

NORTH DEVON COUNCIL

Minutes of an Extraordinary meeting of NORTH DEVON COUNCIL held at Brynsworthy Environment Centre, Barnstaple on Tuesday 14th August 2018 at 6.00 p.m.

PRESENT: Members:

Councillor Moore (Chairman)

Councillors Barker, Brailey, Campbell, R. Cann, Crabb, Croft, Edgell, Edmunds, Greenslade, Gubb, Haywood, Hunt, Jones, Lovering, Luggar, Mackie, Patrinos, Spear, Tucker, White, Wilkinson, Worden and Yabsley

Officers:

Chief Executive, Head of Corporate and Community Services, Head of Resources, and Corporate and Community Services Officer (KJ).

25 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Biederman, Bonds, J. Cann, Chesters, Chugg, Davis, Flynn, Lane, Leaver, Ley, Manuel, Mathews, Meadlarkin and Roome.

26 DECLARATIONS OF INTEREST

There were no declarations of interest announced.

27 STATEMENT OF ACCOUNTS 2017/18

(a) Report of Chief Financial Officer

Council considered a report by the Chief Financial Officer (CFO) and recommendation of the Audit Committee held on 14th August 2018 (circulated previously) regarding the Statement of Accounts for 2017/18.

The Head of Resources introduced the External Auditors to the Committee. He then advised the Committee of the follow points in relation to the Statement of Accounts (pages 1 to 98):

- The draft Statement of Accounts for year ended 31 March 2018 were signed by the CFO on 29 May 2018).
- Due to resourcing issues the audit commenced 23rd July 2018. It had been completed within two weeks. He thanked the team for their efforts in getting the audit completed.
- The Audit Findings Report had been presented to the Audit Committee earlier this afternoon.

- Unqualified Opinion on Financial Statements / Value For Money Conclusion
- Three recommendations following Key Findings – accepted by management and responses built into the Action Plan.
- The narrative report (pages 4 to 14) sets out the challenges faced, how the Council aimed to meet those challenges and reviewed the last financial year 2017-18.
- There had been a forecast net deficit of £0.012m as at quarter 3, December 2017 and final outturn position net budget surplus of £0.504m. This had been achieved from:
 - (£0.220m) Additional collection fund income (Council Tax and Business Rates)
 - (£0.070m) Lower car park costs and additional income
 - (£0.070m) Reduced spend on economic development
 - (£0.080m) Additional savings from staffing budget
- The options for the (0.504m) surplus:
 - £0.264m Provision for voluntary redundancy/early retirement
 - £0.030m Provision - other
 - £0.070m Economic development reserve
 - £0.030m Office technology reserve
 - £0.030m CCTV reserve
 - £0.040m Repairs fund reserve
 - £0.040m Office accommodation reserve
- The reserves at the 31st March 2018 were £1.161m (9.7% of the net budget). The Council had been adding to the reserves.
- The Medium Term Financial Plan 2018-2022 detailed a forecasted budget gap of £0.345m in 2019-2020, increasing to £0.616m in the 2021-22 financial year.
- The Movements in Reserves statement showed £25.5m as the total net worth.

In response to a question from the Committee, the Head of Resources explained that the increase in employee benefits, as shown on the accounts, was due to non-accounting entries on the pension scheme. The actual staffing costs had reduced.

Councillor Croft reported the recommendation of the Audit Committee held on 14th August 2018. She confirmed that both the internal and external auditors had given positive reports.

Councillor Brailey gave thanks to the finance staff and the auditors on behalf of the Members.

It was moved by Councillor Croft, seconded by Councillor Brailey “that the recommendation of the Audit Committee held on 14th August 2018 be adopted and that the Statement of Accounts for 2017/18 be approved and the Chairman of the Council sign and date the Statement of Accounts as required by the Accounts and Audit Regulations.”

RESOLVED:

- (i) that thanks be given to the staff and auditors in their works during the year; and
- (ii) that the recommendation of the Audit Committee held on 14th August 2018 be adopted; and
- (iii) that the Statement of Accounts for 2017/18 be approved and the Chairman of the Council sign and date the Statement of Accounts as required by the Accounts and Audit Regulations.

(b) Annual Governance Statement 2017/18

The Head of Corporate and Community outlined the Annual Governance Statement 2017/18 (circulated previously).

He drew Council's attention to the following points:

- This was the second year in which the Annual Governance Statement had been issued in this format as per the principals of the CIPFA code.
- The Council had adopted a revised Corporate Plan with two focused objectives of Service Improvement and Growth. Within these he highlighted the works on the 21:21 and Leisure Centre projects.
- The 21:21 project included a complete review of the processes within the Council to maximise capacity and develop a customer focus.
- A Risk Management strategy had been adopted.
- Investors in People accreditation had been retained in January 2018.
- Some of the suggestions from the LGA Peer Review during 2017-18 had not yet been implemented but had been included within the Action Plan.
- Only one significant issue had been identified as an issue of concern: Potential for severe disruption of services by extreme events. Business continuity plans had been discussed at the Audit Committee earlier today.

In response to a question from the Committee, the Head of Corporate and Community Services explained that the Authority had an existing Business Continuity policy in place, but that it was being reviewed. The plans needed to be updated to keep up with the changing environment. A realistic approach needed to be taken in the prioritisation of the services. It was hoped that the new policy would be presented to Members by the end of December 2018.

It was moved by Councillor Brailey and seconded by Councillor Jones that "recommendation 7 of the meeting of the Audit Committee held on 12th June 2018 be adopted and that the Annual Governance Statement for 2017/18 be approved."

RESOLVED:

- (i) that recommendation 7 of the meeting of the Audit Committee held on 12th June 2018 be adopted; and
 - (ii) that the Annual Governance Statement for 2017/18 be approved.
- (c) Letter of Representation on behalf of the Council

The Head of Resources advised Council that the letter of representation on behalf of the Council (circulated previously) was required to be sent to the Auditors as the final stage of the audit of the Statement of Accounts for the year ended 31 March 2018 for the purpose of expressing an opinion as to whether the financial statements gave a true and fair view.

It was moved by Councillor Croft and seconded by Councillor Brailey “that the letter of representation on behalf of the Council be approved and signed by the Chairman of Council and the Chief Financial Officer.”

RESOLVED that the letter of representation on behalf of the Council be approved and signed by the Chairman of Council and the Chief Financial Officer.

Chairman

The meeting ended at 6.26 p.m.

NOTE: These minutes will be confirmed as a correct record at the next meeting of Council.