

NORTH DEVON COUNCIL

COUNCIL: 26TH FEBRUARY 2025

NORTH DEVON COUNCIL – PERFORMANCE AND FINANCIAL MANAGEMENT Q3 2024-25

RECOMMENDATIONS OF THE POLICY DEVELOPMENT COMMITTEE HELD ON 13th February 2025

Minute 66: Performance and Financial Management Q3 2024-25

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding the Performance and Financial Management for Quarter 3 of 2024/25 together with Minute Extract of Strategy and Resources on 3rd February 2025 (circulated previously).

The Finance Manager highlighted the following:

- The revenue budget for 2024/25 was approved at Council on 21st February 2024 at £16,432,690.
- As at 31st December 2024, the latest forecast net budget was £16,423,690, which produced a budget surplus of £9,000. Details were shown in “Appendix A – Variations in the Revenue Budget”.
- There was still pressure on the Temporary Accommodation budget and the Council were funding the anticipated additional cost of £158,000 from in year Temporary Accommodation grant.
- As part of the outturn the Council contributed an additional £250,000 into the insurance reserve to mitigate against higher costs in 2024/25 and planned to use the full £347,500 balance to offset increased insurance premiums in this financial year. The Council had increased the 2025/26 budget to help mitigate the estimated increased costs.
- The original budget for 2024/25 included a forecast to achieve £250,000 worth of salary vacancy savings. The current position forecast that the Council would achieve £263,000 based on known vacancies to date. The £250,000 forecast was an estimate of the natural savings that would be achieved due to the timeline to recruit for vacant posts and new post holders to start.
- The additional costs of £179,000 for Waste and Recycling transport and SFS lease costs had been mostly offset set in year by £170,000 from the SFS vehicle reserve. The variances were due to the increased costs of borrowing within the finance lease payments combined with an increase in vehicle purchase prices that SFS have experienced.
- Pay and Display income had continued to follow the 2023/24 trend of slightly lower volumes, combined with the effect of the capital works being undertaken at Queen Street car park albeit the Council saw an increase in car park income at Green Lanes as a result of this displacement. The Council were now forecasting an overall £200,000 variance for the year.
- Building Control income was still forecast to be £70,000 down on budget, but due to a number of recent larger planning applications the Council was now forecasting planning income to be in line with the original budget.

- Recycling Sales had seen a downturn in quarter 3, however this was still up on the original budget and the Council would continue to monitor the income closely, with expectations that income receivable from recycling sales would increase once the new baler was operational.
- The Council was now estimating income growth from Business Rates to be an additional £200,000.
- As at 1st April 2024 the Collection Fund reserve balance held was £1,790,180. 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 £1,246,078 balance that would be utilised in 2024/25 £1,012,856 and 2025/26 £233,222 to mitigate timing differences of business rate reliefs awarded in 2023/24 that from an accounting perspective impact over the next two financial years; thus leaving the fund reserve with a residue balance of £544,099 protection against future volatility.
- At the 31st December 2024 total external borrowing, excluding finance leases, was £6,000,000. The timing of any future borrowing was dependent on how the authority managed its treasury activity.
- Due to project spend slippages in the Capital programme and using the cash flow balances for internal borrowing, the Council was estimating a reduction in borrowing costs of £152,000 and additional interest receivable of £40,000 over and above the original budget.
- The 2024/25 Capital Programme was attached as “Appendix D – Capital Programme 2024/25” of the report.
- The Budget and Financial Framework report to Full Council 21st February 2024 outlined the Capital Programme for the 2024/25 financial year of £20,258,368. Project underspends from 2023/24 and further variations totalling £2,493,868 were approved as part of the performance and financial management report to Strategy and Resources Committee, to produce a revised Q2 2024/25 Capital Programme of £22,752,236.
- Variations of (£2,562,066) were proposed to the 2024/25 Capital programme as set out in section 4.4.3 of the report.
- The overall revised Capital Programme for 2024/25 to 2026/27 taking into account the budget variations above was £35,841,153 and broken down as follows:
 - 2024/25 £20,190,170.
 - 2025/26 £14,439,018.
 - 2026/27 £1,211,965.
- Actual capital spend for 2024/25 as at 31st December 2024 was £10,618,860.

Following the presentation of the Performance and Financial Management for Quarter 3 of 2024/25, the Committee discussed and debated the following:

- Interest rates had been cut and that had started to filter through the Public Works Loan Board (PWLB) in relation to the borrowing that the Council had taken on.
- Pay and display incomes had been impacted by the Central car park works, which had seen a growth of approximately £30,000 income for Green Lanes car park as a result. There were general volume decreases and these had been built into the budget going forward.
- With regards to separating the financial information from the performance information, he advised that the Strategy and Resources Committee were content with the current format of the report, which contained key bullet points and detailed programme information.

Appendix E of the report detailed a summary of updates on the Corporate Plan, Key results and performance indicators.

The Programme Manager advised that appendix E provided a high-level update in relation to the Council's five programmes that were delivering its current Corporate Plan priorities together with performance measures for Quarter 3 2024/25.

- The Housing and Community Safety Programme had secured an additional grant of £49,000 from Homes England, for housing feasibility work.
- The draft Housing Strategy was currently out for consultation using the Council's new software platform for a period of seven weeks from Monday 10th February 2025 to Monday 31st March 2025 via the council's website at letstalk.northdevon.gov.uk/housing-strategy.
- The Council had been successful in securing an additional £160,000 Disabled Facility Grants (DFGS).
- A report would be taken to the Strategy and Resources Committee to request additional funding to secure the long term viability of the night bus.
- The successful delivery of the Seven Brethren car park, which now had additional disabled bays with the option of the installation of EV charging points in the future.
- There had been a delay with works to Central car park following the ceasing of trade of the structural engineering company appointed as part of the project team in December 2024. The Council had now secured another company to continue with the works. However, this unforeseen issue had added a delay of three weeks to the project.
- The new National Planning Policy Framework was launched in December 2024.
- The Central car park had seen a reduction in income and was currently partially open with the resurface scheduled to take place in March 2025.
- Previously reported award of £3m from the Cultural Development Fund (CDF) was funding a range of events in Barnstaple (revenue tranche of funding).
- The Council was also supporting the refurbishment of Bridge Chambers in Barnstaple, through the capital CDG funding, which was an important conservation and heritage project.
- Works in relation to the kiosks and public conveniences at Ilfracombe were ongoing.

- Work had commenced in November 2024 at the Hub in Green Lanes, with the ground floor due for completion on 14th February 2025 together with the full handover on 17th February 2025.
- AI was now being utilised with Customer Service calls together with the launch of the new chatbot and Ombudsman complaint response time scheduled for April 2025.
- The recycling baler works were due for completion by the end of February 2025.
- The solar project at the North Devon Crematorium had secured £85,000 of funding from the North Devon Crematorium Joint Committee.
- The Council had successfully tested EV recycling vehicles.
- The Local Government Association graduate was now working for the Council.
- Testing of the ITrent system was currently ongoing.

In response to a question regarding the solar panels at the North Devon Crematorium and battery storage from a business continuity perspective, the Project Manager advised that battery storage was in the scope if the budget allowed.

The Director of Resources and Deputy Chief Executive advised that the Council had been looking to address the requirement for healthy homes through the purchase of properties to expand its housing portfolio. He added that the Council was currently in the process of trying to secure properties to continue this work in the Ilfracombe area.

The Programme Manager advised that if there were any further comments and questions they could be emailed to the Corporate and Community Services team and she would provide a response.

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