

NORTH DEVON COUNCIL

POLICY DEVELOPMENT COMMITTEE: 14TH SEPTEMBER 2023

**MINUTE EXTRACT OF THE STRATEGY AND RESOURCES COMMITTEE HELD
ON 4TH SEPTEMBER 2023 IN RESPECT OF ITEM 7 ON THE POLICY
DEVELOPMENT COMMITTEE AGENDA**

**29 PERFORMANCE AND FINANCIAL MANAGEMENT QUARTER 1 OF
2023/24**

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding Performance and Financial Management Quarter 1 of 2023/24.

The Finance Manager highlighted the following:

- The revenue budget for 2023/24 was approved at Council on 22 February 2023 at £14,766,450.
- As at 30 June 2023, the latest forecast net budget was £14,749,450, which produced a budget surplus of £17,000. Details were shown in “Appendix A – Variations in the Revenue Budget”.
- The original budget for 2023/24 included a forecast to achieve £250,000 worth of salary vacancy savings. The current position forecasts we will achieve £93,000 based on known vacancies to date, but it was anticipated that the budget of £250,000 will be achieved by the end of the financial year.
- The National pay award was currently being considered by the Unions; however if the 2023-24 pay award exceeded the budgeted 4% included in the original budget then we would look to fund any shortfall from the Budget Management reserve, which currently had a balance of £814,000.
- As at 1 April 2023 the Collection Fund reserve balance held is £1,340,177. 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 a £912,563 balance that will be utilised in 2023/24 and 2024/25 to mitigate timing differences of business rate reliefs awarded in 2022/23 that from an accounting perspective impact over the next two financial years; thus leaving the fund reserve with a residue balance of £427,614 protection against future volatility.
- The Valuation Office Agency (VOA) have notified the Council that they were to reduce the Rateable Value of the Museum from £146,000 to £1, this change had been back dated to 2019 and a refund in rates payable had resulted in a net positive impact to the council of £184,000. It was recommended this refund amount be contributed to the Regeneration Reserve for future projects.
- At the 30 June 2023 total external borrowing was £3,000,000. The timing of any future borrowing was dependent on how the authority managed its

treasury activity. Due to on-going higher interest rates the Council was reporting a £90,000 net increase in Interest receivable.

- “Appendix B – Movement in reserves and Balances” detailed the movements to and from earmarked reserves in 2023/24.
- The 2023/24 Capital Programme was detailed in “Appendix D – Capital Programme 2023/24”.
- The Budget and Financial Framework report to Full Council on 22 February 2023 outlined the Capital Programme for the 2023/24 financial year of £21,247,098. Project underspend and further variations of £6,921,154 were approved as part of the performance and financial management report to Strategy and Resources Committee, to produce a revised 2023/24 Capital Programme of £28,168,252.
- Overall variations of (£5,648,600) were proposed to the 2023/24 Capital programme and £30,000 to 2024/25 Programme as detailed in paragraph 4.4.3 of the report.
- The overall revised Capital Programme for 2023/24 to 2025/26 taking into account the budget variations was £35,119,588 and details of how it was broken down was detailed in paragraph 4.4.4 of the report.
- The Programme of £35,119,588 was funded by Capital Receipts / Borrowing (£13,528,650), External Grants and Contributions (£18,609,678) and Reserves (£2,981,260).
- The Council also have authority to borrow from the Public Works Loan Board (PWLb) as outlined in the Treasury Management Annual Investment Strategy and currently had external borrowing of £3,000,000.
- Capital Programme release of funds as detailed in paragraph 4.4.8 of the report.

In response to questions, the Finance Manager advised the following:

- The £93,000 salary vacancy savings had been achieved through quarter 1. This was due to timings in filling posts from the time when a person had left and a new person had been recruited to fill the post. These savings were available to the Managers of that service where the vacancy had occurred to use for temporary or agency staff if required.

In response to questions, the Director of Resources and Deputy Chief Executive advised the following:

- There were separate budgets for training and recruitment. Some vacancy savings were utilised for temporary or agency staff, however Managers tried to recruit staff as quickly as possible.
- The Valuation Office valued all buildings to assess their rateable value. The Council had worked with external consultants to challenge the rateable values of some Council owned buildings and had been successful in that the museum had been revalued down to £1. This had resulted in the refund of rates payable and had a positive net impact to the Council of £184,000. Annually, it would have a positive impact of £40,000 rates saving opportunity.
- The Council would shortly be moving from Skype to Zoom for its telephony system which would achieve cost savings.

- When the Future High Street Fund project had been included within the Capital Programme, the project had been originally profiled as to when the spend was likely to occur. The Council had gone out to tender in relation to Boutport Street/Bear Street. The tenders were due back middle of September and it would then be known if there was sufficient funds allocated in the Capital Programme. A large proportion of the funding would not be spent until 2024/25. The Team would look at value engineering. If significant and material changes were required to the Capital Programme, a separate report would be brought to the Committee for consideration. If minor changes were required, these would be dealt with as part of the project. An update report on the project would be presented to a future meeting of the Committee.

The Chief Executive advised that he would request the Head of Place, Property and Regeneration to contact Councillor Clayton regarding signing up to receive the regular updates on the Future High Street project.

The Head of Programme Management and Performance highlighted the following:

- Appendix E set out the new performance management suite.
- This was the first quarter to bring forward the results to the Committee for consideration.
- It was a live suite of measures which could be added to or reduced at any point.
- The performance indicators showed the health of the organisation at a high level.
- Devon Audit Partnership had recently commenced an Internal Audit review of performance management.
- The next report for quarter 2 would have an update on projects, capital costs and mid-year measures and would give confidence on the delivery of the Corporate Plan.

In response to questions, the Head of Programme Management and Performance advised the following:

- In terms of the average number of days included for key performance indicators MiA, MaA and COM under the Housing and Community Safety Programme, these numbers were the actual average number of days and that honest and open information had been provided. These numbers were higher as the Council had experienced problems with the recruitment of planning officers, which had been the same for other Local Authorities. The Council was working hard to try to fill the vacant positions. In terms of compliance and enforcement, the Council had recently recruited very experienced agency staff to the team which would help to bring the numbers down.
- There was a new Environmental Health Manager now in post who would also be working on reduced the outstanding number of compliance cases.

In response to questions, the Chief Executive advised the following:

- There were currently issues around recruitment into planning posts. Once these posts had been filled it would help with reducing the number of outstanding compliance and enforcement cases on the system.
- A bid had recently been submitted to the Government for funding of £100,000 which would help with the reduction of the backlog of live cases. This would not resolve the issue, as the Council would need to recruit agency staff.
- The Council had not previously reported on the end to end times in relation to minor and major planning applications. Previously 8 weeks had been reported and time extensions were agreed. It was hoped that improvements in the reduction of the average number of days in relation to minor planning applications would be seen and if not Members could challenge.

Councillor Prowse thanked the Property Team for their work in filling the vacant units in Green Lanes with independent businesses which was helping to put vitality back into the town centre.

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 in section 4.4.8 of the report;
- (e) That the sections dealing with Treasury Management, Debt Management and General Debtors as detailed in sections 4.5 to 4.7 of the report be noted.

RECOMMENDED:

- (f) The Council approve the variations to the Capital Programme 2023/24 to 2025/26 as detailed in section 4.4.3 of the report.