



Councillor Cliff Lunn

Executive Member for Finance and Resources

Report to Council on 20 February 2020

Executive Meeting 10 January 2020

Housing Rents 2020/21

The Executive approved housing revenue account rent levels for the coming financial year in accordance with the Ministry of Housing Communities and Local Government's new rent setting policy. This new policy allows rent increases of up to CPI + 1% in any year for the next five years. This follows four years of 1% annual rent reductions,

Rents will increase by 2.7%, which will mean that on average rents will rise by £2.50 per week – from £82.48 in 2019/20 to £84.98 in 2020/21 (on a 48 week basis). This will increase rental income by £317k in 2020/21.

As outlined in the Housing Revenue Account Business Plan that was approved by Council in December 2019, this increase is essential to fund further investment in the housing stock to achieve decent homes+ standard homes for our tenants.

Executive Meeting – 5 February 2020

Council Tax Penalties Policy

The use of penalties against fraudulent claims for discounts and exemptions has existed in legislation since April 1993. Selby District Council has not however, until now, utilised the system when administering tax.

The Executive approved the application of the legislation to apply a £70 penalty to the Council Tax bill should a customer not notify of a change affecting their liability to pay Council Tax or fail to provide evidence of information that they hold which has been requested by the Council within 21 days.

Where a penalty has already been imposed and a further request to supply the same information is made, a further penalty of £280 may, subject to specific criteria, be imposed for **each** subsequent failure.

The main drive for using penalties is to encourage tax payers to report changes in circumstance and appreciate the financial impact not doing so has on the council's ability to provide services. It will also act as a deterrent to those who repeatedly fail to inform us of changes and fraudulent activity.

The application of the charge will be at the discretion of Officers and a two tier approval of the charge will be in place to ensure that the charge is applied in the appropriate circumstances. There will also be an appeals process.

Revenue Budget and Capital Programme 2020/21 and Medium Term Financial Plan

The Executive's proposed budget for 2020/21 and the Medium Term Financial Plan (to 2022/23) are presented later on this agenda.

At the time of writing this report details of the final Local Government Finance Settlement have been published and are scheduled for debate in the House of Commons on 12th February. The figures for Selby mirror those in the provisional settlement, however if there are any subsequent changes I will update Council as soon as possible.

The Executive's proposals have been subject to public consultation, have been scrutinised by Policy Review Committee and have been discussed at all member briefings.

Financial Results & Budget Exceptions to 30 December 2019

The update at quarter 3 forecasted a General Fund outturn at breakeven and an HRA outturn surplus of £180k.

In the General Fund, as reported in previous quarters, there continues to be a shortfall on planned savings and key income streams, but these have been offset by a variety of shorter term savings including the application of contingency budgets.

The HRA surplus is the result of lower external borrowing requirements offset by delays to the planned savings from the implementation of the new housing system.

The Executive approved the reprofiling of the capital programme, with carry forwards at the end of the year forecast to be £16.9m on the General Fund and £6.7m on the Housing Revenue Account. The General Fund is made up predominantly of £11.6m of Housing Trust loans which will be delivered as housing schemes are approved, and £4m for the new waste vehicle fleet which will be delivered in the first half next financial year. Procurement of major contracts is a key reason for the slippage in spend in the Housing Revenue Account.

The Programme for Growth is progressing with projects delivering over multiple years. It is expected that funds from the business rates pool, towards the costs of Tour De Yorkshire and UCI cycling races, will be received in quarter 4.

Treasury Management Strategy

The proposed strategy, for Council's consideration and approval, is elsewhere on this evening's agenda.

Treasury Management – Quarterly Update Q3 2019/20

On average the Council's investments totalled £63.9m over the first 3 quarters and earned interest at an average rate of 0.92% (£441k) which is split across the General Fund and Housing Revenue Account.

In addition to investments held in the NYCC investment pool, the council has £4.83m invested in property funds. As at 31 December 2019 these funds had achieved a net rate of return of 2.42% (3.95% revenue return and 1.53% capital loss) and achieved revenue income of £146.2k.

Long-term borrowing totalled £59.3m at 31st December 2019, (£1.6m relating to the General Fund; £57.7m relating to the HRA). Interest payments of £2.5m are forecast for 2019/20, a saving of £0.3m against budget. The Council had no short term borrowing in place as at 31st December 2019.

The Council's affordable limits for borrowing were not breached during this period.

Digital workforce

All council officers are getting new laptops or tablet computers as we roll out Microsoft Office 365.

At the time of writing, over half of staff are up and running with their new devices with the remainder to be completed in March. This is a key part of our Digital Workforce programme.

The new computers will allow staff to become more mobile and work more flexibly, taking services closer to customers and reducing the need to always be in the office.

Office 365 supports this by introducing new collaboration tools such as video chat, instant messaging and sharing of documents which not only help staff to communicate more effectively with each other and councillors but also with our partners.

This has been supported by introducing a new training portal which is designed to give staff the skills and knowledge they need to make the most of the new technology. Additional workshops will be rolled out for staff in March and April to ensure we maximise the benefits of this significant investment.

Cliff Lunn

Lead Executive Member for Finance and Resources