

## NORTH DEVON COUNCIL

### POLICY DEVELOPMENT COMMITTEE: 16<sup>TH</sup> NOVEMBER 2023

#### MINUTE EXTRACT OF THE STRATEGY AND RESOURCES COMMITTEE HELD ON 6<sup>TH</sup> NOVEMBER 2023 IN RESPECT OF ITEM 7(A) ON THE POLICY DEVELOPMENT COMMITTEE AGENDA

##### 52. PERFORMANCE AND FINANCIAL MANAGEMENT Q2 2023-24

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding the Performance and Financial Management Q2 2023-24.

The Finance Manager highlighted the following:

- The revenue budget for 2023/24 was approved at Council on 22nd February 2023 at £14.766 million.
- As at 30th September 2023, the latest forecast net budget was £14,698,450 which produced a budget surplus of £68,000, this was an improvement of £51,000 on quarter one. Details of the Variations of the Revenue Budget could be seen at Appendix A of the report.
- The original budget for 2023/24 included a forecast to achieve £250,000 salary vacancy savings. The current position forecasted that £142,000 based on known vacancies to date, but it was anticipated that the £250,000 saving would be met by the end of the financial year.
- The national pay award had been agreed by the Unions and the additional costs of this would be funded with the sum of £436,000 from the Budget Management Reserve.
- The Collection Fund reserve balance was, approximately £1.3 million. 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. This reserve included a £912,000 balance that would be utilised in 2023/24 and 2024/25 to mitigate timing differences of business rate reliefs awarded in 2022/23, this left a reserve balance of just over £427,000 protection against future volatility.
- The Valuation Office Agency had notified the Council that the Rateable Value of the Museum of Barnstaple and North Devon was to be reduced to £1, backdated to 2019.
- The refund received from this backdate had a positive net impact to the Council £228,000, it was recommended that this be placed into the Regeneration Reserve for future projects.
- As at 30th September 2023 external borrowing was £3 million. The timing of any future borrowing was dependent on how the Council managed its treasury activity.
- Due to slippages in the Capital programme, and using the cash flow balances for internal borrowing had reduced borrowing costs on the expenditure budget Strategy and Resources Committee - 6 November 2023 3 and a net forecast of £164,000 underspend on interest payable was being made.

- There was no anticipated use of the Treasury Management reserve during 2023/24 and so the full reserve balance of £275,000 could be carried forwards to help protect and mitigate against higher borrowing costs in the future financial years.
- Due to on-going higher interest rates the Council was also reporting a £250,000 net increase in interest receivable.
- The costs of Temporary Accommodation had increased. The volume of cases presenting as homeless was also increasing but this partly mitigated by the on-going programme of purchasing Temporary Accommodation properties. The increase in costs of £194,000 had been offset by additional homelessness grant.
- Appendix B of the report – “Movement in Reserves and Balances” detailed the movements to and from earmarked reserves.
- Appendix C of the report – “Strategic Contingency Reserve” detailed in full movements and commitments of the Strategic Contingency Reserve movements.
- The Capital programme could be seen at Appendix D of the report.
- The current 2023/24 Capital Programme stood at just under £23 million. An overall variation of just over £5.4 million was being proposed. This variation consisted of three additional capital bids, reductions in projects costs, changes in scheme funding and just over £5.2 million project slippage to future years.
- Full details of these movements were detailed at section 4.4.3 of the report.
- These changes take the revised Capital programme for 2023/24 to 2025/26 to just under £35 million.
- The Capital programme was funded by Capital Receipts/Borrowing of £13.3 million, External Grants and Contributions of £18.7 million and Reserves of £2.9 million.
- The actual spend as at the end of that quarter 2 was just over £5.3 million.
- The release of funds for the Capital Programme was detailed at section 4.4.8 of the report.
- The Treasury Management and Debt Management figures were detailed at sections 4.5 and 4.6 respectively.
- Appendix E of the report detailed the Corporate Plan Delivery highlights along with Key results and Performance indicators.

The Head of Programme Management and Performance highlighted the following:

- Members would have seen this report at the Member workshop held on 6 October 2023.
- Three members of staff had now been recruited in the Environmental Health team which would start to alleviate a backlog of work.
- Continuing to work with partners such as Homes England to unlock funding opportunities.
- The ECO Grant and Disabled Facilities Grant were both working well helping households in Devon. Strategy and Resources Committee - 6 November 2023.

- The Housing team were working hard to keep the homelessness numbers down, and the latest update was that there were 59 people placed in temporary accommodation.
- The Library square project had been completed. The new Council website had gone live as well as a new telephony system.
- The Water Sports Centre was in its closing stage.

The Head of Programme Performance and Management confirmed that number of Appeals dismissed could be added to the Corporate Plan Delivery Highlight report going forward.

**RESOLVED:**

- (a) That the actions being taken to ensure that performance was at the desired level be noted;
- (b) (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 be released for the capital schemes as detailed in section 4.4.8; and
- (e) That the sections dealing with Treasury Management, as detailed at 4.5 to 4.7 of the report, be noted.

**RECOMMENDED:**

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