

**SCRUTINY COMMITTEE  
14 FEBRUARY 2022**

**CLARIFICATION ON FINANCE DATA CONSIDERED AT SCRUTINY IN  
NOVEMBER 2021.**

**Cabinet Member(s):** Cllr Andrew Moore, Cabinet Member for Finance  
**Responsible Officer:** Andrew Jarrett, Deputy Chief Executive (S151)

**Reason for Report:**

To provide clarification on data considered previously at Scrutiny in November 2021.

**Recommendation:**

- 1. That the committee notes the content of the report.**

**Financial Implications:** None – this report simply updates the Scrutiny Committee on the amended data tables as were presented to cabinet in December '21.

**Budget and Policy Framework:** N/A

**Legal Implications:** None

**Risk Assessment:** N/A

**Equality Impact Assessment:** N/A

**Relationship to Corporate Plan:** N/A

**Impact on Climate Change:** N/A

**1.0 Overview**

- 1.1 A report that came to the Scrutiny Committee in November 2021 contained a finance table that had to be subsequently amended prior to going to Audit Committee and then finally to Cabinet in December 2021.
- 1.2 The Chairman of the Scrutiny Committee has requested this item come back to his Committee to ensure that the Committee has an accurate record and full clarity over these numbers.

**2.0 Summary**

- 2.1 The table as was presented to Scrutiny Committee on 8<sup>th</sup> November 2021 is shown below in table 1.
- 2.2 When the report subsequently went to Audit Committee on 16<sup>th</sup> November, it contained the same table – despite it being acknowledged during the meeting of Scrutiny that it contained an error. For clarity, the audit papers were published before Scrutiny had their meeting, due to the need to give the necessary 5 clear working days' notice. Hence the published tables being the same.
  - 2.2.1 As soon as this error was identified a corrected table was presented as an additional item at the Audit Committee meeting.
- 2.3 In addition, at Full Council on 15th December 2021, a question was raised in relation to the different figures presented and, upon having further discussions

with the Chair and Vice Chair of the Scrutiny Committee it was felt best to bring this back to Scrutiny Committee – not least because the minutes from that earlier meeting cannot be changed, plus it is important that members have complete clarity on the data being referred to.

Table 1.

Financial transactions between 3Rivers and Mid Devon DC

	2017/18 2018/19	2019/20	2020/21	2021/22 Actuals	Total
<b>Revenue Items £k</b>					
Interest Rec'd	71.4	251.0	474.4	443.2	<b>1,240.0</b>
Cost of Borrowing	0	0	0	0	<b>0</b>
Dividends Paid	0	0	0	0	<b>0</b>
MDDC recharges	201.3	97.2	103.7	10.4	<b>412.6</b>
<b>Total</b>	<b>272.7</b>	<b>348.2</b>	<b>578.1</b>	<b>453.6</b>	<b>1,652.6</b>

	2017/18 2018/19	2019/20	2020/21	2021/22 Actuals	Total
<b>Loans £k</b>					
Advanced	2,612.9	6,998.2	1,101.7	13,638.8	<b>24,351.6</b>
Repaid		-550.0	-640.0	-2,405.9	<b>-3,595.9</b>
<b>Loans outstanding</b>	<b>2,612.9</b>	<b>6,448.2</b>	<b>6,448.2</b>	<b>11,232.9</b>	<b>20,755.7</b>
Impairments		-790.0			<b>-790.0</b>

2.4 The information as reported to Cabinet on 30<sup>th</sup> November included a revised table as shown below in table 2.

Table 2.

Financial transactions between 3Rivers and Mid Devon DC

	2017/18 2018/19	2019/20	2020/21	2021/22 Actuals	Total
<b>Revenue Items £k</b>					
Interest Received	69.7	274.7	474.4	492.2	<b>1,311.0</b>
Cost of Borrowing	-	-	-	-	<b>-</b>
Dividends Paid	-	-	-	-	<b>-</b>
MDDC recharges	201.3	116.7	124.5	10.4	<b>452.9</b>
<b>Total</b>	<b>71.0</b>	<b>391.4</b>	<b>598.9</b>	<b>502.6</b>	<b>1,763.9</b>

	2017/18 2018/19	2019/20	2020/21	2021/22 Actuals	Total
<b>Loans £k</b>					
Advanced	2,612.9	6,998.2	1,741.7	2,278.8	<b>13,631.6</b>
Repaid	-	-550.0	-640.0	-1,208.7	<b>-2,398.7</b>
<b>Loans outstanding</b>	<b>2,612.9</b>	<b>6,448.2</b>	<b>1,101.7</b>	<b>1,070.1</b>	<b>11,232.9</b>
Impairments	-	-790.0			<b>-790.0</b>

- 2.5 Members will note that the figures for 2017/18 and 2018/19 for interest received have altered by £1.7k (£71.4k - £69.7k) – which relates to a revised interest charge applied to a development plot. This also explains the revised figure of £23.7k (£251.0k - £274.7k) shown in 2019/20. These revisions were referred to in an answer provided at Full Council recently.
- 2.6 The 2019/20 and 2020/21 figures for recharges were revised after the clarification of a VAT charge. This resulted in an adjustment of £19.5k (£116.7k - £97.2k) and £20.8k (£103.7 – £124.5k).
- 2.7 Both of the adjustments explained in para's 2.5 and 2.6 were referred to at a recent meeting of Full Council and are not typographical errors. They just refer to refining amounts once further information was provided.
- 2.8 The total figure on table 2 provided to the Cabinet for 2017/18 and 2018/19 showing the summary of revenue items is missing a 2 – i.e. the total is £271.0k (not the £71.0k as shown). The additions then add up correctly across the table.
- 2.9 The £6,448.2k in table 1, shown in column 2020/21, is a typo copied from the previous column – this is evident as the 2 amounts above, sum to £461.7k (£1,101.7k – £640.0k) and then carry forward to the summary total in the final column.
- 2.10 Unfortunately, the loan amounts shown in table 1 in the 2021/22 column (£13,638.8k - £2,405.9k = £11,252.9k) were copied across from an internal spreadsheet which had an error in it. This error is then carried forward to the totals shown in the final column of the table. As soon as these typographical errors were identified, officers issued a correction paper at the first available meeting (Audit Committee on the 16/11/21). These corrections were all included in the report that went to Cabinet 30/11/21.
- 2.11 Finally, the increased amount shown for interest received in the Cabinet report of £49.0k (£443.2k - £492.2k) is due to this report being produced a few weeks later and took account of an additional payment.

Note – a corrected table with all the amended figures was sent out to all members of the Scrutiny Committee by the Member Services Officer on the 7/12/21.

### **3.0 Conclusion**

- 3.1 The report in question was concerned with the endorsement of the business plan not the specific approval of these finance tables. Furthermore, the correct version of the finance data was presented to Cabinet in November 2021. It is unfortunate that errors were present in earlier versions, and that revisions and updates then appeared to add confusion. However, it is hoped that this report now clarifies the situation.

**Contact for more Information:**

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