

NORTH DEVON COUNCIL

POLICY DEVELOPMENT COMMITTEE: 12TH SEPTEMBER 2019

**MINUTE EXTRACT OF THE STRATEGY AND RESOURCES COMMITTEE HELD
ON 5TH AUGUST 2019 IN RESPECT OF ITEM 7 ON THE POLICY
DEVELOPMENT COMMITTEE AGENDA**

**27 PERFORMANCE AND FINANCIAL MANAGEMENT QUARTER 1 OF
2019/20**

The Committee considered a report by the Head of Resources (circulated previously) regarding the Performance and Financial Management report for Quarter 1 of 2019/20.

The Head of Resources highlighted the following:

- As at 30 June 2019, the latest forecast net budget is £12.546m, which produced a forecast budget deficit of £0.028m. A small forecast deficit normally occurred during the first quarter as budget holders anticipate spending the whole of their budgets at the commencement of the year and it was anticipated that the deficit would be reduced as we worked through the financial year.
- Appendix A detailed variations in the revenue budget. £20,000 savings had been forecast for temporary accommodation. The Head of Operational Services was currently seeking to reduce the inefficiencies within the service to reduce overheads and costs. The overspend for the Operational Services had been offset by £82,000 savings which had been achieved through Devon County Council as less waste was going to landfill. Planning fee income had reduced which was in line with other Local Authorities.
- At the 30 June 2019 total external borrowing was £1.250m. It was anticipated that this level would remain the same for the foreseeable future.
- Appendix B “Movement in reserves and balances” detailed the movements to and from earmarked reserves in 2019/20. The Council had a strong general fund reserve.
- Appendix C detailed the Strategic Contingency Reserve movements and commitments.
- Appendix D detailed the Capital Programme for 2019/20 to 2021/22. The Leisure Provision at Seven Brethren spend had been re-profiled to 2020/21 and 2021/22 and the Water Sports Centre spend had been re-profiled to 2020/21. The Programme of £29.969m was funded by Capital Receipts / Borrowing (£14.064m), External Grants and Contributions (£13.530m) and Reserves (£2.375m).
- Treasury Management as detailed in paragraph 4.5 of the report. The return earned on the Council’s investments was 0.65% which was higher than the previous year of 0.44%.
- Debt Management as detailed in paragraph 4.6 and General Debtors as detailed in paragraph 4.7 of the report.
- Appendix E detailed performance information.

In response to questions, the Head of Resources advised:

- The forecast for the reduction in planning fee income was for the whole of the financial year.
- There was additional employee costs within Operational Services due to missed collections and the payment of overtime and agency staff.
- In relation to Unit 1b at Seven Brethren, it was anticipated that the completion would take place very shortly.
- The level of Council Tax and Business Rates collected were low in Quarter 1 as payments were made over a 10-12 month period. This level would increase throughout the remainder of the year.
- The Council's budget was based on the assumption that eventually 97.5% of Council Tax sums due would be collected which was in line with other Local Authorities. The Council actively pursued the outstanding debts and write offs were always less than 1%.
- The figures for the collection of recycling had been sent to Devon County Council. The final collection rate for 2018/19 would be confirmed shortly once the figures had been audited by Devon County Council.
- The vacant posts within the Planning service were currently being filled.

The Head of Place confirmed that there had been a number of vacancies within the team for a sustained period. All posts had now been filled and the team would be fully staffed within the next couple of months.

In response to questions, the Chief Executive advised:

- It had been identified that there was a high level of missed waste and recycling collections which was not acceptable. This had a financial impact and had resulted in the receipt of more complaints. A review of the missed collections would commence in September 2019 to identify the reasons why collections were being missed and address them.
- If the three weekly collection of residual waste was rolled out, then additional resources would be put in place to work with communities.
- A report would be presented to the Committee in the autumn regarding the options for the waste and recycling service. Works on the replacement of the process hall infrastructure had been slightly delayed due to the two fires which had occurred recently. As a result of the fires, an emergency meeting of the Senior Management Team had been convened and a number of actions had been agreed. As a result all recyclable plastics would temporarily be stored outside and not in the processing hall, the collection of batteries had been stopped, rubberised buckets were now used and a new alarm system would be installed. The fires had also exposed old infrastructure from the previous meat factory located on the site. Once works had been completed, the process hall would be back in operation.
- Citizens were required to set up accounts when paying online, so that the Council could collect money through the website.

RESOLVED:

- (a) That the actions being taken to ensure that performance is at the desired level be noted;
- (b) That the contributions to/from earmarked reserves be approved as detailed in paragraph 4.2 of the report;
- (c) That the movements on the Strategic Contingency Reserve as detailed in paragraph 4.3 be noted;
- (d) That funds be released for the capital schemes listed in paragraph 4.4.11 of the report;
- (e) That the sections dealing with Treasury Management (paragraph 4.5), and Debt Management (paragraph 4.6 and 4.7) be noted.

RECOMMENDED:

- (f) That Council approve the variations to the Capital Programme 2019/20 to 2021/22 (paragraphs 4.4.3)