

NORTH DEVON COUNCIL

POLICY DEVELOPMENT COMMITTEE: 7TH SEPTEMBER 2022

MINUTE EXTRACT OF THE STRATEGY AND RESOURCES COMMITTEE HELD ON 5TH SEPTEMBER 2022 IN RESPECT OF ITEM 7 ON THE POLICY DEVELOPMENT COMMITTEE AGENDA

47 PERFORMANCE AND FINANCIAL MANAGEMENT QUARTER 1 OF 2022/23

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding the Performance and Financial Management Quarter 1 of 2022/23.

The Finance Manager highlighted the following to the Committee:

- The revenue budget forecast position as at Quarter 1 showed a surplus of £3,000 detailed in Appendix A on page 59 of the report.
- The revenue budget for 2022/23 was approved at Council on 23 February 2022 at £13,721,640.
- As at 30 June 2022, the latest forecast net budget was £13,718,640, which produced a forecast budget surplus of £3,000. Details of this were shown in “Appendix A – Variations in the Revenue Budget”.
- Temporary Accommodation was under additional cost pressures due to the increase in homelessness cases; the in-year impact of this £120,000 increase in costs had been mitigated by a contribution from the Homelessness earmarked reserve.
- The largest variance within Appendix A was the £804,000 National pay award potential taking staffing costs over and above the £280,000 already built into the base budget; this estimate was based on the offered pay award put forward to the Unions by the National employers pay review body for the 2022-23 year. The pay offer put forward was based upon £1,925 per full time equivalent employee.
- Other inflationary pressures built into the forecast included additional fuel costs across the works fleet of £198,000 and additional energy costs of £63,000. To date the Council had not included any further general supplies and services inflationary increases as the Council would endeavour to control and manage these in year through the existing budgetary framework.
- The other significant in-year cost pressure that had not been included in the current figures yet was the award of costs claim in relation to the Yelland planning appeal; once this amount was known a report would be brought to Members detailing the award of costs amount and setting out how the Council would be funding this cost.
- The inflationary cost pressures mentioned above would, it was hoped, to be funded in-year through utilisation of the budget management reserve; this reserve, which was set aside to deal with fluctuations within the budget and built up over the last couple of financial years, had provided the Council with

the protection needed in 2022-23. Moving forwards to future years 2023-24 onwards, the Council would not have the benefit of this protection and the inflationary pressures being experienced this year would continue onto the future year's budget gap previously highlighted to Members.

- “Appendix B – Movement in Reserves and Balances” detailed the movements to and from earmarked reserves in 2022-23.
- The Capital programme for 2022-23 was detailed in “Appendix D – Capital Programme 2022-23” and showed overall variations of minus £783,000. Disabled facilities grants accounted for most of these variations with slippages to 2023-24.
- The revised Capital Programme for 2022-23, which included budget variations, stood at £18.7 million.
- The actual spend on the 2022-23 Capital Programme as at 30 June 2022 was just under £2 million.
- The revised overall Capital Programme for 2022-23 to 2024-25 was just over £27 million. This was funded by capital receipts and borrowing of £11.1 million, External Grants and Contributions of £13.6 million and Reserves of nearly £2.3 million.
- Treasury and Debt management figures were detailed in paragraphs 4.5 to 4.7 of the report and Key Performance Indicators for services were detailed in Appendix E of the report.

In response to questions from the Committee, the Finance Manager and the Director of Resources advised the following:

- The slippage in disabled facilities grants was due to the lack of contractors available. Three quotes had to be obtained, where three couldn't be found the same provider was generally used. Investigations into making this process quicker was being undertaken.
- Agency staff had to be used to fill a gap where a job had to be undertaken immediately.
- Staff cost savings were made every year. Often there were time delays in filling posts.
- With the increase in homelessness this cost was going to keep increasing. The purchase of units to place homeless had worked well.
- During a member workshop looking at options to ease homelessness it was proposed that the Council purchase more property next year.
- Moving to an electrically charged fleet would require a business case to consider the figures behind this to establish the cost effectiveness of this infrastructure change.

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 as detailed in section 4.2 of the report be approved;
- (c) That the movement on the Strategic Contingency Reserve as detailed in section 4.3 of the report be noted;

- (d) That funds were released for the capital schemes listed in section 4.4.10;
- (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; and

RECOMMENDED:

- (f) That Council approve the variations to the Capital Programme 2022/23 to 2024/25 as detailed in section 4.4.3 of the report.