

NORTH DEVON COUNCIL

POLICY DEVELOPMENT COMMITTEE: 15TH JULY 2021

**MINUTE EXTRACT OF STRATEGY AND RESOURCES COMMITTEE HELD ON
5TH JULY 2021 IN RESPECT OF ITEM 7 ON THE POLICY DEVELOPMENT
COMMITTEE AGENDA**

41. PERFORMANCE AND FINANCIAL MANAGEMENT QUARTER 4 2020/21

The Committee considered a report by the Head of Resources (circulated previously) regarding the Performance and Financial Management for Quarter 4 of 2020/21.

In response to a question regarding the inclusion of service performance within the report, the Chief Executive advised that the format of the report would be reviewed with Members to ascertain the types of information to include within the report.

The Accountancy Services Manager highlighted the following:

- The revenue budget for 2020/21 was approved at Council on 26 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, 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 movement from Quarter 3 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 Environmental Health and Housing and Corporate and Community, where no additional support was bought in and extra duties were covered by existing resources; £123,000 Environmental Health and Housing underspend, from less Temporary Accommodation cost and savings on general supplies and services; and £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. We have also claimed £160,000 in respect of the job retention scheme and received £251,000 New Burdens grant for Small Business Grants and Retail, Housing and Leisure Grants. 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 have been factored into the above figures in Appendix A along with the anticipated government support.
- As at 31 March 2021 the Collection Fund reserve balance was £9,810,252 as detailed in paragraph 4.1.7 of the report.
- From the revenue budget surplus of £593,000, it was proposed to set aside this amount into earmarked reserves as detailed in paragraph 4.1.8 of the report.

- Appendix B – Movement in Reserves and Balances detailed the movements to and from earmarked reserves in 2020/21.
- Full details of the Strategic Contingency Reserve movements and commitments are attached as Appendix C – Strategic Contingency Reserve.
- The 2020/21 Capital Programme was detailed in Appendix D – Capital Programme 2020/21. 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 as detailed in paragraph 4.4.8.
- The Capital 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).
- The release of funds required for capital schemes as detailed in paragraph 4.4.14 of the report.
- Treasury Management as detailed in paragraph 4.5 and Debt Management as detailed in paragraph 4.6 of the report.
- Service plan actions as detailed in Appendix F of the report.

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

- The total of the Capital Programme of £36,619,332 was made up of the 4 totals as detailed in Appendix E of the report.
- The Works and Recycling Reserve Contribution was an earmarked reserve for procurement of trade waste bins and recycle bins containers. The Works and Recycling Bulk haulage costs included collecting and transporting the processed material. The £5,000 underspend was an improvement on the original estimate in Quarter 3.
- The Planning Inquiries fund was used to pay for appeals and it would be prudent to increase the reserve in the future.
- The quarterly and annual recycling rates would be included within future reports.
- The Environmental Initiatives reserve was for all environmental related projects.

RESOLVED that it being 1.00 pm the meeting continue in order for the remaining business to be transacted.

In response to questions, the Chief Executive advised that further investigations would be undertaken to ascertain the reasons for the reduction in the recycling rates. It was difficult to quantify the reduction in time taken by operatives collecting recycling since the introduction of the glass collection containers however there had been a positive impact. The Committee would discuss the full impact of the Government's recent consultations on collection of recycling materials at a future meeting.

RESOLVED:

(a) That the actions being taken to ensure that performance was at the desired level be noted;

(b) That the contributions to/from earmarked reserves be approved (as detailed in paragraph 4.2 of the report);

(c) That the movements on the Strategic Contingency Reserve (as detailed in paragraph 4.3 of the report) be noted.

(d) That funds be released for the capital schemes listed in paragraph 4.4.14 of the report;

(e) That the sections dealing with Treasury Management (paragraph 4.5), and Debt Management (paragraphs 4.6 and 4.7) be noted

RECOMMENDED:

(f) That the variations to the Capital Programme 2021/22 to 2024/25 as detailed in paragraph 4.4.8 be approved.