

**Mid Devon District Council
Financial Monitoring Verbal Update
2020/21 Nov / Month 8**

1. General Fund

| | Month 7 – Oct 20 £k | Month 8 – Nov 20 £k | Movement £k |
|---------------------------------|------------------------|------------------------|----------------|
| Forecast (Surplus) / Deficit | 22 | (109) | (131) |

Month 8 reporting shows a forecast improvement of £131k and now indicates a surplus of (£109k).

It can be expected in these uncertain times, that the forecast will fluctuate pursuant to the constantly changing impacts of Covid 19.

November saw a second period of lockdown which, from a financial perspective, stalled the recovery in service activity and hence income. However, this was announced prior to publication of quarter 3 results allowing us to amend accordingly at that time.

The income compensation scheme is now active and the first payment of £530k relating to return period April to July has been received. The second return (August to November) has been accelerated and submission is currently in progress. The scheme income included in this forecast has been mitigated slightly to £1.4m to allow for possible alternative interpretations of the guidelines.

A further £53k has been received in furlough monies for November (ytd total – £387k).

The table below shows how the monthly movement breaks down between budget lines. To be concise, the table excludes any forecast budget lines where the variance has not moved month to month. For each service line it extracts the variance value which is funded from ear marked reserves as this will not contribute to the overall movement.

| General Fund Summary £K | Full Year Variance | | | |
|------------------------------------|---------------------------|---------------|--------------|-----------|
| | M7 | Bridge | | M8 |
| | | EMR | Other | |
| Cllr Bob Deed | | | | |
| Corporate Management | (39) | 50 | 50 | 11 |
| Cllr Colin Slade | | | | |
| Waste Services | 76 | 31 | 31 | 107 |
| Cllr Dennis Knowles | | | | |

| | | | | | |
|---|---------|------|-------|-------|---------|
| Environmental Services incl. Licensing | 3 | (23) | | (23) | (21) |
| IT Services | 28 | | 49 | 49 | 78 |
| Open Spaces | 0 | 12 | | 12 | 12 |
| Recreation And Sport | 1,665 | | (90) | (90) | 1,575 |
| Cllr Andrew Moore | | | | | |
| Finance And Performance | 73 | | 10 | 10 | 83 |
| Revenues And Benefits | (136) | | (82) | (82) | (218) |
| Car Parks | 476 | | (34) | (34) | 442 |
| Cllr Bob Evans | | | | | |
| General Fund Housing | (14) | | 3 | 3 | (11) |
| Property Services | 31 | | 24 | 24 | 54 |
| Cllr Richard Chesterton | | | | | |
| Community Development: Markets | 38 | | (5) | (5) | 34 |
| Planning And Regeneration | 183 | 15 | 9 | 24 | 208 |
| Cllr Mrs Nikki Woollatt | | | | | |
| Customer Services | (12) | (19) | (5) | (24) | (36) |
| Legal & Democratic Services | (11) | | (2) | (2) | (13) |
| All General Fund Services | 2,302 | (16) | (42) | (58) | 2,244 |
| Interest Payable on Other Activities | (330) | | (10) | (10) | (340) |
| Interest Receivable on Investments | (163) | | (4) | (4) | (167) |
| Transfers into/(from) Earmarked Reserves | 369 | 16 | | 16 | 385 |
| Total Budgeted Expenditure | 2,013 | 0 | (56) | (56) | 1,957 |
| Business Rates Deficit (20-21) | 343 | | 30 | 30 | 374 |
| Business Rates Benefit from Devon Pool | (5) | | (68) | (68) | (73) |
| Council Tax Deficit (20-21) | 237 | | (38) | (38) | 199 |
| Total Budgeted Funding | (1,991) | 0 | (75) | (75) | (2,066) |
| Forecast in year (Surplus) / Deficit | 22 | 0 | (132) | (131) | (109) |
| General Fund Reserve 31/03/20 | (2,251) | | | | (2,251) |
| Forecast General Fund Balance 31/03/2021 | (2,228) | | | | (2,360) |

Therefore the main items not funded by EMRs and which contribute to the month on month deficit movement are as follows:

- Corporate Management – 3RDL related fees - £50k
- Waste Services - £31k:
 - Improved waste income expectations less increased cost of trade waste disposal charges – (£3k)
 - Staff costs largely arising from a review of agency cost expectations due to additional rounds and backfilling staff due to Covid 19 - £36k
 - Fuel savings – (£2k)
- IT - £49k:
 - Staff costs - £29k
 - Technical support agreement extended due to vacancies - £20k
- Recreation & Sport – (£90k):
 - Net vacancy management savings – (£7k)
 - Further Covid 19 income losses adjustment - (£28k)
 - Furlough monies (Sep to Nov) – (£55k)
- Finance – Corporate Manager for Finance recruitment costs - £10k
- Revenues & Benefits – (£82k):
 - New Burdens grants from DWP in respect of Housing Benefits initiatives delivered within existing resource – (£6k)
 - NNDR further New Burdens Grant for Grant administration received with Tier 2 Grant award – (£76k)
- Car Parks - Adjustment to P&D income losses arising from Covid 19 – (£34k)
- General Fund Housing - Piper life line reduced income and increased costs due to Covid - £3k
- Property Services – salary costs – £24k
- Community Development (Market) – minor adjustments to salary, supplier costs and income – (£5k)
- Planning and Regeneration - £9k:
 - Development Management - supplies & services overspend on defending appeals, consultancy and advertising fees - £15k
 - Development Management – mileage savings - (£7k)
 - Development Management - net savings from delay in recruiting vacant roles – (£4k)
 - Development Management – amendment to Covid 19 income losses (reduction in developer applications with the larger fee) – £11k
 - Forward Planning – adjustment to salary savings – (£5k)
- Customer Services – net salary savings including furlough monies – (£5k)

- Legal & Democratic Services - Member Services - Reduction in Member mileage claims – (£2k)
- Interest payable – Reduced cost of borrowing – (£10k)
- Interest Receivable on Investments – Temp investment income – (£4k)
- Business Rates Deficit (20-21) – Amendment - £30k
- Devon Business Rates Pool – Amendment (£68k)
- Council Tax Deficit (20-21) – Amendment – (£38k)

2. HRA

| | Month 7 – Oct 20 £k | Month 8 – Nov 20 £k | Movement £k |
|---------------------------------|------------------------|------------------------|----------------|
| Forecast (Surplus) / Deficit | 358 | 324 | 34 |

Month 8 reporting shows a forecast reduction in the deficit by £34k to £324k.

The reasons for this movement is as follows:

- Rental income reduction due to void levels increasing during the pandemic amendment – (£7k)
- Garage tenancy new lets haven't been occurring during Covid 19 - £4k
- Improved investment income expectations – (£31k)