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North Devon Council
Brynsworthy Environment Centre
Barnstaple
North Devon EX31 3NP

K. Miles
Chief Executive.

To: All Members of the Council
and Chief Officers

NOTE: PLEASE NOTE THAT PRAYERS WILL BE SAID AT 6.25 P.M. PRIOR TO THE COUNCIL MEETING FOR ANY MEMBER WHO WISHES TO ATTEND

COUNCIL MEETING

YOU ARE HEREBY SUMMONED to attend a meeting of **NORTH DEVON COUNCIL** to be held in the Crematorium Meeting Room - North Devon Crematorium on **WEDNESDAY, 21ST JULY, 2021 at 6.30 pm.**

(NOTE: A location plan for the Brynsworthy Environment Centre is attached to the agenda front pages. From the 7 May 2021, the law requires all councils to hold formal meetings in person. The council is also ensuring that all venues used are Covid secure and that all appropriate measures are put in place. There are a limited number of spaces available for members of the public to attend. Please check the Council's website for the latest information regarding the arrangements that are in place and the requirement to book a place 2 working days prior to the meeting [Taking part in meetings \(northdevon.gov.uk\)](http://northdevon.gov.uk))

A handwritten signature in black ink, appearing to read 'K. Miles', written in a cursive style.

Chief Executive

AGENDA

14. Performance and Financial Management Quarter 4 2020/21

(NOTE: A copy of the report that was considered by the Strategy and Resources Committee on 5 July 2021 is attached).

(a) Report of the Policy Development Committee (Pages 7 - 10)

To receive the report of the Policy Development Committee held on 15 July 2021 (to follow)

15. Treasury Management Annual Report 2020/21

(NOTE: A copy of the report that was considered by the Strategy and Resources Committee on 5 July 2021 is attached).

(a) Report of the Policy Development Committee (Pages 11 - 12)

To receive the report of the Policy Development Committee held on 15 July 2021 (to follow).

If you have any enquiries about this agenda, please contact Corporate and Community Services, telephone 01271 388253

13.07.21

GUIDANCE NOTES FOR RULES OF DEBATE AT MEETINGS OF COUNCIL

Part 4, Council Procedure Rules of the Constitution

The basics

At a meeting of Full Council, Members shall stand when speaking unless unable to do so and shall address the Chair.

While a Member is speaking, other Members shall remain seated unless rising for a point of order, a point of information or in personal explanation.

No speeches may be made after the mover had moved a proposal and explained the purpose of it until the motion has been seconded.

Unless notice of motion has already been given, the Chair may require it to be written down and handed to him before it is discussed.

When seconding a motion or amendment, a member may reserve their speech until later in the debate.

Speeches must be directed to the question under discussion or to be personal explanation or point of order.

A speech by the mover of a motion may not exceed 5 minutes without the consent of the Chair.

Speeches by other Members may not exceed 3 minutes without the consent of the Chair, unless when the Council's annual budget is under discussion, the leader of each political group on the Council may speak for up to 5 minutes or such longer period as the Chair shall allow.

The rules of Question Time

At a meeting of the Council, other than the Annual meeting, a Member of the Council may ask the Leader or the chair of a committee any question without notice upon an item of the report of a committee when that item is being received or under consideration by the Council.



North Devon Council protocol on recording/filming at Council meetings

The Council is committed to openness and transparency in its decision-making. Recording is permitted at Council meetings that are open to the public. The Council understands that some members of the public attending its meetings may not wish to be recorded. The Chairman of the meeting will make sure any request not to be recorded is respected.

The rules that the Council will apply are:

1. The recording must be overt (clearly visible to anyone at the meeting) and must not disrupt proceedings. The Council will put signs up at any meeting where we know recording is taking place.
2. The Chairman of the meeting has absolute discretion to stop or suspend recording if, in their opinion, continuing to do so would prejudice proceedings at the meeting or if the person recording is in breach of these rules.
3. We will ask for recording to stop if the meeting goes into 'part B' where the public is excluded for confidentiality reasons. In such a case, the person filming should leave the room ensuring all recording equipment is switched off.
4. Any member of the public has the right not to be recorded. We ensure that agendas for, and signage at, Council meetings make it clear that recording can take place – anyone not wishing to be recorded must advise the Chairman at the earliest opportunity.
5. The recording should not be edited in a way that could lead to misinterpretation or misrepresentation of the proceedings or in a way that ridicules or shows a lack of respect for those in the recording. The Council would expect any recording in breach of these rules to be removed from public view.

Notes for guidance:

Please contact either our Corporate and Community Services team or our Communications team in advance of the meeting you wish to record at so we can make all the necessary arrangements for you on the day.

For more information contact the Corporate and Community Services team on **01271 388253** or email **memberservices@northdevon.gov.uk** or the Communications Team on **01271 388278**, email **communications@northdevon.gov.uk**.

North Devon Council offices at Brynsworthy, the full address is:
Brynsworthy Environment Centre (BEC), Roundswell,
Barnstaple, Devon, EX31 3NP.

Sat Nav postcode is EX31 3NS.

At the Roundswell roundabout take the exit onto the B3232, after about ½ mile take the first right, BEC is about ½ a mile on the right.

Drive into the site, visitors parking is in front of the main building on the left hand side.

On arrival at the main entrance, please sign in using the Track and Trace App and follow the signage and instructions in order to access the Meeting Rooms. Alternatively, dial 8253 for Corporate and Community Services if you have any problems.



NORTH DEVON COUNCIL

COUNCIL: 21 JULY 2021

PERFORMANCE AND FINANCIAL MANAGEMENT QUARTER 4 OF 2020/21

REPORT OF THE POLICY DEVELOPMENT COMMITTEE HELD ON 15 JULY 2021

Minute 15: PERFORMANCE AND FINANCIAL MANAGEMENT QUARTER 4 OF 2020/21

The Committee considered a report by the Head of Resources to the Strategy and Resources Committee of 5th July together with minute extract (circulated previously) regarding Performance and Financial Management Quarter 4 2020/21.

The Head of Resources provided an update to the Committee in relation to the financial pressures from the previous report.

The Accountancy Services Manager outlined the report and drew the Committee's attention to the following points:

- The revenue budget for 2020/21 was approved at Council on 26th February 2020 at £13,380,000 and as at 31 December 2020, the Council was reporting a net surplus of £28,000 against the budget.
- As at 31 March 2021 it was pleasing to report that the final out turn position was a budget surplus of £593,000, which was an overall movement of £565,000 from the last forecast at quarter 3. The breakdown showing the movements were shown in Appendix A – Variations in the Revenue Budget.
- The original budget for 2020/21 included a forecast to achieve £200,000 worth of salary vacancy savings, this was exceeded by £189,000 giving an overall actual saving of £389,000.

The movement from Q3 of £565,000 could be attributed to:

- £307,000 Additional income from Planning, Building Control and rental income, in particular Butchers Row.
- £82,000 additional COVID support grant for EH&H and Corporate and Community, where no additional support was bought in and extra duties were covered by existing resources.
- £123,000 EH&H housing underspend, from less Temporary Accommodation cost and savings on general supplies and services.
- £53,000 Other smaller savings from various Heads of service.

Throughout 2020/21 Central government announced and paid local authorities 4 tranches of support funding totalling £1,575,000 for North Devon. The Council had also claimed £160,000 in respect of the job retention scheme and received £251,000 New Burdens grant for SBG and RHLG. Central government also supported local authorities for lost income by paying 75% of any lost income after Councils incur the

first 5% variance. This lost income and additional costs had been factored into the figures in Appendix A of the report together with the anticipated government support.

As at 31st March 2021 the Collection Fund reserve balance was £9,810,252. This earmarked reserve was created to deal with the timing impacts of the Collection Fund (Business Rates), which ensured the revenue budget was not unduly affected in the year the taxes were collected. Collection Fund deficits/surpluses were reversed out to bring the revenue account back to the budgeted figure for the year; the deficits/surpluses were recovered/distributed in the following financial years. This reserve included an £8,660,000 balance that would be utilised in 2021/22 and 2022/23 to mitigate timing differences of business rate reliefs awarded in 2020/21 that from an accounting perspective impact over the next two financial year; thus leaving the fund reserve with a residue balance of £1,150,000 protection against future volatility. This was an increase of £417,000 on the previous year end reserve balance.

From the revenue budget surplus of £593,000, it was proposed to set aside this amount into the following earmarked reserves:-

- (£375,000) COVID budget management reserve – There is government funding for Q1 built into the base budget, this would give the Council extra protection of Q2 and the rest of the financial year.
- (£118,000) – Economic Development reserve – This would bolster capacity for future building and regeneration projects.
- (£50,000) General fund reserve – This still left the Council in the recommended range of 5 - 10%, but provided a little more protection due to the volatile climate the Council was currently experiencing.
- (£50,000) Environmental Initiatives reserve – To fund climate action group projects (revenue costs).

He outlined the figures for the earmarked reserves for 2020/21 together with strategic contingency reserve, which were detailed in appendices B and C of the report.

Actual spend on the Capital Programme for 2020/21 financial year was £6,170,533. The variance against the budget of £7,110,512 was (£939,979); the majority of which would be carried forward into the 2021/22 Capital Programme to fund on-going projects.

In order to pay for the £6,170,533 capital investment the Council funded this from £5,115,391 received from external sources in the form of grants and other assistance, £513,794 of internal resources held specifically for capital projects, £156,623 from capital receipts and £384,725 from internal borrowing.

The 2021/22 to 2024/25 Capital Programme was attached as Appendix E – Capital Programme 2021/22 to 2024/25.

The Budget and Financial Framework report to Strategy and Resources 1st February 2021, outlined the Capital Programme for the 2020/21 financial year of £7,110,512; 2021/22 financial year of £22,419,916 and 2022/23 financial year of £1,924,488.

Project under spends of £917,121 from 2020/21 year were brought forward to produce a revised Capital Programme for 2021/22 year of £23,337,037; 2022/23 financial year of £1,924,488.

Further variations of £11,357,807 were proposed to the 2021/22 to 2024/25 Capital Programme.

The revised Capital Programme for 2021/22 to 2024/25 taking into account the budget variations was £36,619,332 and was broken down as follows:

- 2021/22 £24,716,124.
- 2022/23 £4,934,784.
- 2023/24 £2,573,300.
- 2024/25 £4,395,124.

The Programme of £36,619,332 was funded by Capital Receipts / Borrowing (£18,866,483), External Grants and Contributions (£15,511,561) and Reserves (£2,241,288).

In response to a number of questions, the Head of Resources and the Accountancy Services Manager advised the following:

- The COVID budget management reserve provided the Council with some additional protection for the 2021/22 year with the forecast continued reduction in fees income. The money was placed back into the reserves to enable the surplus from the previous year to be utilised in 2021/22 if required.
- With the Furlough scheme scheduled to end this year, there will be an additional pressure on the customers' ability to pay and the Council was predicting a reduction in collection rates of council tax and business rates upon the budget.
- The current plan was to maintain the general fund reserve at the current level of £1.2m (9%) on the upper end.
- Pay and display income from the car parks had reduced by £1.2m at quarter 3 but was actually down by almost £1.5m at year end.
- The estimated 75% government reimbursement for lost income was a credit to the Council of £1.4m.
- Car park income had recovered in June 2021 although other income sources were slightly down but not to the level seen in 2020.
- The Council had balanced the budget through government funding and had not taken out any loans to cover budget shortfalls. The tourism industry was expected to bring additional income into the North Devon area.

RESOLVED that the decisions and recommendations of the Strategy and Resources Committee be endorsed.

The Chair expressed his thanks and appreciation to the Finance team for their continued hard work.

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NORTH DEVON COUNCIL

COUNCIL: 21 JULY 2021

TREASURY MANAGEMENT ANNUAL REPORT 2020/21

REPORT OF THE POLICY DEVELOPMENT COMMITTEE HELD ON 15 JULY 2021

Minute 16: TREASURY MANAGEMENT ANNUAL REPORT 2020/21

The Exchequer Manager highlighted the following:

- This report provided details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved.
- The Council's Capital expenditure and financing as detailed in paragraph 4.1 of the report.
- The Council's overall borrowing need as detailed in paragraph 4.2 of the report.
- The Treasury position as at 31 March 2021 as detailed in paragraph 4.3 of the report.
- The strategy for 2020/21 as detailed in paragraph 4.4 of the report.
- The Borrowing Outturn as detailed in paragraph 4.5 of the report.
- The Investment Outturn as detailed in paragraph 4.6 of the report.

In response to questions, the Head of Resources and the Exchequer Manager advised the following:

- There was a review of margins over gilt yields for Public Works Loan Board (PWLB) rates in November 2020, which resulted in a reduction of 1% for the standard and certainty margins. However, a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets primarily for financial gain in its three year capital programme. This meant that any Council that planned to purchase assets, which would result in capital gain i.e the purchase of a commercial business might struggle to get loans from the PWLB.
- The impact of the decision meant that the Commercialisation Strategy was likely to be restricted to purchases within the district where regeneration or other factors were important considerations.
- The authorised borrowing limit was agreed at the Full Council meeting held in February of each year as part of the Treasury Management Strategy.

RESOLVED that the decisions and recommendations of the Strategy and Resources Committee be endorsed.

The Committee thanked the Exchequer Manager and his team for their continued hard work.

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