

NORTH DEVON COUNCIL

COUNCIL: 22ND NOVEMBER 2023

MINUTE EXTRACT OF THE POLICY DEVELOPMENT COMMITTEE HELD ON 16TH NOVEMBER 2023 IN RESPECT OF ITEM 14(A) ON THE COUNCIL AGENDA

18 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 for Quarter 2 of 2023/24 together with Minute Extract of Strategy and Resources on 6th November 2023 (circulated previously).

The Finance Manager highlighted the following:

- The revenue budget for 2023/24 was approved at Council on 22nd February 2023 at £14,766,450.
- As at 30th September 2023, the latest forecast net budget was £14,698,450, which produced a budget surplus of £68,000, which 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 worth of salary vacancy savings. The current position forecasts that the Council would achieve £142,000 based on known vacancies to date, but it was anticipated that the budget of £250,000 would be achieved 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.
- As at the 30th September 2023 total external borrowing was £3m. The timing of any future borrowing was dependent on how the authority 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 and the Council was currently forecasting a £164,000 underspend on the interest payable.
- There is also 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 average cost per night have increased from £60 to £70 per night. The volume of cases presenting as homeless was also increasing but this was 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 two 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.

In response to a question regarding the abolition of a charge for domestic waste, the Lead Member for Waste and Recycling advised that the potential abolition of charges related to DIY waste and rubble at recycling centres, which were under the remit of Devon County Council and therefore not a district function.

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

- The costs that were incurred by the district council to clear and remove fly tipping, were recoverable by the Council through means of successful prosecution if the perpetrators were identified.
- With regards to the timeframe for repairs to the wall at the Ilfracombe Museum, he confirmed that the repairs had been slipped to 2024/25 in the capital programme. However, the stability of the wall was not considered a health and safety issue and had been cordoned off. The works had only

recently been approved within the capital budget and an update would be provided from the team via email to the Councillor.

- An error was noted in relation to the percentage figures for the total number of properties registered as second homes in quarters one and two of 2023/24, these figures should be presented as follows:
 - Q1 = 1,806 (4.04%)
 - Q2 – 1,820 (4.06%)

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

- That the error in the percentage figures related to the total number of properties registered as second homes in quarters one and two of 2023/24 would be amended on the Pentana performance system.
- There were six new Performance Indicators (PIs) for Waste and Recycling, which were at the consultation stage.
- The tender submission for the procurement of a new baler for the processing hall had closed on the previous Friday and the tenders were currently being evaluated at the present time by officers within the Waste and Recycling team.
- A report was due to be considered by Full Council in the New Year, which would detail the wider costs involved in purchasing the baler together with the fire suppression system for the processing hall, which would be delivered as part of a contract rather than a separate procurement exercise.

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