to the Executive on 5<sup>th</sup> December to implement these new premiums in Selby from 1<sup>st</sup> April. This measure is not driven to increase Council tax income, but to act to encourage owners of long term empty properties back into use. The Executive are also supporting the continuation of the Empty Homes Officer who is providing advice and support to owners of long term empty properties to help them to bring them back into use.

### Proposed Council Tax Support Scheme for 2020/21

A new Council Tax Support Scheme from April 2020 is being put forward for approval by the Council today. Council Tax Support given to those working age residents who receive certain benefits or who have a low income. The proposed changes contain a more simpler scheme for the residents that also works with wider welfare reforms and should reduce administration for staff.

We have looked at this together with all the other North Yorkshire authorities who have also been looking at changes to their schemes. The framework for all the authorities was very similar, that the schemes should be as cost neutral as possible and wherever possible there should be no customers who lose or gain a large amount of Council Tax Support. Each authority has then tailored the scheme according to demographics.

The main amendment is a move to a banded income grid scheme, with incomes within a certain band and household receiving a set percentage reduction, this will be much more transparent for customers rather than the current complicated means testing scheme. Other changes include a reduction in the capital limit and the standardising of certain disregards and deductions. We are also looking to provide more support to those on the lowest incomes by increasing the maximum liability allowable from the current 90% to 100%.

## **Human Resources**

Colleagues will have noted some changes in Human Resources (HR). Work to develop the organisational development (OD) strategy has confirmed the need for greater capacity around HR and OD if we are to support managers and staff to effectively deliver our challenging agendas such as digital transformation and workforce development.

In the short term, we have agreed additional support from the County Council over and above existing arrangements such as payroll, LearningZone eLearning package and the MyView self service system. In addition to day to day on site operational support, the County Council are also helping us to review our current arrangements, including some of our key policies. This will help us to understand our requirements in the medium to longer term – including the potential for a Better Together arrangement.

## **Draft Revenue Budget and Capital Programme 2020/21 and Medium Term**

### **Financial Plan**

Since the Medium Term Financial Strategy was approved by Council in September 2019, the Executive have been working with the Leadership Team to formulate budget proposals for 2020/21 and indicative plans for 2021/22 and 2022/23.

Our proposals are currently out to public consultation and Policy Review Committee is scheduled to review and comment as part of the consultation.

Briefings with the political groups have been arranged for early January and I would urge all members to take advantage of these sessions and feedback on the proposals before they are finalised and presented to Council in February.

Cliff Lunn