

**CABINET**

**2 JUNE 2020**

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**MONEY MATTERS 2019/20 : REVIEW OF FINANCIAL PERFORMANCE AGAINST THE FINANCIAL STRATEGY**

**1. Decision:**

The Cabinet:

- 1.1 Noted the report and issues raised within and agreed that Leadership Team with Cabinet Members will continue to closely monitor and manage the Medium Term Financial Strategy.
- 1.2 Noted the transfers to earmarked reserves and general and earmarked reserves at 31 March 2020.
- 1.3 Noted that in terms of the financial impact of COVID-19, there was a relatively limited impact in 2019/20 with a projected higher financial impact in 2020/21 and potentially beyond.
- 1.4 Approved £13,454,000 of Capital Programme slippage related to 2019/20 being added to the Approved Budget in 2020/21 as outlined at Appendix E of the Cabinet report.
- 1.5 Noted the Community Infrastructure Levy (CIL) financial year report which is in accordance with Regulation 62 of The Community Infrastructure Levy Regulations 2010 (as amended).
- 1.6 Approved a delegation to the Cabinet Member for Finance and Procurement to agree the preferred option and the legal arrangements for the Financial Information System in line with the approved budget.
- 1.7 Endorsed the 3 month extension of the arrangement for the Interim Procurement Manager at a cost of £29,000 (a total cost £102,000) and noted the outcome from the options appraisal in relation to future procurement support.
- 1.8 Recommended that Council approve the actual 2019/20 Prudential Indicators contained within the report.

**2. Statement of Reasons:**

The Cabinet report covers the financial performance for the financial year 2019/20.

The Net Cost of Services had a £25,074 adverse variance, corporate accounts had a £6,634 adverse variance and funding had a £636 adverse variance. Therefore the overall adverse variance was £32,344.

The Original Budget estimated a transfer of £148,860 to general reserves. Money Matters Reports during 2019/20 have identified favourable financial performance that resulted in an Approved Budget transfer to general reserves of £1,113,560. The actual transfer was £1,081,216 and is £32,344 lower than budget.

The actual transfer is £932,356 higher than the Original Budget. In terms of this variance, £210,466 is related to the Net Cost of Services (comparable with the target of +/- £250,000) and £721,890 is related to one off items (Business Rate Grants, returned Earmarked Reserves and Treasury Management).

The Capital Programme was (£13,362,351) lower than the Approved Budget mainly due to under performance on Investment in Property (£10,500,000) and Disabled Facilities Grants of (£609,547).

Income from Capital Receipts was higher than the Approved Budget by (£149,784) due mainly to additional Bromford Right to Buy Sales achieved at the end of the financial year.

In terms of Council Tax, Business Rates, Sundry Debtors and Supplier Performance:

- Council Tax collection was 98.50% and total arrears were £2,517,197 (Council share £327,236).
- The Council Tax Collection Fund was in surplus as projected with the Council's 13% share being (£234,310) compared to the Approved Budget of (£208,510). This additional income of (£25,800) will be included in the 2021/22 budget.
- Sundry Debt for income to be collected in 2019/20 has reduced by (£186,088) compared to 2018/19 and the value outstanding at 31 March 2020 has increased by £601,563.
- Retained Business Rate Income was (£2,829,210) compared to the Approved Budget of (£2,829,210).
- The Business Rates Collection Fund was in surplus as projected with the Council's 40% share being (£1,072,553) compared to the Approved Budget of (£122,100). This additional income of (£950,453) will be included in the 2021/22 budget.
- Business Rates collection was 98.90% and total arrears were £555,462 (Council share £222,185).
- The payment of suppliers within 30 days was 86.15% and remains below our 90% target.

The Council's investments achieved a risk status of AA- that was more secure than the aim of A- and yield exceeded all four of the industry standard London Interbank (LIBID) yield benchmarks.

The Council collected a total of (£420,916) in Community Infrastructure Levy (CIL) receipts, of these receipts £21,046 (5%) has been applied to administrative expenses, £26,611 CIL expenditure was allocated or took place and £70,294 of CIL receipts were allocated or transferred to Parish Councils.

### **3. Any Alternative Options:**

There are no alternative options.

**HOUSING, HOMELESSNESS AND ROUGH SLEEPING STRATEGY**

**1. Decision:**

The Cabinet

- 1.1 Approved and recommended to Council the approval of the Housing, Homelessness and Rough Sleeping Strategy 2019-2024 as attached at Appendix 1 of the Cabinet Report and the accompanying Annexes.
- 1.2 Delegated authority to the Cabinet Member for Communities and Housing in conjunction with the Head of Regulatory Services, Housing and Wellbeing to amend the strategy and action plan after the year one review to assess the implications of the Covid 19 pandemic and any emerging challenges.
- 1.3 Approved and recommended to Council the approval of the new policy of earmarking future Right to Buy receipts towards capital investment to support delivery of the Housing, Homelessness and Rough Sleeping Strategy.

**2. Statement of Reasons:**

The Housing, Homelessness and Rough Sleeping Strategy 2019-2024 sets out the council's plans to tackle homelessness, rough sleeping and a range of other housing-related challenges over the next five years in Lichfield District from 2019 to 2024. It provides a position statement that sets out the council's strategic priorities and objectives across all housing tenures. The strategy reflects on performance and achievements since the last strategies were published, examines the housing and

homelessness challenges that we face in the district and explains how the council and its partners will address these challenges through three priorities for action:

- Enable people to live in good quality homes that are suitable for their needs
- Increase housing choice to meet the need of current and future residents
- Prevent or relieve all forms of homelessness including rough sleeping

The homelessness and rough sleeping section of this strategy was approved by Cabinet on 3<sup>rd</sup> December 2019 and this is the wider strategy incorporating all housing issues. For the first time, the housing strategy and the homelessness strategy have been combined into one document. In addition to saving resources, our combined approach means that homelessness and rough sleeping are not seen in isolation but within a wider framework, which covers the causes of and solutions to challenges such as access to affordable and suitable accommodation and the provision of and access to support and housing for vulnerable households. This approach will ensure that the council takes a comprehensive and joined up approach to all matters relating to housing, homelessness and rough sleeping.

The Housing, Homelessness and Rough Sleeping Strategy 2019-2024 is attached at Appendix 1 of the Cabinet report. The detailed evidence base - the Homelessness Review, additional housing information and action plan is contained in Annexes A-E of the report.

In order to be able to respond flexibly to the changing impacts of the Covid 19 pandemic, it is also proposed to delegate powers to the Cabinet Member for Communities and Housing and Head of Regulatory Services, Housing and Wellbeing to review the strategy after one year and amend the strategy and action plan accordingly.

### **3. Any Alternative Options:**

1. To do nothing and not have a new Housing, Homelessness and Rough Sleeping Strategy 2019-2024: this is not recommended as we have a statutory duty to publish a homelessness strategy every five years after we have carried out a review of homelessness. The government's Rough Sleeping Strategy 2018 also requires us to have a plan in place to halve rough sleeping by 2020 and end it by 2027.
2. To have a separate housing strategy and homelessness strategy; the synergy between these mean that it will be beneficial and more cost effective and efficient use of staff time to have both in one combined document.
3. To put the approval of the strategy on hold until after the Covid 19 pandemic has ended, gather further evidence and carry out consultation later this year or next. This would involve gathering another year's data and rewriting much of the strategy and accompanying documents leading to a delay in delivery of the action plan and key pieces of work contained in it. Considering the initial economic and social impacts of the pandemic so far, it is likely that the need to enable affordable housing and prevent homelessness will be even greater and so a review of the strategy after one year is considered the best way forward as this will enable us to assess the impacts of Covid 19 and amend the strategy actions accordingly.