

Resources Overview & Scrutiny Panel - 28 July 2021

6 4TH QUARTER FINANCIAL, PROCUREMENT & PERFORMANCE REVIEW 2020/21

The Leader opened by congratulating Keith Pointon on his appointment as the new Head of Finance.

The review gave the Council's position for the period ending 31 March 2021 and was summarised as follows:-

Subject	Headline	Reference
Finance	<p>The Finance headlines for the Fourth Quarter were:-</p> <p><i>Performance against budget</i></p> <ul style="list-style-type: none"> At the Fourth Quarter stage the General Fund provisional outturn for 2020/21 was an underspend of £7,315,520 (including £4,521,710 of s31 grants in respect of Business Rates Reliefs received in advance to be applied in 2021/22). <p><i>Efficiency Programme</i></p> <ul style="list-style-type: none"> At Quarter 4 £137,000 in savings had been achieved against the 2020/21 revised efficiency target of £519,000 (General Fund). <p><i>Capital Programme</i></p> <ul style="list-style-type: none"> The revised Capital Programme budget for 2020/21 was £3.08 million. The outturn for the year was £3.1 million; a variance of £0.02 million. <p><i>Treasury Management</i></p> <ul style="list-style-type: none"> Cash investments held at 31 March 2021 totalled £18.4 million. The Ascent loan stood at £14 million and the debenture at £5 million; Council borrowing at 31 March 2021 totalled £15 million (£14 million related to the Ascent loan); The Council's net income receipts were £53,457 surplus above budget. <p><i>Revenue Collection</i></p> <ul style="list-style-type: none"> 98.17% of Council Tax was collected by 31 March 2021 compared to 98.55% for the same period last year; 97.35% of Business Rates was collected by 31 March 2021 compared with 99.3% for the same period last year; At the end of the Fourth Quarter debt that was over 60 days old was £65,090 which compared with £70,729 at 31 March 2020. 	Appendix A
Procurement	<p>The Procurement headlines for the Fourth Quarter were:</p> <ul style="list-style-type: none"> 9 procurement activities were completed; The Procurement Forward Plan included 74 procurement activities for completion in 2021/22 (either SMDC only or joint); At 31 March 2021 62% of procurement activity undertaken was on the forward plan and the Council had paid 95% of its invoices within 30 days during the year. 	Appendix B
Performance	<p>The Performance headlines for the Fourth Quarter were:</p> <ul style="list-style-type: none"> 70% of the key performance indicators met target (43% of which were better than the previous year); The Council received 52 complaints and 100 compliments in the Fourth Quarter; 12 projects were rated Green, 19 Grey, 1 Red, 0 Amber and 3 Blue. 	Appendix C

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There were 7 significant areas of underspend (over £50,000), in Building Control (£57,821), Customer Services (£57,768), Communities & Cultural (£57,120), Corporate Finance (£1,385,019), Waste (£67,536), Horticulture (£62,290) and Environmental Health (£120,253).

There were 3 significant areas of overspend, in Property (£512,733), Finance Income & Procurement (£138,400) and Leisure (£520,665).

A total of 9,200 Covid Business Grants (£42.6 million) had been paid to local businesses. Most of the grants had now closed but additional restriction grants were to be available imminently. Details regarding eligibility to these grants would be posted on the Council's website. In addition, Self-Isolation payments of £500 were available to individuals on low income who had to self-isolate due to Covid Track and Trace. Members expressed their thanks to staff for their efforts in administering the payments. Officers provided some clarification to members on aspects of the grants.

Member queries were as follows (*responses in brackets*):-

- The Churnet Valley Railway (CVR) information was good news. Was the outcome of the 2 Heritage Lottery Fund (HLF) applications known yet? (*Both applications had proved successful, however work on the line had been held up due to nesting birds.*)
- Was there any conflict between HLF grants and EAF grants regarding the potential future use for non-heritage purposes? i.e. any likelihood of restrictive covenants regarding 2 uses of the same line? (*Both projects were at the embryonic stage. The outcome of the bid for the Leek to Stoke line was awaited. The Legal officers at SMDC, CVR and Government were all on board with the process.*)
- Could the community identify projects for the use of the £545,000 windfall receipts from the wind-up of the original Staffordshire Business Rates Pool? (*The money was already earmarked. Other strategies were in place for community projects, with various pots of money to draw from, though care was needed to ensure even distribution.*)
- Was the leisure overspend of £520,000 to be viewed as a gift, an investment or a loan? (*Parkwood Leisure's income during the lockdowns was nil. The payments were essential to maintain the service and the majority of the expenditure had been covered through Government funding. The situation with Parkwood was now much improved.*)
- What was to happen with the unspent Disabled Facilities Grant surplus? (*This was earmarked for use in future years. Efforts were ongoing to increase expenditure to reduce the surplus.*)
- With regard to the underspend on Customer Services, public access to Moorlands House was needed as soon as possible, with notice(s) displayed outside to give further guidance to members of the public. (*Moorlands House was to re-open to the public in September 2021. Appointments had been available to speak to staff over the last few months.*)

RESOLVED – That the Panel:-

- **NOTE** the Fourth Quarter 2020/21 financial, procurement and performance position as detailed in the Appendices A, B and C and summarised in the report;
- **RECOMMEND FOR APPROVAL** the allocation of the surplus on the General Fund Revenue Account to reserves as explained in Appendix A;

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- **RECOMMEND FOR APPROVAL** the proposal to carry forward revenue budget as described in Appendix A;
- **RECOMMEND FOR APPROVAL** the proposals to carry forward unspent capital budget as set out in Appendix A;
- **RECOMMEND FOR APPROVAL** the write offs set out in Appendix D.

7 WORK PROGRAMME

Members requested that the following item be added to the Work Programme:-

- Fly Tipping – Was there a need to re-establish a Working Group?
- Dementia training and equipment.

The 'Empty Property Strategy' item was still showing in the 'To be confirmed' section of the programme. A meeting of the Empty Property Working Group was needed as soon as possible.

RESOLVED – That the 2021/22 Work Programme be **AGREED**, subject to the addition of the above for a future meeting.

8 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED:

That, pursuant to Section 100A(2) and (4) of the Local Government Act, 1972, the public be excluded from the meeting in view of the nature of the business to be transacted or the nature of the proceedings whereby it is likely that confidential information as defined in Section 100A (3) of the Act would be disclosed to the public in breach of the obligation of confidence or exempt information as defined in Section 100 I (1) of Part 1 of Schedule 12A of the Act would be disclosed to the public by virtue of the Paragraphs indicated.

9 APPLICATION FOR WRITE OFF OF NON-RECOVERABLE DEBTS

Members considered a schedule of balances for write-off.

The meeting closed at 11.10 am

_____ Chairman _____ Date