

NORTH DEVON COUNCIL

COUNCIL: 24TH NOVEMBER 2021

MINUTE EXTRACT OF POLICY DEVELOPMENT COMMITTEE HELD ON 18 NOVEMBER 2021 IN RESPECT OF ITEM 12(A) ON THE COUNCIL AGENDA

30. PERFORMANCE AND FINANCIAL MANAGEMENT QUARTER 2 2021-22

The Committee considered a report by the Director of Resources and Deputy Chief Executive to the Strategy and Resources Committee of 1st November 2021 together with minute extract regarding Performance and Financial Management Quarter 2 2021/22.

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

- The revenue budget for 2021/22 was approved at Council on 24th February 2021 at £13,639,000.
- As at 30th September 2021, the latest forecast net budget was £13,617,000, which produced a forecast budget surplus of £22,000. Details of which were shown in Appendix A of the report – 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.
- Included within the approved budget the Council factored in 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 of the report together with the latest forecast for each service area.
- The above grant of £536,710 was approved and received and the Council were also anticipating £80,000 re-imburement for Q1 loss of Sales, Fees and charges, from the continued Government 75% income reimbursement scheme, this was an estimate as the scheme was 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 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 years; thus leaving the fund reserve with a residue balance of £1,150,000 protection against future volatility.

- An additional provision had been included within the forecast figures shown in Appendix A for the National Pay Award potentially being settled higher than the original 1% budgeted amount. Negotiations were ongoing between the Unions and the Employers and the Council would reflect the outcome of those discussions within the next report.
- The 2021/22 Capital Programme was attached to the report as “Appendix D – Capital Programme 2021/22”.
- The Budget and Financial Framework report to Full Council 24th Feb 2021 outlined the Capital Programme for the 2021/22 financial year of £22,419,916. Project underspend of £917,121 were bought 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 within the report.
- The revised Capital Programme for 2021/22 taking into account the budget variations above was £29,029,529.
- Actual spend on the 2021/22 Capital Programme as at 30th 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 follows:
 - 2021/22 £29,029,529
 - 2022/23 £9,692,423
 - 2023/24 £6,717,192
 - 2024/25 £711,874

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