

NORTH DEVON COUNCIL

COUNCIL: 7 OCTOBER 2020

PERFORMANCE AND FINANCIAL MANAGEMENT QUARTER 4 2019/20

**REPORT OF THE POLICY DEVELOPMENT COMMITTEE HELD ON 10
SEPTEMBER 2020**

Minute 60: Performance and Financial Management Quarter 4 2019/20

The Committee considered a report to the Strategy and Resources Committee on 3rd August 2020 by the Head of Resources together with a minute extract (circulated previously) regarding the Performance and Financial Management Quarter 4 of 2019-20.

The Head of Resources advised that the report had already been subject to consideration by the Strategy and Resources Committee on 3rd August 2020.

He highlighted the following points to the Committee:

□ As at 31st December 2019 the Council was reporting a net surplus of £6,000 against the budget. As at 31st March 2020 the final outturn was a budget surplus of £241,000. The main reasons for the movement were covered in appendix A of the report. The favourable variances in the last quarter included additional salary vacancy savings, investment interest and reduced borrowing costs.

□ It was proposed that the revenue budget surplus (£241,000) be set aside into the following ear-marked reserves: o (£9,689) Museum Development – For the Museum garden path

- (£17,144) Office Technology – ICT spend committed to but not paid in 2019-20
- (£46,000) Leisure Centre replacement – Works at Seven Brethren
- (£18,000) Building Control Partnership reserve – 50% of surplus to protect against loss of income in 2020-21
- (£10,000) Harbour Repairs – Fender repairs
- (£13,522) Lynton Agency – 2019-20 works not completed due to Covid-19
- (£100,000) Repairs fund – Additional contribution for planned maintenance
- (£26,260) Legal Services – External Legal Fees

□ As at 31st March 2020 total external borrowing was £1.25million. This was lower than was originally anticipated.

□ The Authority had been in a strong position at the end of 2019-20 going in to 2020-21. The effects of Covid-19 would be felt long into 2020-21 and beyond. It had affected the sources of core income and increased expense. The Council had incurred costs for additional agency staff for the Waste and Recycling team, costs of assisting the vulnerable in the community, additional work to find accommodation for the homeless and the impact upon the level of bad-debt provision. The situation would be monitored on an ongoing basis through 2020-21.

□ Actual spend on the Capital Programme for 2019-20 financial year was £5,453,943. The underspend on the capital programme budget would be carried forward to 2020-21 to fund on-going projects.

□ £143,315 investment interest was earned during the financial year. The 2019/20 interest receivable budget was £70,000 so this was a positive variance of over £73,000.

In response to questions from the Committee, the Head of Resources advised that:

□ There was a plan to replace the roof of Barnstaple Pannier Market as the market was seen as fundamental in the investment into Barnstaple and its regeneration. He noted that the roof was a specialist project due to its historic nature which therefore increased the costs involved.

□ Collection of Business Rates was at 97.1%, and Council Tax at 96.8%. Collection levels during 2020-21 (since Covid-19) had not dropped significantly but it was considered that the Government's Furlough Scheme had helped people to date. Once the furlough scheme ended it may change.

□ The collection rates confirmed were similar to those of other Local Authorities.

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