

NORTH DEVON COUNCIL

POLICY DEVELOPMENT COMMITTEE: 18TH NOVEMBER 2021

MINUTE EXTRACT OF STRATEGY AND RESOURCES COMMITTEE HELD ON 1ST NOVEMBER 2021 IN RESPECT OF ITEM 7 ON THE POLICY DEVELOPMENT COMMITTEE AGENDA

PERFORMANCE AND FINANCIAL MANAGEMENT QUARTER 2 2021-22

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding the Performance and Financial Management for Quarter 2 of 2021/22.

The Accountancy Services Manager highlighted the following:

- The revenue budget for 2021/22 was approved at Council on 24 February 2021 at £13,639,000.
- As at 30 September 2021, the latest forecast net budget was £13,617,000, which produces a forecast budget surplus of £22,000. Details were shown in “Appendix A – Variations in the Revenue Budget”.
- There was still pressure on the 2021/22 budget due to the Covid-19 pandemic with continued additional costs being incurred and forecast decline in core income sources.
 - Factored within the approved budget included a government grant in relation to Covid-19 pressures of £536,710 and also budgeted for £375,000 of additional costs and reduced income. These were already incorporated into Appendix A along with the latest forecast for each service area.
 - The Government grant of £536,710 was approved and received and it was anticipated the Council would receive £80,000 re-imburement for Quarter 1 loss of Sales, Fees and charges, from the continued Government 75% income reimbursement scheme. This was an estimate as the scheme had been extended to include the period April to June 2021 only.
 - At the end of 2020/21 the Council placed £375,000 into a Covid Budget management reserve to help mitigate any further adverse variances due to the pandemic in 2021/22. This future protection was still available if required.
 - As at 31 March 2021 the Collection Fund reserve balance was £9,810,252 as detailed in paragraph 4.1.8 of the report.
 - An additional provision had been included within the forecast figures shown in Appendix A for the National Pay Award potentially being settled higher than Strategy and Resources Committee - 1 November 2021 3 the original 1% budgeted amount. Negotiations were ongoing between the Unisons and the Employers and the outcome of these discussions would be included within the next report.
 - “Appendix B – Movement in reserves and Balances” detailed the movements to and from earmarked reserves in 2021/22.
 - Full details of the Strategic Contingency Reserve movements and commitments were detailed in “Appendix C – Strategic Contingency Reserve”.
 - The 2021/22 Capital Programme was detailed in “Appendix D – Capital Programme 2021/22”.

- The Budget and Financial Framework report to Full Council on 24 February 2021 outlined the Capital Programme for the 2021/22 financial year of £22,419,916. Project underspend of £917,121 was brought forward from 2020/21 year and further variations of £1,479,065 were approved as part of the performance and financial management report to Strategy and Resources Committee, to produce a revised 2021/22 Capital Programme of £24,816,102.
- Overall variations of £4,213,427 were proposed to the 2021/22 Capital Programme as detailed in paragraph 4.4.3 of the report.
- Actual spend on the 2021/22 Capital Programme as at 30 September 2021 was £4,292,304.
- The overall Capital Programme for 2021/22 to 2024/25 was £46,151,018 and was broken down as detailed in paragraph 4.4.6 of the report.
- The Programme of £46,151,018 was funded by Capital Receipts / Borrowing (£28,274,889), External Grants and Contributions (£16,154,193) and Reserves (£1,721,936).
 - It was recommended that the funds for the Fendering and Fish Stores Enhancements project of £163,650 be released from the 2021/22 Capital Programme.
- Treasury Management as detailed in paragraph 4.5 of the report.
- Debt Management as detailed in paragraph 4.6 of the report.
- General debtors as detailed in paragraph 4.7 of the report. All Heads of Service had been tasked to review their outstanding debts and review processes for effective debt recovery. In the first two quarters of this financial year no amounts were written off due to a backlog in the Finance Team. Since 30 September 2021, 47 invoices have been written off to the value of £27,199 to bring the write offs up to date.

Performance information as detailed in Appendix E of the report. In response to questions, the Director of Resources and Deputy Chief Executive advised the following:

- The flood defence scheme at Seven Brethren had not been included within the capital programme as an approved scheme had not yet been brought forward for approval.
 - When the budget for 2021/22 had been approved, it had been anticipated that a new CCTV hub and upgrade of the system would have taken place which would have increased 3rd party uptake. This did not take place at the beginning of the year as expected and took place part way through the year. Therefore it was anticipated that the CCTV income would increase moving forwards. Strategy and Resources Committee - 1 November 2021 4
- £9m had been included within capital programme for 2021/22 for the purchase of the strategic asset. £2m had been included within the capital programme 2022/23 for capital enhancements to be made to the strategic asset.

In response to questions, the Accountancy Services Manager advised the following:

- The collection of business rates achieved to date was 50.03%. It was anticipated that the collection rate would rise for the remainder of the year.

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 section 4.2 of the report;
- (c) That the movement on the Strategic Contingency Reserve as detailed in section 4.3 of the report be noted.
- (d) That funds be released for the capital schemes listed as detailed in section 4.4.10 of the report;
- (e) That the sections dealing with Treasury Management (section 4.5 of the report), and Debt Management (sections 4.6 and 4.7 of the report) be noted.

RECOMMENDED: (f) That Council approve the variations to the Capital Programme 2021/22 to 2024/25 as detailed in sections 4.4.3 of the report.