

# Revenue and Capital Outturn 2020/21



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# 2020/21 REVENUE & CAPITAL OUTTURN

## Report of the County Treasurer

Please note that the following recommendations are subject to consideration and determination by the Cabinet (and confirmation under the provisions of the Council's Constitution) before taking effect.

### RECOMMENDATIONS:

It is recommended that:

- a) Members note that the draft outturn for 2020/21, after carry forwards and contributions to balances, reserves and provisions, shows an underspend of £35,000 against the approved revenue budget;
- b) The 2020/21 revenue outturn be approved, including transactions on earmarked reserves and provisions, spending against budget, treatment of over and under spending and the implications for balances, as set out in the tables and the narrative of the report;
- c) The 2020/21 capital outturn be approved including spending against budget and proposed carry forwards, in accordance with the tables;
- d) The use of capital finance as set out in the Determination of Capital Finance section 11 of the report be approved;
- e) A total of £14.257 millions is set aside from revenue resources as Minimum Revenue Provision (provision for credit liabilities to repay debt);
- f) The Prudential Indicators as set out in section 10 of this report be noted; and
- g) The total monies owing to the Council as at 31st March 2021 be noted.

### 1. Summary

- 1.1 Members have received regular budget monitoring reports throughout 2020/21 in which budget pressures and risks have been identified. The most significant of these have related to front line services ability to respond to demands they have faced during the Pandemic while maintaining business as usual services to the people of Devon.
- 1.2 As set out below the final outturn is better than anticipated and it has been possible to make an additional £4.8 millions contribution to the Budget Management Reserve, a £1 million contribution to the Bellwin Scheme Related Emergency Reserve, £1.5 million has been

transferred to the Climate Change Emergency Reserve as well as the usual contribution to the Business Rates Risk Reserve of the Business Rates Pooling gain of just over £2.3 millions.

- 1.3 When the Council approved the 2021/22 budget in February 2021, it agreed to use £5.3 millions (£3 millions in 2021/22 and a further £2.3 millions in 2022/23) from the Business Rates Risk Management Reserve for Economic Recovery. This is now shown in a new Regeneration and Recovery Reserve.
- 1.4 The Dedicated Schools Grant Special Educational Needs and Disabilities (SEND) Service continues to be under significant pressure. As reported in year a Statutory Instrument has been issued that states all DSG deficits carried over from 2019/20 into 2020/21, and any subsequent deficit positions for the term of the override, are to be moved to an unusable reserve through a statutory accounting adjustment until April 2023.
- 1.5 The SEND element of the Dedicated Schools Grant year-end position is a shortfall of £29.2 millions. When combined with £19.8 millions deficit brought forward from 2019/20 the cumulative deficit is just under £49 millions This is now being held on the Dedicated Schools Grant Adjustment Account. This is discussed in more detail in paragraph 5.2
- 1.6 The financial year has now ended and the overall authority position, excluding the SEND deficit and after transfers to and from Reserves, is a small underspending of £35,000.
- 1.7 Detailed explanations of the final financial position for each service area are given in section 2 of this report.

## **2. Spending**

### **2.1 Adult Care and Health**

The outturn for Adult Care and Health Services shows an overall net underspend of £602,000 after carry forward requests.

Adult Care Operations and Health is showing an underspend of approximately £1.2 millions. There have been pressures on Disability service budgets due to increased volumes and unit costs, but this has been offset by lower average volumes of Older People placements during the year and underspends on staffing budgets.

Adult Commissioning and Health is showing an overspend of £556,000 due to an overspend on Mental Health placements, which is partially offset by underspends on staffing and central contracts.

### **2.2 Children's Services**

The outturn position for Children's Services, excluding the Dedicated Schools Grant is an overspend of £1.8 millions.

For Children's Social Care the overspend is £1.2 millions. The Public Health Nursing Service underspent by just over £1 million, leaving a net position of £169,000 overspent. Included in this is £1.4 millions Cabinet approved spending on additional leadership and front-line capacity to address the Ofsted Improvement Plan. Increases in demand for Early Help Services such as the Emergency Duty Teams and Multi-Agency Safeguarding Hub along with an increase in the number of children in care resulted in a pressure of £501,000. The increase in the number of children in care was mainly attributable to the impact of the pandemic, including cessation of court proceedings and children staying in care longer than they might otherwise have done, as well as changes in social work practice in response to the Ofsted judgement. Increased legal costs associated with higher volumes of cases led to an overspend of £570,000. The number of Special Guardianship Orders awarded continued to increase, resulting in an overspending of £498,000.

The response to the pandemic required a focus on delivering front line services and business continuity which led to a pause in aspects of the Social Work academy training and development programme which resulted in an underspend of £221,000. Other minor variations amounted to a net underspend of £55,000. The pandemic had a significant impact in the way disabled children and their families were able to access services and changes in spend patterns led to a net underspend of £1.5 millions across the Disabled Children's Service.

The Public Health Nursing Service underspent by a little over £1 million, mostly due to recruitment slippage and vacancies, as well as reduced accommodation and running costs.

For Education and Learning General Fund the final position is an overspend of £1.6 millions. The most significant overspend is within Schools Transport. The personalised transport budget has seen increased costs due to higher numbers of young people with Special Educational Needs.

Education and Learning spending on schools is funded from the Dedicated Schools Grant (DSG) which is overspent by £22.5 millions. This is made up of individual school balances totalling £21.1 millions, ringfenced balances of £5.4 millions and the cumulative DSG deficit of just under £49 millions. There continues to be increased demand on high needs. In particular, the growing demand on SEN placements within the independent sector which is driving the pressure and is being reflected nationally in relation to High Needs education placements.

There is a new government requirement to show DSG surplus and deficit balances (excluding individual schools balances) as a DSG Adjustment Account, more information on this is provided within section 5.

### 2.3 Communities, Public Health, Environment and Prosperity

The outturn for Communities, Public Health, Environment and Prosperity shows an overall underspend of just over £1.8 millions after taking into account grants and contributions carry forward, and other carry forward request.

Communities and other services are underspent by £1.1 millions (before carry-forward requests). The impact of the pandemic on this team was that staff were redeployed to deliver emergency services, particularly to support vulnerable citizens. This resulted in budgeted grant schemes being delayed: this being the largest portion of the underspend.

Economy Enterprise and Skills is underspent by £529,000. This is mainly a result of slippage on major development projects, underspends on staffing and increased income which more than offset additional spending in supporting economic recovery.

Planning, Transportation and Environment is showing an underspend of £2.6 millions. This relates mainly to reduced National Travel Scheme journey numbers, reduction in fleet usage during pandemic, a mixture of attracting external income and slippage on community flood schemes, and slippage on various project spend.

Public Health underspent by £5.3 millions against the Public Health Grant. The pandemic refocused service delivery and this was funded by Central Government COVID-19 grants. Existing services delivered through pharmacies, doctors and other providers was significantly impacted by the lockdowns leading to delays in expenditure. As a ring-fenced grant this amount has been added to the statutory public health reserve.

## 2.4 Corporate Services

The outturn for Corporate Services shows an overall underspend of £401,000 after taking into account grants and contributions carry forward, and any other carry forward requests.

Chief Executive, HR, Legal and Communications are £578,000 overspent. There continues to be increased staffing pressures within Legal Services driven by increased demand from Children's Services. Alongside this is the under achievement of savings plans in respect of the HR Management System and additional expenditure incurred by the Coroners Service. This has been partially offset by underspends from vacancies and reduced expenditure within Democratic and Members services as a direct result of the Pandemic.

Digital Transformation and Business Support are showing an underspend of just under £1.6 millions. Whilst slippage in projects and delays to recruitment relating to the ICT road map were the largest single factor in the underspend; home working during the Pandemic meant that significant savings were also realised within Facilities Management budgets. ScoMIS Group contributed £424,000 of the underspend, generated by a combination of project slippage and vacancies.

The County Treasurer's service is underspent by £348,000 linked mainly to vacancies and increased income generation which more than offset pressures in audit fees and financial systems contracts. Delivery of Cross Council Savings strategies built into the budget were not required resulting in an overspend of £250,000.

## 2.5 Highways, Infrastructure Development and Waste

The Highways and Traffic Management service has achieved a break-even position, after carry-forwards. Additional expenditure totalling £2.5 millions has been incurred from ash dieback tree felling and general safety works. This has been offset by savings resulting from the relatively mild winter period and street lighting energy and maintenance savings.

Savings totalling £300,000 have been achieved within Infrastructure Development, due to a reduction in operating costs and the delay of some school survey works resulting from COVID-19.

The Waste service has delivered a net underspend of £1.3 millions, largely due to a reduction in disposal tonnages from budget levels and the impact of contractual reconciliation payments for energy from waste plants.

Expenditure of £7.0 millions has been charged to the on-street parking account during the year, this includes items such as operating costs for on-street parking and enforcement activities, public transport support and highways cyclic maintenance works. Income totalling £6.9 millions has been generated, leaving a shortfall against expenditure of £0.1 millions. The balance of the reserve has reduced from £2.5 millions to £2.4 millions at 31st March 2021.

## 2.6 Other Items

The budgets for the Apprenticeship Levy has overspent by £81,000 and the Pension Contribution Shortfall has underspent by £1.4 millions. The nationally negotiated staff pay award for 2020/21 was 2.75% which was 0.75% more than was included within the service budgets set in February 2020. To enable services to cover this extra cost additional budget of just over £1 million was given to services in-year with the cost being met from Outturn. A recent valuation of the Insurance Provision has indicated that the budgeted contribution to the Provision of £700,000 is not required and has resulted therefore in an underspend of this amount. These items have improved the underspending on services to a total of just under £3.7 millions.

The authority works very closely with Health and towards the end of the financial year a new Integrated Care Agreement was setup. Health has contributed £15 millions to the agreement that will be carried forward and used to support the wider health and social care system in the new year.

As outlined in section 3 of this report, the Better Care Fund has underspent this year and just over £6 million of the Improved Better Care Fund Grant is being carried forward into 2021/22.

Capital Financing Charges are £475,000 less than budgeted due to the underspending on the Capital Programme; more details are provided within section 7 of this report. Interest Receivable is £260,000 more than budgeted due to having a higher level of cash to invest than anticipated.

The Council Tax Support Partnership budget is underspent by £300,000 and it is proposed that this is carried forward to the new year to help fund our work with Team Devon on supporting low income households at this difficult time. The World War two bomb incident in Exeter cost the authority £75,000 and has been charged against the Bellwin Emergencies Budget. The remainder of this budget remains unspent and it is proposed that £1 million is transferred to the Emergencies Reserve; there is no budget for Bellwin Emergencies within the 2021/22 budget and it is unlikely that it will be affordable to have one in coming years - it is therefore prudent to bolster the Emergencies Reserve to cover any future incidents.

The infrastructure development budget underspend of £208,000 is the remainder of a sum that has been carried forward for many years. It is proposed that this budget is no longer carried forward and that any future capital costs are funded from the normal capital resources.

When the budget for 2020/21 was set it included provision for a contribution of £4.5 millions to the Budget Management Reserve. The Outturn has allowed for a further £4.5 millions to be added along with £1.5 millions to the Climate Change Emergency Reserve to support the authority's climate change pledge. More details of reserves are included within section 5 of this report.

In December 2020, as part of COVID-19 funding for local government, a local tax income guarantee was announced. The Government would compensate local authorities for 75% of irrecoverable losses in council tax and business rates income in respect of 2020/21. The estimate from the eight district councils in Devon is a compensating grant of £2.6 millions for council tax and just over £400,000 for business rates income, a combined grant of just over £3 millions. Although this grant is being received in 2021/22, the accounting rules require the Authority to accrue for this grant in 2020/21 and carry forward into 2021/22 to cover the losses on the collection fund.

The Authority's budget for 2021/22 had assumed a grant of £5 millions based on estimates of Quarter 3 collection rates from billing authorities. However, council tax collection rates have held up better than initially forecast. It is now estimated that the Government grant of just over £3 millions will be lower than the budget estimate but the improved collection fund balances of billing authorities will result in lower deficits or even surpluses to be distributed from 2022/23.

The Devon Business Rates Pool (consisting of the County Council, 8 Districts, Plymouth and Torbay) is administered by Plymouth which calculates the pooling gain after all billing authorities have completed their NNDR3 returns to MHCLG. The latest forecasts suggest a share of the gain of just over £2.3 millions for Devon County Council. As in previous years this gain is transferred to the Business Rates Risk Management Reserve.

Additional Grants for Independent Living Fund, Retained Duties, Local Service Support Grant, Schools Improvement, and other small grant variations have been used to balance the overall outturn position.

In response to the COVID-19 outbreak Central government has put in place a number of grant funding streams to help support Local Authorities in responding to the pandemic. Devon County Council has directly received £99.4 millions of additional funding, of which £74.2 millions has been spent and £25.2 millions carried forward into 2021/22 in line with specific grant terms and conditions. The detail is provided in the following table.

### Spending of COVID-19 Grants

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
COVID-19 Local Authority Support	42,690	37,628	(5,062)
COVID-19 Adoption Support Fund	198	198	0
COVID-19 Bus Services Support	1,782	1,782	0
COVID-19 Infection Control Fund	10,519	10,520	1
COVID-19 Emergency Active Travel Fund	316	316	0
COVID-19 Test and trace	2,619	647	(1,972)
COVID-19 Emergency Hardship Fund	757	757	0
COVID-19 Additional Home to School Transport	676	891	215
COVID-19 Travel Demand Management	68	68	0
COVID-19 Wellbeing for Education	128	138	10
COVID-19 Round 2 Infection Control	9,194	9,194	0
COVID-19 Round 2 Home to School	986	684	(302)
COVID-19 Clinically Extremely Vulnerable Support	932	370	(562)
COVID-19 Winter Grant Scheme	1,894	1,894	0
COVID-19 Outbreak Management	6,419	342	(6,077)
COVID-19 Tranche 2 Active Travel	107	107	0
COVID-19 Round 3 Home to School	600	340	(260)
COVID-19 Community Testing	235	784	549
COVID-19 Rapid Testing Fund	2,526	2,526	0
COVID-19 Social Care Workforce Capacity	1,776	1,776	0
COVID-19 Outbreak Management 2	12,093	0	(12,093)
COVID-19 Home to School 2nd spring half term	0	348	348
	<b>96,515</b>	<b>71,310</b>	<b>(25,205)</b>

### 3. Better Care Fund

- 3.1 The Better Care Fund (BCF) for 2020/21 totals £100.5 millions which is reporting an underspend of £7.3 millions (7.2%); £6.1 millions grant and £1.2 millions revenue. This total will be carried forward in full by the Council to 2021/22 to continue with spending plans within the terms of the BCF framework agreement. The underspending is attributable to the non-utilisation of a previous carry-forward, some reduced spending for the community equipment store due to the effects of the pandemic, some planned under-spending within grant funding and increased (one-off) income from the NHS Devon CCG. The BCF governing body, the Better Care Fund Leadership Group, has agreed that the use of all surplus funds carried forward in to the 2021/22 financial year will be decided by them, within the guidelines of the Section 75 BCF framework agreement. For more information on the Better Care Fund, please see the table on page 26.

#### 4. General Balances

- 4.1 The working balance at 31st March 2020 was £14.8 millions. The review of the financial risk assessment prepared when the 2020/21 Budget was set indicates that the Council should hold a working balance of about £14 millions. The outturn has enabled £35,000 to be added to the working balance.

#### 5. Earmarked Reserves

- 5.1 At the beginning of the financial year, earmarked reserves (excluding schools and non-schools carry forwards) stood at £120.0 millions. During the year earmarked reserves have increased by a net £17.5 millions to just under £137.5 millions. The reason for this movement is explained below:

	£000	£000
Budgeted contribution		4,500
Underspend on Public Health Ring-fenced Grant	5,334	
Transfer to Budget Management Reserve - Hardship Support	300	
Transfer to Budget Management Reserve	4,500	
Transfer to Climate Change Emergency Reserve	1,500	
Business Rates Risk Reserve - Pooling Gain	2,353	
Bellwin Scheme Related Emergencies	<u>1,000</u>	
		14,987
Spend on Transformation	(722)	
Spend from On Street Parking Reserve	(114)	
Spend from Climate Change Emergency Reserve	(101)	
Spend from Business Rates Pilot Reserve	(994)	
Spend from Budget Management Reserve	<u>(63)</u>	
		<u>(1,994)</u>
		17,493

- 5.2 When the Council approved the 2021/22 budget in February 2021, it agreed to use £5.3 millions (£3 millions in 2021/22 and a further £2.3 millions in 2022/23) from the Business Rates Risk Management Reserve for Economic Recovery. This is now shown in a new Regeneration and Recovery Reserve.

- 5.3 At the end of 2019/20 a negative reserve was created to hold the cumulative overspend of the DSG SEND High Needs Block. This negative balance was brought forward into 2020/21, however, as outlined above, Government now require this balance to be held as a DSG Adjustment Account and not netted off from our Reserves. This statutory requirement is in place for three years; what will happen to the balance after that time is unclear. The table below sets out the balances on this new account.

## Dedicated Schools Grant Adjustment Account

	1 April 2020	31 March 2021
	£000	£000
High Needs Block - SEND	(19,772)	(48,998)
De-delegated, Central and Early Years Block	3,627	5,442
<b>Total (Deficit)</b>	<b>(16,145)</b>	<b>(43,556)</b>

Details of earmarked reserves are contained on page 15.

## 6. Conclusion

- 6.1 One-off COVID-19 grants from Government have helped to fund the significant additional service costs incurred in 2020/21 particularly in Adult Social Care. In spite of significant budget pressures within both Adult and Children's services, careful management of the Budget throughout the year has allowed the authority to end the year with a small underspending of £35,000. However, there remain underlying budget pressures within both Adult and Children's services and these pressures will continue after the one off COVID-19 funding has ended. The carry forward of unspent COVID-19 grants (both for services and for anticipated future losses in council tax and business rates) will be used in 2021/22. In addition, earmarked reserves have increased by just under £17.5 millions to just under £137.5 millions, although just over £5.3 million of this increase is ring fenced for Public Health. Overall the Authority's financial resilience has improved.
- 6.2 Although the cumulative SEND Deficit of just under £49 millions (an increase in 2020/21 of just over £29 millions) has been moved out of the Authority's usable reserves and into a ring fenced adjustment account this arrangement is for three years only and it is not clear what will happen after March 2023. The longer term financial impact of the Pandemic, the spending review, one year funding settlements from Government together with ongoing pressures in Social Care and the funding shortfall in SEND, mean the authority is facing considerable financial risk in both the short and medium term.

# REVENUE OUTTURN SUMMARY 2020/21

	Final Approved Budget	Spending	Variations (Under) / Over	Grant C/Fwd to 21/22 from 20/21	Transfer to DSG Adjustment Account	Recommended Action			(Increase)/ Decrease in Balances
						Other C/Fwd to 21/22 from 20/21	Transfer To/(From) Reserves	Recommended Outturn	
	(1) £'000	(2) £'000	(3) £'000	(4) £'000	£000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
1 Adult Care and Health	256,380	254,616	(1,764)			1,162		255,778	(602)
2 Children's Services - General Fund	149,796	148,967	(829)	2,615				151,582	1,786
3 Children's Services - DSG	(12)	22,453	22,465	21,091	(43,556)			(12)	0
4 Communities, Public Health, Environment and Prosperity	47,952	30,680	(17,272)	7,663		2,420	5,334	46,097	(1,855)
5 Corporate Services	37,991	36,795	(1,196)			795		37,590	(401)
6 Highways, Infrastructure Development & Waste	58,802	56,375	(2,427)	197		581		57,153	(1,649)
7 Central Contingency - Apprenticeship Levy	600	681	81					681	81
8 Pension Contribution Discount	(483)	(483)	0					(483)	0
9 Pension Contribution Shortfall	1,058	(384)	(1,442)					(384)	(1,442)
10 Additional Pay Award	(1,087)	0	1,087					0	1,087
11 Insurance Provision	700	0	(700)					0	(700)
<b>12 TOTAL FOR SERVICES</b>	<b>551,697</b>	<b>549,700</b>	<b>(1,997)</b>	<b>31,566</b>	<b>(43,556)</b>	<b>4,958</b>	<b>5,334</b>	<b>548,002</b>	<b>(3,695)</b>
13 Budget Carry Forward Fund	(35,873)		35,873	(32,174)		(3,699)		(35,873)	0
<b>NON-SERVICE ADJUSTMENTS</b>									
14 Other	0	(129)	(129)					(129)	(129)
15 Integrated Care Agreement	0	(15,000)	(15,000)			15,000		0	0
16 Improved Better Care Fund Carry Forward	6,118	0	(6,118)			6,118		6,118	0
17 Capital Financing Charges	38,399	37,924	(475)					37,924	(475)
18 Capital Financing Charges - PFI	13,801	13,800	(1)					13,800	(1)
19 Investment Income on Balances	(1,550)	(1,810)	(260)					(1,810)	(260)
Levies and Contributions to Outside Bodies:									
20 Environment Agency	618	616	(2)					616	(2)
21 Devon Sea Fisheries	348	348	0					348	0
22 Direct Revenue Financing	489	488	(1)					488	(1)
23 Council Tax Support Partnership	350	49	(301)				300	349	(1)
24 Bellwin Scheme Related Emergencies	1,500	75	(1,425)				1,000	1,075	(425)
25 Infrastructure Development	208		(208)					0	(208)

# REVENUE OUTTURN SUMMARY 2020/21

	Final Approved Budget	Spending	Variations (Under) / Over	Grant C/Fwd to 21/22 from 20/21	Transfer to DSG Adjustment Account	Recommended Action			(Increase)/ Decrease in Balances
						Other C/Fwd to 21/22 from 20/21	Transfer To/(From) Reserves	Recommended Outturn	
						(5) £'000	(6) £'000	(7) £'000	
(1) £'000	(2) £'000	(3) £'000	(4) £'000	£000	(5) £'000	(6) £'000	(7) £'000	(8) £'000	
26 Schools contribution to capital expenditure	(460)	(460)	0					(460)	0
27 Transfer to Budget Management Reserve	4,500	4,500	0				4,500	9,000	4,500
28 Transfer to Climate Change Emergency Reserve	0		0				1,500	1,500	1,500
29 Business Rates - Government Grants	(7,913)	(7,933)	(20)					(7,933)	(20)
30 Business Rates - Addt Reliefs & Compensation Grant, Energy Efficiency	0	(12,284)	(12,284)			12,284		0	0
31 Council Tax and Business Rates - Compensation Grant		(3,062)	(3,062)			3,062		0	0
32 Independent Living Fund Grant	(2,544)	(2,622)	(78)					(2,622)	(78)
33 Education Statutory retained duties - schools contribution	(1,476)	(1,490)	(14)					(1,490)	(14)
34 Local Service Support Grant	(581)	(675)	(94)					(675)	(94)
35 New Homes Bonus	(3,526)	(3,526)	0					(3,526)	0
36 Rural Services Delivery Grant	(7,455)	(7,455)	0					(7,455)	0
37 Lead Local Authority Flood Relief Grant	(95)	0	95					0	95
38 Adult Social Care Support Grant	(20,160)	(20,160)	0					(20,160)	0
39 Schools Improvement Grant	0	(690)	(690)					(690)	(690)
40 Economic Recovery - Leaving EU	257		(257)	257				257	0
41 Improved Better Care Fund	(28,271)	(28,270)	1					(28,270)	1
42 Business Rates - Pooling Gain	0	(2,351)	(2,351)				2,353	2	2
43 Other Grants	0	(40)	(40)					(40)	(40)
44 COVID-19 Spending - Revenue	99,414	74,208	(25,206)	25,206				99,414	0
45 COVID-19 Spending - Capital	434	434	0					434	0
46 COVID-19 Grant Funding	(78,175)	(78,175)	0	0				(78,175)	0
<b>47 Sub Total</b>	<b>530,054</b>	<b>496,010</b>	<b>(34,044)</b>	<b>24,855</b>	<b>(43,556)</b>	<b>37,723</b>	<b>14,987</b>	<b>530,019</b>	<b>(35)</b>
48 Routine Spending from Earmarked Reserves	7,905	1,994	(5,911)					1,994	(5,911)
49 Routine Use of Earmarked Reserves	(7,905)		7,905				(1,994)	(1,994)	5,911
<b>50 TOTAL</b>	<b>530,054</b>	<b>498,004</b>	<b>(32,050)</b>	<b>24,855</b>	<b>(43,556)</b>	<b>37,723</b>	<b>12,993</b>	<b>530,019</b>	<b>(35)</b>

## REVENUE OUTTURN 2020/21

### WORKING BALANCES

	Balance 1st April 2020 (1)	Contrib'ns (2)	Spending (3)	<b>Balance 31st March 2021 (4)</b>
	£'000	£'000	£'000	<b>£'000</b>
1 Working Balances	14,790			
2 External Support for Revenue Spending		530,054		
3 Net Revenue Spending			(530,019)	<b>14,825</b>
<b>4 Total County Fund</b>	<b>14,790</b>	<b>530,054</b>	<b>(530,019)</b>	<b>14,825</b>

## EARMARKED RESERVES

	Balance 1st April 2020 (1) £'000	Contrib'ns from Budget & Transfers (2) £'000	Contrib'ns from/(to) Outturn (3) £'000	Spending (4) £'000	<b>Balance 31st March 2021 (5) £'000</b>
1 Affordable Housing	182				<b>182</b>
2 Budget Management	60,010	4,500	4,800	(63)	<b>69,247</b>
3 Business Rates Risk Management	15,188	(5,300)	2,353		<b>12,241</b>
4 Business Rates Pilot	11,002			(994)	<b>10,008</b>
5 Public Health	2,298		5,334		<b>7,632</b>
6 Emergency	18,089		1,000		<b>19,089</b>
7 Climate Change Emergency	196		1,500	(101)	<b>1,595</b>
8 On Street Parking	2,490			(114)	<b>2,376</b>
9 Service Transformation	10,506			(722)	<b>9,784</b>
10 Regeneration and Recovery	0	5,300			<b>5,300</b>
	<b>119,961</b>	<b>4,500</b>	<b>14,987</b>	<b>(1,994)</b>	<b>137,454</b>
11 Schools Carry Forward	16,133		21,091	(16,133)	<b>21,091</b>
12 Dedicated Schools Grant - SEND High Needs	(19,772)			19,772	<b>0</b>
13 Non Schools Carry Forward	39,512		77,360	(39,512)	<b>77,360</b>
	<b>35,873</b>	<b>0</b>	<b>98,451</b>	<b>(35,873)</b>	<b>98,451</b>
<b>Total</b>	<b>155,834</b>	<b>4,500</b>	<b>113,438</b>	<b>(37,867)</b>	<b>235,905</b>

# REVENUE OUTTURN 2020/21

## FUNDING REVENUE SPENDING

	£'000	£'000
1 Total revenue spending		530,019
2 Budget Variation added to balances		35
<b>3 Budget level</b>		<b>530,054</b>
<b>4 Financed by:</b>		
5 Revenue Support Grant	(546)	
6 Business Rates Retention Scheme - Local Element	(21,983)	
7 Business Rates Retention Scheme - Top Up	(80,654)	
8 Business Rates Collection Fund Surplus	291	
9 Council Tax - precepts on District Councils	(427,162)	
<b>10 Total financing</b>		<b>(530,054)</b>

## PROVISIONS

	Balance 1st April 2020 (1) £'000	Contrib'ns (2) £'000	Spending (3) £'000	No longer Required (4) £'000	<b>Remaining 31st March 2021 (5) £'000</b>
1 Doubtful debts provision	3,196	267	(639)	(235)	<b>2,589</b>
2 Insurance	14,682	1,435	(2,655)	(157)	<b>13,305</b>
3 Out of date cheques	86		(34)	(52)	<b>0</b>
4 Green Waste	100				<b>100</b>
5 Social Care	434	559	(237)	(154)	<b>602</b>
<b>Total</b>	<b>18,498</b>	<b>2,261</b>	<b>(3,565)</b>	<b>(598)</b>	<b>16,596</b>

# REVENUE OUTTURN 2020/21 – RECOMMENDED ACTION

## ADULT CARE AND HEALTH

	Final Adjusted Budget (1) £'000	Unadjusted Spending (2) £'000	Grants c/fwds to 2021/22 (3) £'000	Variations (Under) / Over (4) £'000	Recommended Action Other c/fwds to 2021/22 (5) £'000	Final Outturn (Under) / Over (6) £'000
Adult Care Operations & Health	226,575	225,417	0	(1,158)		<b>(1,158)</b>
Adult Commissioning & Health (incl Mental Health)	25,814	26,370	0	556		<b>556</b>
Better Care Fund (DCC) Contributions	3,991	2,829	0	(1,162)	1,162	<b>0</b>
<b>Revenue Outturn</b>	<b>256,380</b>	<b>254,616</b>	<b>0</b>	<b>(1,764)</b>	<b>1,162</b>	<b>(602)</b>

### VARIATIONS BETWEEN BUDGET AND SPEND

#### Adult Care Operations & Health

Older People - residential and nursing higher unit costs offset by lower volumes throughout the year (partly a result of hospital discharge schemes) (£503,000). In addition underspends in community based services and other costs (£134,000)

(637)

Disability Services, including autistic spectrum conditions - increased costs as a result of the number of clients/service agreements being 168 (at Year end) more than budgeted and increased price pressures

1,025

Older People & Disability in-house - reduction in staffing and other costs

(733)

Social Care Reablement, Sensory, Community Enabling and other operational budgets - underspends in staffing and contracts costs

(813)

(1,158)

#### Adult Commissioning & Health (incl Mental Health)

Staffing vacancies and temporary external funding

(208)

Underspends on central contracts

(146)

Net overspend on Mental Health costs and volumes of placements

910

556

Underspend within Better Care Fund

(1,162)

(1,764)

### CARRY FORWARD PROPOSALS

Better Care Fund

1,162

1,162

### CONTRIBUTION (TO) / FROM OUTTURN

**(602)**

# REVENUE OUTTURN 2020/21 – RECOMMENDED ACTION

## CHILDREN'S SERVICES

### CHILDREN'S SERVICES - SOCIAL CARE & GENERAL FUND

	Final Adjusted Budget (1) £'000	Unadjusted Spending (2) £'000	Grants c/fwd in 2021/22 (3) £'000	DSG Adjustment Account (4) £'000	Variations (Under)/Over (5) £'000	Recommended Action Other c/fwds in 2021/22 (6) £'000	Final Outturn (Under)/Over (7) £'000
Children's Social Work	103,185	102,020	1,334	0	169	0	169
Education & Learning - General Fund	46,611	46,947	1,281	0	1,617	0	1,617
<b>Children's Social Care &amp; Education General Fund</b>	<b>149,796</b>	<b>148,967</b>	<b>2,615</b>	<b>0</b>	<b>1,786</b>	<b>0</b>	<b>1,786</b>

### VARIATIONS BETWEEN BUDGET AND SPEND

#### Children's Social Work

Ofsted Improvement Plan - additional leadership and front-line capacity	1,397						
Early Help - increase in demand Emergency Duty Teams and Multi-Agency Safeguarding Hub	197						
Legal Disbursements - increase in number of cases, higher costs of external barristers	570						
Strategic Management - Social Work Academy, training and development delayed due to the pandemic	(221)						
Special Guardianship Orders - increase in the number of Orders granted	498						
Children Looked After - increase in number of children in care	304						
Disabled Children's Services - changes in spend patterns mainly due to the pandemic	(1,485)						
Public Health Nursing Service - recruitment slippage, reduced accommodation and running costs	(1,036)						
Other budget variations	(55)						169

#### Education & Learning - General Fund

Higher than anticipated fee income and additional grant income	(83)						
School/College Transport - increased contractor costs and reduction in income	639						
Personalised Transport - increased costs and greater number of children with SEN requiring transport	1,513						
Early Years staff vacancies and efficiencies and Children's Centre rent	(270)						
Other variations including vacancy savings and lower costs	(182)						1,617

**1,786**

### CARRY FORWARD PROPOSALS

### CONTRIBUTION (TO)/FROM OUTTURN

**1,786**

# REVENUE OUTTURN 2020/21 – RECOMMENDED ACTION

## CHILDREN'S SERVICES - DEDICATED SCHOOLS GRANT

	Final Adjusted Budget (1) £'000	Unadjusted Spending (2) £'000	Grants c/fwd in 2021/22 (3) £'000	DSG Adjustment Account (4) £'000	Variations (Under)/Over (5) £'000	Recommended Action Other c/fwds in 2021/22 (6) £'000	Final Outturn (Under)/Over (7) £'000
Education & Learning - DSG: Individual Schools Balances	16,131	(4,960)	21,091	0	0	0	0
Education & Learning - DSG: Schools De-delegated, Central School Services & Early Years	3,629	(1,813)	0	5,442	0	0	0
Education & Learning - DSG: High Needs (Excluding Special & Hospital Schools) - Government advice for Deficit Reserve	(19,772)	29,226	0	(48,998)	0	0	0
<b>Education &amp; Learning - Dedicited Schools Grant</b>	<b>(12)</b>	<b>22,453</b>	<b>21,091</b>	<b>(43,556)</b>	<b>0</b>	<b>0</b>	<b>0</b>

### VARIATIONS BETWEEN BUDGET AND SPEND

#### Education & Learning - Dedicated Schools Grant: Individual Schools Balances

Schools delegated budgets (including Special and Hospital schools)	(21,091)	
DSG Adjustment Account - Schools Balances	21,091	0

#### Education & Learning - Dedicated Schools Grant: Schools De-delegated, Central School Services & Early years

Schools de-delegated budgets and centrally retained services for schools	(4,741)	
Early education for 2,3 & 4 years olds - take up of provision, planned carry forward of funding and Early grants income	(631)	
High Needs - SEN 100 ringfenced	(70)	
DSG Adjustment Account - De-delegated, Central Provisions & Early Years	5,372	
DSG Adjustment Account - SEN 100 Project	70	0

#### Education & Learning - Dedicated Schools Grant: High Needs (Excluding Special & Hospital Schools) - Government advice for Deficit Reserve

DSG Deficit Brought Forward	19,772	
High Needs - Increased demand and cost in Independent SEN placements and Alternate Provision	6,768	
DSG Deficit identified at 2020/21 budget prep	22,848	
DSG income offset to DSG deficit	(390)	
DSG Adjustment Account - DSG Deficit	(48,998)	0

### CARRY FORWARD PROPOSALS

### CONTRIBUTION (TO)/FROM OUTTURN

**0**

# REVENUE OUTTURN 2020/21 – RECOMMENDED ACTION

## COMMUNITIES, PUBLIC HEALTH, ENVIRONMENT AND PROSPERITY

	Final Adjusted Budget (1) £'000	Unadjusted Spending (2) £'000	Grants c/fwds in 2021/22 (3) £'000	Variations (Under) / Over (4) £'000	Recommended Action Other c/fwds to 2021/22 (5) £'000	Take to / (from) Reserves (6) £'000	Final Outturn (Under)/ Over (7) £'000
Communities and Other Services	14,949	11,575	2,219	(1,155)	987	0	(168)
Economy, Enterprise and Skills	6,504	5,142	833	(529)	517	0	(12)
Planning, Transportation and Environment	26,440	19,238	4,611	(2,591)	916	0	(1,675)
Public Health	59	(5,275)	0	(5,334)	0	5,334	0
<b>Revenue Outturn</b>	<b>47,952</b>	<b>30,680</b>	<b>7,663</b>	<b>(9,609)</b>	<b>2,420</b>	<b>5,334</b>	<b>(1,855)</b>

### VARIATIONS BETWEEN BUDGET AND SPEND

	£'000	£'000
<u>Communities and Other Services</u>		
Libraries and Heritage centre - COVID-19 related closures leading to delayed spend	(202)	
Community and member grants - Underspend as COVID-19 grants prioritised	(892)	
Staffing vacancies and activity budget savings	(61)	(1,155)
<u>Economy, Enterprise and Skills</u>		
Slippage on major development projects and general project activity	(169)	
Reduced staffing costs and increased income	(136)	
Delayed match funding spend on various partnerships	(307)	
Delayed completion of system for Trading Standards	(170)	
Economic Recovery activity	253	(529)
<u>Planning, Transportation and Environment</u>		
Slippage on major development projects and general project activity	(340)	
Reduced staffing costs and increased income	(511)	
Additional external funding and slippage of community flood schemes	(559)	
Delayed match funding on partnership schemes	(99)	
Reduction of fleet usage during pandemic	(339)	
National Travel Scheme - Journey numbers reduced	(743)	(2,591)
		<b>(4,275)</b>

### CARRY FORWARD PROPOSALS

Community Flood Schemes	250
A379 at Slapton Line	309
Implementation of sustainable travel plans	124
Slippage on road scheme at Lee Mill	34
Tour of Britain postponement	50
Okehampton Parkway station	50
Match Funding for partnership agreements for projects	406
Community and Member grants	892
Library Resource fund and self service replacement	95
Trading Standards system implementation	170
Visioning report for EDDC consultation	40
	<b>2,420</b>

### CONTRIBUTION (TO) / FROM OUTTURN

**(1,855)**

# REVENUE OUTTURN 2020/21 – RECOMMENDED ACTION

## CORPORATE SERVICES

	Final Adjusted Budget (1) £'000	Unadjusted Spending (2) £'000	Grants c/fwds to 2021/22 (3) £'000	Variations (Under) / Over (4) £'000	Recommended Action Other c/fwds to 2021/22 (5) £'000	Final Outturn (Under) / Over (6) £'000
Chief Executive, HR, Legal & Communications	8,045	8,623	0	578	0	578
Digital Transformation & Business Support	17,216	15,617	0	(1,599)	540	(1,059)
Organisational Development	1,138	1,061	0	(77)	0	(77)
Treasurer's Services	11,842	11,494	0	(348)	255	(93)
Cross Council Savings Strategies	(250)	0	0	250	0	250
<b>Revenue Outturn</b>	<b>37,991</b>	<b>36,795</b>	<b>0</b>	<b>(1,196)</b>	<b>795</b>	<b>(401)</b>

### VARIATIONS BETWEEN BUDGET AND SPEND

	£'000	£'000
<u>Chief Executive, HR, Legal &amp; Communications</u>		
Under-achievement of HRMS savings plans	586	
Legal Services - increased staffing costs (children's safeguarding demand combined with recruitment difficulties)	333	
Coroners - legal costs of inquest appeal & pathology costs	194	
Contractual, staff turnover & vacancy savings	(146)	
Savings in Democratic & Member Services as a result of COVID-19	(161)	
Other minor variations	(228)	578
<u>Digital Transformation &amp; Business Support</u>		
Over achievement of income	(284)	
Facilities Management savings	(376)	
ScoMIS - surplus from operations & slippage in internal infrastructure projects	(424)	
ICT Roadmap - slippage in projects & delays in recruitment	(618)	
Other minor variations	103	(1,599)
<u>Organisational Development</u>		
Staff turnover, vacancy and running cost savings	(77)	(77)
<u>Treasurer's Services</u>		
Staff turnover & vacancy savings	(180)	
Other minor variations	(168)	(348)
<u>Cross Council Savings Strategies</u>		
Non-achievement of savings plans	250	250
Grand-Total		(1,196)

### CARRY FORWARD PROPOSALS

Financial Systems Development	255
Digital Transformation & Future Operating Model	400
ScoMIS - product development	100
Blue Badge assessments	40
	<u>795</u>

### CONTRIBUTION (TO) / FROM OUTTURN

**(401)**

# REVENUE OUTTURN 2020/21 – RECOMMENDED ACTION

## HIGHWAYS, INFRASTRUCTURE DEVELOPMENT AND WASTE

	Final Adjusted Budget (1) £'000	Unadjusted Spending (2) £'000	Grants c/fwds in 2020/21 (3) £'000	Variations (Under) / Over (4) £'000	Recommended Action Other c/fwds in 2020/21 (5) £'000	Final Outturn (Under)/ Over (6) £'000
Highways Maintenance	19,600	21,110	197	1,707	0	<b>1,707</b>
Street Lighting	4,477	3,258	0	(1,219)	0	<b>(1,219)</b>
Highways Network Management	5,836	4,767	0	(1,069)	581	<b>(488)</b>
Infrastructure Development	(17)	(326)	0	(309)	0	<b>(309)</b>
Waste Management	28,906	27,566	0	(1,340)	0	<b>(1,340)</b>
<b>Revenue Outturn</b>	<b>58,802</b>	<b>56,375</b>	<b>197</b>	<b>(2,230)</b>	<b>581</b>	<b>(1,649)</b>

### VARIATIONS BETWEEN BUDGET AND ACTUALS

	£'000	£'000
<u>Highways</u>		
Increased requirement for ash dieback works	2,038	
Increased requirement for reactive works	482	
Additional street lighting savings from LED conversions and focus on preventative maintenance	(1,219)	
Reduced requirement for winter service and emergency works	(654)	
Highways permitting scheme surplus	(581)	
Highways Network Management - reduction in net operating expenditure	(488)	
Net impact of in year efficiencies and savings	(159)	(581)
<u>Infrastructure Development &amp; Waste</u>		
Reduction in waste disposal tonnages from budget levels	(781)	
Energy from Waste plants - impact of annual reconciliation payments	(581)	
Recycling centres contracts - income received from recyclable materials price fluctuation mechanism	(197)	
Increase in recycling credits paid to District Authorities due to increase in household recyclable materials	268	
Infrastructure Development - delay of works due to COVID-19 and reduced operating expenditure	(309)	
Other minor variations	(49)	
		(1,649)
		<b>(2,230)</b>
<b>CARRY FORWARD PROPOSALS</b>		
Highways permitting scheme surplus		581
<b>CONTRIBUTION (TO) / FROM OUTTURN</b>		<b>(1,649)</b>

# BUDGET ADJUSTMENTS 2020/21

	Original Budget £000	2019/20 Brought Forward £000	Virements £000	Final Budget £000
Adult Care and Health	260,258	731	(4,609)	256,380
Children's Services	146,845	2,945	(6)	149,784
Communities, Public Health, Environment and Prosperity	39,713	8,122	117	47,952
Corporate Services	36,910	745	336	37,991
Highways, Infrastructure Development & Waste	57,508	182	1,112	58,802
Central Contingency - Apprenticeship Levy	600			600
Pension Contribution Discount	(483)			(483)
Pension Contribution Shortfall	1,058			1,058
Insurance Provision	700			700
<b>Total Service budgets</b>	<b>543,109</b>	<b>12,725</b>	<b>(3,050)</b>	<b>552,784</b>
Budget Carry Forward Fund		(35,873)		(35,873)
Improved Better Care Fund C/F		1,010	5,108	6,118
Capital Financing	38,399			38,399
Capital Financing PFI	13,801			13,801
Interest on Balances	(1,550)			(1,550)
Direct Revenue Financing			489	489
Direct Revenue Financing - Schools Contributions			(460)	(460)
Council Tax Support Partnership	350			350
Bellwin Scheme Related Emergencies	1,500			1,500
Highways, Draining and Patching	1,000		(1,000)	0
Infrastructure Development	0	208		208
Spending from Reserves	7,905			7,905
Use of Reserves	(7,905)			(7,905)
Transfer from Budget Management Reserve	4,500			4,500
Contribution to SEND High Needs Reserve	0			0
Contribution to Transformation Reserve	0			0
<b>Precepts</b>				
Flood Defence	618			618
Inshore Fisheries	348			348
	<b>58,966</b>	<b>(34,655)</b>	<b>4,137</b>	<b>28,448</b>

## BUDGET ADJUSTMENTS 2020/21 - continued

	Original Budget £000	2019/20 Brought Forward £000	Virements £000	Final Budget £000
<b>Non Service Budgets</b>	<b>602,075</b>	<b>(21,930)</b>	<b>1,087</b>	<b>581,232</b>
Business Rates - Government Grants and Pilot	(7,913)			(7,913)
Independent Living Fund Grant	(2,544)			(2,544)
Education Statutory retained duties - schools contribution	(1,476)			(1,476)
Local Service Support Grant	(581)			(581)
New Homes Bonus	(3,526)			(3,526)
Rural Services Delivery Grant	(7,455)			(7,455)
Lead Local Authority Flood Relief Grant	(95)			(95)
Brexit Preparation Grant	0	257		257
Social Care Support Grant	(20,160)			(20,160)
Improved Better Care Fund	(28,271)			(28,271)
Additional Pay Award			(1,087)	(1,087)
COVID-19 Income			(78,175)	(78,175)
COVID-19 Expenditure		21,673	78,175	99,848
<b>TOTAL</b>	<b>530,054</b>	<b>0</b>	<b>0</b>	<b>530,054</b>

# BETTER CARE FUND S.75 POOLED FUND MEMORANDUM ACCOUNT

For the period 1st April 2020 to 31st March 2021

## Gross Funding

	Total £'000	NHS Devon CCG		Devon County Council	
		Revenue	Capital	Revenue	Capital
Contributions Received	(98,761)	(58,091)	(32,425)	(8,245)	
Prior year carry forward	(1,740)	0	(1,740)	0	
<b>TOTAL FUNDING</b>	<b>(100,501)</b>	<b>(58,091)</b>	<b>(34,165)</b>	<b>(8,245)</b>	

## Expenditure

	Total £'000	NHS Devon CCG		Devon County Council	
		Revenue	Capital	Revenue	Capital
Care Act duties	679	744	(65)	0	
Dementia Diagnosis	438	445	(7)	0	
Disabled Facilities Grant	8,245	0	0	8,245	
Enabling services	2,607	2,580	27	0	
Enhanced Community Equipment Services	6,891	5,037	1,854	0	
Enhanced Support for Carers	3,851	2,034	1,817	0	
Frailty & Community Care	23,359	23,426	(67)	0	
Hospital Discharge Services	1,007	967	40	0	
Improved Better Care Fund grant	23,163	0	23,163	0	
Rapid Response	3,303	3,008	295	0	
Single Point of Co-ordination	424	414	10	0	
Social Care Reablement	600	600	0	0	
Step-Up, Step-Down Care	3,407	3,588	(181)	0	
Support to social care	15,248	15,248	0	0	
<b>TOTAL EXPENDITURE</b>	<b>93,222</b>	<b>58,091</b>	<b>26,886</b>	<b>8,245</b>	

## NET OVER/(UNDER) SPEND

**(7,279) 0 (7,279) 0**

Refund to partners are as follows:

	Total £'000	NHS Devon CCG £'000	Devon County Council £'000	Capital £'000
NHS Devon CCG	0	0		
Devon County Council	(7,279)		(7,279)	
	(7,279)	0	(7,279)	0
Capital funding carried forward	0			0
	<b>(7,279)</b>	<b>0</b>	<b>(7,279)</b>	<b>0</b>

# ALLOWANCES PAID TO DEVON COUNTY COUNCILLORS

UNDER THE MEMBERS ALLOWANCES SCHEME FOR THE YEAR ENDING 31ST MARCH 2021 Note: Basic & Special Responsibility Allowances and some elements of travelling & subsistence allowances are subject to taxation.

<u>Elected members</u>		Basic Allowance	Special Responsibility Allowance	Mileage and Subsistence Expenses	Carers Allowance
Surname	Inits				
		£	£	£	£
Ackland	HA	13,171.09	4,783.16	0.00	0.00
Asvachin	M	13,171.09	0.00	0.00	0.00
Atkinson	Y	13,171.09	0.00	0.00	0.00
Aves	S	13,171.09	0.00	27.60	0.00
Ball	K	13,171.09	0.00	0.00	0.00
Barker	SD	13,171.09	15,547.29	1,264.64	0.00
Berry	EJ	13,171.09	0.00	0.00	0.00
Biederman	F	13,171.09	3,275.81	170.28	0.00
Bloxham	R	13,171.09	6,551.28	18.06	0.00
Brazil	JC	13,171.09	0.00	418.42	0.00
Hook	JA	13,171.09	0.00	49.02	0.00
Brook	FJ	13,171.09	6,551.28	0.00	0.00
Channon	C	13,171.09	0.00	0.00	0.00
Chubb	I	13,171.09	0.00	0.00	0.00
Chugg	C	13,171.09	0.00	481.66	0.00
Clatworthy	J	13,171.09	993.90	0.00	0.00
Colthorpe	P	13,171.09	4,783.16	0.00	0.00
Connett	A	13,171.09	6,551.28	0.00	0.00
Crabb	P	13,171.09	0.00	0.00	0.00
Croad	RF	13,171.09	19,655.14	0.00	0.00
Davis	AV	13,171.09	19,655.14	1,129.88	0.00
Dewhirst	A	13,171.09	9,565.25	220.76	0.00
Eastman	AJ	13,171.09	0.00	292.07	0.00
Edgell	RC	13,171.09	3,275.81	982.25	0.00
Gilbert	R	13,171.09	19,655.14	525.35	0.00
Greenslade	BC	13,171.09	0.00	0.00	0.00
Gribble	G	13,171.09	0.00	374.48	0.00
Hall	I	13,171.09	3,275.81	136.59	0.00
Hannafor	R	13,171.09	9,565.25	0.00	0.00
Hart	TJ	13,171.09	32,758.75	0.00	0.00
Hawkins	JD	13,171.09	3,275.81	367.11	0.00
Hellyer	L	13,171.09	0.00	376.83	0.00

<u>Elected members</u>		Basic Allowance	Special Responsibility Allowance	Mileage and Subsistence Expenses	Carers Allowance
Surname	Inits				
		£	£	£	£
Hodgson	J	13,171.09	0.00	132.19	0.00
Hook	G	13,171.09	0.00	85.63	0.00
Hosking	RW	13,171.09	0.00	28.81	0.00
Hughes S	S	13,171.09	19,655.14	751.65	0.00
Inch	A	13,171.09	0.00	85.40	0.00
Leadbetter	AR	13,171.09	19,655.14	192.56	0.00
Matthews	J	13,171.09	6,455.93	43.00	0.00
McInnes	JR	13,171.09	26,206.42	75.64	0.00
Parsons	BM	13,171.09	19,655.14	152.19	0.00
Peart	R	13,171.09	0.00	101.63	0.00
Prowse	GJ	13,171.09	0.00	0.00	0.00
Radford	RF	13,171.09	0.00	0.00	0.00
Randall Johnson	S	13,171.09	9,565.25	912.35	0.00
Russell	E	13,171.09	0.00	291.54	0.00
Sanders	PR	13,171.09	3,275.81	837.33	0.00
Saywell	A	13,171.09	0.00	226.61	0.00
Scott	R	13,171.09	0.00	378.35	0.00
Sellis	D	13,171.09	4,783.16	0.00	0.00
Shaw	M	13,171.09	0.00	107.50	0.00
Sheldon	G	13,171.09	0.00	0.00	0.00
Slade	C	13,171.09	0.00	105.97	0.00
Squires	M	13,171.09	1,107.04	6.45	0.00
Trail	J	13,171.09	2,568.08	30.31	0.00
Twiss	P	13,171.09	0.00	117.92	0.00
Way	N	13,171.09	0.00	0.00	0.00
Whitton	C	13,171.09	0.00	0.00	0.00
Wright	C	13,171.09	0.00	0.00	0.00
Yabsley	J	13,171.09	0.00	0.00	0.00
<b>Totals</b>		<b>790,265.40</b>	<b>282,646.37</b>	<b>11,498.03</b>	<b>0.00</b>

# CAPITAL

## 7. The Capital Programme Outturn 2020/21

7.1 The approved Capital Programme for 2020/21 totalled £200.6 millions. This figure includes £27.4 millions brought forward from 2019/20 and £58.7 millions of other additions approved during 2020/21.

7.2 Spend for the year totals £133.8 millions resulting in an outturn variance of £66.8 millions (actual spend in 2019/20 was £115.1 millions with a variance of £37.3 millions).

7.3 The following table summarises the 2020/21 Capital Programme expenditure and its financing:

<b>Capital Expenditure</b>	<b>Budget</b>	<b>Actual Spend</b>	<b>Variation</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Adult Care and Health	11,232	8,388	2,844
Children's Services	5,112	2,168	2,944
Communities, Public Health, Environment and Prosperity	94,803	45,269	49,534
Corporate Services	9,947	4,449	5,498
Highways, Infrastructure Development & Waste	79,520	73,525	5,995
<b>Total</b>	<b>200,614</b>	<b>133,799</b>	<b>66,815</b>

<b>Capital Financing</b>	<b>Budget</b>	<b>Actual Spend</b>	<b>Variation</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Capital Receipts	20,528	9,715	10,813
Internal Borrowing	26,260	11,791	14,469
External Grants and Contributions	152,463	111,371	41,092
Revenue Budgets	1,363	922	441
<b>Total</b>	<b>200,614</b>	<b>133,799</b>	<b>66,815</b>

## 8. Variation between the delivered Capital Programme and Budget

- 8.1 The 2020/21 slippage totalled £66.8 millions,
- 8.2 It is recommended that £45.0 millions are carried forward into the 2021/22 Capital Programme and £22.1 millions into 2022/23 and beyond.
- 8.3 £2.5 millions has been brought forward from future years 2020/21 as schemes were accelerated.
- 8.4 The remaining £2.2 millions has been released from the capital programme in 2020/21 as an underspend.
- 8.5 For 2021/22 and future years, the Authority has been awarded or secured the following new income which will be added to the Capital Programme, or which will replace previous estimated figures:
- Basic Need Schools Allocations for 2021/22 at £12.372 millions and 2022/23 at £7.449 millions respectively
  - £2.145 millions for 2021/22 High Needs Provision, for Special Educational Needs (SEND) places
  - £763,326 for 2021/22 Emergency Active Travel Fund – Tranche 2 Capital Grant
  - £80,714 2021/22 secured as S106 contribution towards the E9 Cycle route Ludwell Lane

8.6 An analysis of any underspend and the carry forward request is set out in the following table:

<b>Programme Variation</b>	<b>Total Variation 2020/21</b>	<b>Accelerated Delivery 2020/21</b>	<b>Under spend 2020/21</b>	<b>Total Carry Forward</b>	<b>Carry forward to 2021/22</b>	<b>Carry forward to 2022/23 and future years</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Adult Care and Health	<b>2,843</b>	0	(8)	<b>2,835</b>	1,137	1,698
Children's Services	<b>2,945</b>	170	(322)	<b>2,793</b>	2,771	22
Communities, Public Health, Environment and Prosperity	<b>49,534</b>	1,783	(1,035)	<b>50,282</b>	30,791	19,491
Corporate Services	<b>5,498</b>	0	(500)	<b>4,998</b>	4,998	0
Highways, Infrastructure Development and Waste	<b>5,995</b>	545	(251)	<b>6,289</b>	5,316	973
<b>Total</b>	<b>66,815</b>	<b>2,498</b>	<b>(2,116)</b>	<b>67,197</b>	45,013	22,184
<b>Financed By:</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Capital Receipts Applied	<b>10,803</b>	926	(521)	<b>11,208</b>	8,820	2,388
Internal Borrowing	<b>14,479</b>	45	(931)	<b>13,593</b>	11,034	2,559
External Grants and Contributions	<b>41,093</b>	1,380	(489)	<b>41,984</b>	24,724	17,260
Revenue Budgets	<b>440</b>	147	(175)	<b>412</b>	435	(23)
<b>Total</b>	<b>66,815</b>	<b>2,498</b>	<b>(2,116)</b>	<b>67,197</b>	45,013	22,184

The delivery of the 2020/21 Capital Programme has been impacted, across all services, by the pandemic. A summary of the main projects contributing to this year's outturn variance, is shown in the following paragraphs.

### 8.7 Adult Care & Health

£1 millions of slippage is due to the North Devon Community Facility. This project is being re-scoped and is expected to recommence in 2021/22

£1.4 millions of slippage is due to the deferral of the Integrated Adult Care & Finance System implementation. This project was paused in 2020/21 as the team prioritised its response to the pandemic.

## 8.8 Children's Services

£1.2 millions of slippage is due to a lower call on the Devolved Formula Capital grant, mainly due to works being paused or reprioritised. There was also a reduced call on the Vehicle and Equipment Loans (VELP) fund and slippage against a number of smaller school's projects.

## 8.9 Communities, Public Health, Environment and Prosperity

North Devon Link Road - £10.3 millions - Full scheme approval was not received from the DfT until November 2020. The original 2020/21 budget for this scheme was based on early estimates provided in December 2019 resulting in a year end variance. The scheme has now started on site.

South Devon Highway - £4.4 millions - revised traffic counts were not undertaken until the autumn due to the abnormally low traffic flows caused by the pandemic. Agreement then needs to be reached with a large number of landowners with regards to noise insulation and part one land claims. Whilst this is progressing well, only a small number were agreed and paid in 2020/21.

South West Exeter Housing Infrastructure Fund - £5.5 millions – the project comprises 15 elements, which have all been costed and profiled across five financial years, totalling £55.14 million. Good progress is being made on design and works but there has been a variation in programmed spend as some anticipated risks did not materialise. Final delivery and milestone deadlines are still expected to be achieved.

Local Transport Plan (LTP) Integrated Transport Block - £3.1 millions - Two schemes related to the A382 have slipped due to pandemic as well as land acquisition delays. There were also variances across works on the Slapton Line and Ivybridge projects, and some other smaller schemes, due to planning and land acquisitions not being resolved in 2020/21.

The progress of various projects across the Economy and Skills service area have been slow this year, mainly due to the pandemic. These include Strategic Land transactions of £6.6 millions, slippage of works at our Business Parks totalling £2.6 millions as well as the Broadband and Library schemes of £2.6 millions.

Delivery of the Strategic Schools Programme has also slipped by £9.4 millions mainly due to the pandemic.

## 8.10 Corporate Services

Whilst some progress has been made, much of the work expected to take place under the Strategic Centres Accommodation Improvement Programme has been paused, resulting in slippage of £2.4 millions. This project includes work to reconfigure and enhance existing office accommodation, including the electrics and lighting.

The ICT programme has also experienced slippage of £1.8 millions whilst projects were paused or deferred during the year

The County Farms programme over delivered in 2020/21 with £0.6 millions being accelerated from the 2021/22 budget. The work carried out in 2020/21 related to a programme of works to upgrade the Councils existing farms dwellings to the Decent Homes Standards and the installation of a new slurry store. Despite delays in materials and access issues to tenant dwellings the final outturn position was £0.9 millions against a budget of £1.169 millions. The Decent Homes work will continue in 2021/22.

Within the Estates budget, infrastructure for the Access Control System which relates to the upgrade of the Councils car parking access and security systems, was completed this year. A programme of work was carried out on the estates buildings this year including capital works relating to fire safety measures to ensure that the Councils fire doors, across the estate, comply with accredited standards.

## 8.11 Highways Capital development and Waste Management

The Local Transport Plan (LTP) maintenance, Pothole and Challenge Fund budget - £3.2 millions. The funding supported over 750 highway and bridges schemes however there were difficulties in progressing schemes, particularly in the early part of the year, due to lockdown restrictions.

Street Lighting - £1.8 millions – a new term maintenance contract was effective from October 2020 which resulted in a slower delivery progress than originally expected during the mobilisation and commissioning of new systems.

Delivery of the Schools Maintenance Programme has also slipped by £2.2 millions mainly due to the pandemic.

## 9. Capital Financing

- 9.1 Internal borrowing was lower than originally budgeted which will result in a reduction in the capital financing requirement, specifically Minimum Revenue Provision (MRP), for 2021/22.
- 9.2 There was also a decrease in the requirement for funding from Revenue budgets; this is mainly attributable to slippage in projects funded from school's revenue.
- 9.3 External funding will need to be carried forward as unspent funds; this is mainly attributable to major schemes within Highways and also Planning, Transport and Environment (PTE), which reflects the complex nature of projects in these service areas as well as the impact of the pandemic on the timeliness of scheme delivery.
- 9.4 Capital receipts of £5.6 millions were received during 2020/21. The Capital Receipts Reserve has covered the financing requirement for 2020/21 of £9.7 millions, as shown in the following table:

<b>Capital Receipts</b>	<b>General Receipts</b>	<b>Investing in Devon</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Opening Balance 1st April 2020</b>	<b>10,839</b>	<b>1,078</b>	<b>11,917</b>
Received in year	<b>5,589</b>	<b>0</b>	<b>5,589</b>
Applied to finance spend	<b>(9,320)</b>	<b>(405)</b>	<b>(9,725)</b>
<b>Closing Balance 31st March 2021</b>	<b>7,108</b>	<b>673</b>	<b>7,781</b>

## 10. Prudential Indicators

- 10.1 The prudential indicators are produced in line with the national code of practice that was drawn up by the Chartered Institute of Public Finance and Accountancy. This requires local authorities to monitor its overall debt level via a set of "prudential indicators", in order to form a judgement about affordable, prudent and sustainable levels of debt. The definition of debt for the Prudential Indicators that were calculated and agreed within the Capital Programme for 2020/21 includes both borrowing and other long-term liabilities such as PFI schemes.
- 10.2 The indicators are set annually when the budget is agreed, and we report the final position of the indicators against the estimate within the outturn report. The indicators are adjusted after the budget is agreed for technical accounting changes. In 2020/21 no prudential indicators were breached.

### 10.3 Capital Financing Requirement (CFR)

The Capital Financing Requirement reflects the cumulative capital expenditure that the authority has yet to finance. It is alternatively known as the underlying need to borrow.

<b>ACTUAL 2019/20 £000</b>		<b>ACTUAL 2020/21 £000</b>
714,217	<b>Opening Capital Financing Requirement</b>	701,391
714,217		701,391
	<b>Capital Investment</b>	
98,986	Property, Plant and Equipment	119,059
0	Heritage Assets	0
1,469	Intangible Assets	1,151
14,674	Revenue Expenditure Funded from Capital under Statute	13,589
0	Share Capital	0
	<b>Sources of Finance</b>	
(6,720)	Capital Receipts	(9,725)
(106,143)	Government Grants and other contributions	(112,891)
	Sums set aside from revenue:	
(807)	Direct revenue contributions	(922)
(97)	External contribution - debt repayments	(69)
(14,432)	Statutory provision for the financing of capital investment	(14,257)
	<b>Capital provision</b>	
5,247	Creation of Long Term Provision	5,003
(5,003)	Provision remaining at year end	(4,766)
<b>701,391</b>	<b>Closing Capital Financing Requirement</b>	<b>697,563</b>
	<b>Explanation of Movements in Year</b>	
	Increase in underlying need to Borrow (unsupported by	
3,338	government financial assistance)	11,781
244	Decrease in Capital Provision	237
(2,048)	(Reduction)/ Increase in PFI liability	(2,244)
(14,359)	Increase in the provision for repayment of debt	(13,602)
<b>(12,825)</b>	<b>Increase/(decrease) in Capital Financing Requirement</b>	<b>(3,828)</b>

#### 10.4 Authorised Limit and the Operational Boundary for External Debt

External borrowing totals £507.9 millions and other Long Term Liabilities total £114.6 millions. The actual external debt for 2020/21 was therefore £622.5 millions.

The authorised limit for external debt of £780.9 millions was not breached.

The operational boundary for external debt of £755.9 millions was not breached.

#### 10.5 Ratio of Financing Cost to Net Revenue Stream

This key ratio shows the percentage of the net revenue budget which is used to finance debt. The long term commitment is that the capital finance charges excluding the capital financing costs included within the PFI and other PFI type of arrangements do not go above 12%. On an annual basis the authority, when assessing the affordability of the programme, estimates the relevant percentage, and the following tables shows the year end variance against original estimates.

	<u>Including PFI Charges</u>	<u>Excluding PFI Charges</u>
Total Financing Costs	45.167 millions	31.367 millions
Net Revenue Stream	530.054 millions	530.054 millions
Actual	8.52%	5.92%
Estimated	9.76%	6.95%
Variance	-1.24%	-1.03%

## **11. Determination of Capital Finance**

- 11.1 The Authority is required to determine its use of capital finance as defined by capital control legislation. The following use of capital finance sources, as outlined in the table shown on page 28 [section 7] is proposed.
- 11.2 That internal borrowing totalling £11.7 millions is used as authorisation to finance capital expenditure.
- 11.3 That expenditure of £111.3 millions is funded from government grants and external contributions to meet expenditure in 2020/21 for capital purposes.
- 11.4 That useable capital receipts of £9.7 millions are applied to meet expenditure in 2020/21 for capital purposes
- 11.5 That the remaining capital expenditure of £0.9 millions is met from revenue budgets.

## DEBT (Monies Owed to the Authority) as at 31st March 2021

### 12. Recommendation: that the position relating to debt be noted.

- 12.1 The County Council collects income from a wide range of sources to fund its services. Large elements of income are received automatically from Government and District Councils in respect of Revenue Support Grant, share of National Non-Domestic Rates and Council Tax.
- 12.2 Technology is also used to receive income via the telephone and the internet. Debt recovery agents continue to be used where non-sensitive debt has proved difficult to collect.
- 12.3 Income is also received from the raising of invoices to users of a service. Accounts are credited with the income value with immediate effect. However, it is often the case that debtors take time to settle accounts and there is a time delay between accounting transactions and cash income.
- 12.4 The County Council has a number of debtor systems which encompass Adult Care functions, Devon Pensions Fund items and Corporate services.
- 12.5 As at 31st March 2021, the situation was as follows: -

	Corporate System	Adult Care Functions	Devon Pension Fund	Total
Total Invoiced Income for the Year	£179.440 million (£195.000 million at 31st March 2020)	£52.805 million (£53.315 million at 31st March 2020)	£8.868 million (£28.808 million at 31st March 2020)	£241.113 million (£277.123 million at 31st March 2020)
Outstanding debt older than 3 months	£2.390 million (£4.590 million at 31st March 2020)	£18.127 million (£14.173 million at 31st March 2020)	£0.097 million (£0.130 million at 31st March 2020)	£20.614 million (£18.893 million at 31st March 2020)
Percentage of Debt which is older than 3 months relative to whole year value	1.34% (2.35% at 31st March 2020)	34.33% (26.58% at 31st March 2020)	1.09% (0.45% at 31st March 2020)	8.55% (6.82% at 31st March 2020)

- 12.6 In terms of Corporate debt, active management of items throughout the year and recovery of several large value debts has helped to keep debt levels at a relatively low level, although this has been impacted to some extent by the economic and operational impact of COVID-19.
- 12.7 Within the Adult Care Functions, significant elements of Residential Care debt are underwritten by property charges. At the year end, the level of debts over 3 months old for Residential Care secured by legal charge total £11,953,000 (£9,523,705 at 31st March 2020) and reduces the percentage of outstanding debt for Residential Care from 40.02% to 12.0% (9.1% at 31st March 2020).
- 12.8 The On-Street Parking system records monies owed for this service area. The nature of the individual debt is low value. At the year-end, gross debt totalled £1,065,787, with a bad debt provision of £647,699. The net debt was £418,088. Enforcement agents are used to recover related debt where appropriate.
- 12.9 The level of debt in respect of invoiced income for the Devon Pension Fund is comparatively low in percentage terms and relates to a small number of debtors. Total invoiced income for 2020/21 is lower than in 2019/20 – in 2019/20 this included £16,092,941 in advanced secondary contributions from employer organisations.
- 12.10 To mitigate the effect of non-recovery of debt, general provisions have been established to write-off corporate items which prove non-recoverable. At the year end, these total £1,550,000. This includes £990,000 provision in respect of COVID-19, representing associated risks based on 12% of net debt.

# ABBREVIATIONS

Abbreviations used within the outturn report:

BCF	Better Care Fund - formerly known as the Integration Transformation Fund, a national arrangement to pool existing NHS and Local Government funding starting in April 2015.
C/F	Carry Forward
CCG	Clinical Commissioning Group
CFR	Capital Financing Requirement
COVID-19	Coronavirus Disease
DCC	Devon County Council
DfT	Department for Transport
DSG	Dedicated Schools Grant
EDDC	East Devon District Council
EU	European Union
HR	Human Resources
HRMS	Human Resources Management System
ICT	Information & Communications Technology
LED	Light Emitting Diode
LTP	Local Transport Plan
MHCLG	Ministry of Housing, Communities and Local Government
MRP	Minimum Revenue Provision
NHS	National Health Service
NNDR3	National Non-Domestic Rates Return 2020-21
PFI	Private Finance Initiative
PTE	Part-time Equivalent (15 hours)
S106	Funding from developers resulting from planning obligations authorised by section 106 of the Town and Country Planning Act 1990
ScoMIS	Schools Management Information Service
SEN	Special Educational Needs
SEND	Special Education Needs and Disability
VELP	Vehicle Equipment Loan Pool

# **GLOSSARY OF TERMS**

**Some of these terms are not used within the Outturn report but have been included as background information.**

## **BUDGET**

A budget is approved annually by the authority and sets out the council tax requirement for the next financial year. This council tax precept funds the planned spending programme which is presented net of income from grants, fees and charges and other sources. The budget does not include any of the adjustments needed to comply with financial reporting standards and, as such, is not truly comparable with the results as shown in the statement of accounts for the same period.

## **CAPITAL EXPENDITURE**

Capital expenditure is expenditure on the construction, acquisition, development or improvement of property, plant and equipment and of intangible assets (principally, software licenses). Under legislation it may be financed from capital sources or from funds set aside from revenue. It is to be distinguished, however, from revenue expenditure funded from capital under statute (REFCUS) which is charged as revenue expenditure in the comprehensive income and expenditure account and only matched with its capital funding by transfer in the movement in reserves statement.

## **CAPITAL RECEIPTS**

Capital receipts are income received from the sale of property, plant and equipment or intangible assets. They are available only to finance new capital expenditure or to repay debt. Until this occurs they are held on the capital receipts reserve.

## **CIPFA**

CIPFA (The Chartered Institute of Public Finance and Accountancy) is the lead body for setting standards in public sector accounting practice.

## **CONTRIBUTIONS**

Contributions are receivable from health authorities, other local authorities and other non-governmental bodies in respect of the authority's functions carried out independently. They are distinguishable from fees and charges income, which is received under a contract of supply. The same distinction applies to contributions paid by the authority. Contributions receivable are distinguished from grant income only in that grants are received from UK or EU governments (or their agencies).

## **DEBT**

External debt consists of borrowing and other long-term liabilities (such as Private Finance Initiatives and other similar contracts). The **Authorised Limit** to debt represents the level at which the Council is able to borrow and enter into other long-term liabilities. Additional borrowing beyond this level is prohibited unless the limit is revised by the Council.

The **Operational Boundary** is based on the anticipated level of external debt needed during the year. Variations in cash flow may lead to occasional short term breaches of the Operational Boundary that are acceptable.

## **DEDICATED SCHOOLS GRANT (DSG) ADJUSTMENT ACCOUNT**

This is a new unusable reserve which holds negative (deficit) balances from the expenditure against the Dedicated Schools Grant. It has been established as a result of new statutory regulations which came into force from November 2020, whereby a local authority must not charge any deficit in respect of its schools' budget to its revenue account. Instead any such deficit should be charged to a separate account - the DSG Adjustment Account - in effect removing it from the General Fund and earmarked reserves. These regulations are in force for three years 2020/21, 2021/22 and 2022/23 and do not set out what will happen after March 2023.

## **GENERAL FUND**

The general fund is the usable revenue reserve which finances the authority's working capital. It represents the cumulative net budget surplus after appropriations to or from earmarked reserves and consists of two elements: the county fund and reserves held by schools under delegated management. The county fund balance is evaluated under the authority's risk management strategy as the amount required to fund operations without borrowing before the first precept payments are received.

## **GOVERNMENT GRANTS**

These are sums of money paid UK or EU governments, or their agencies, in order to fund the activities of the authority. Grants in support of local government services may be for general application or, where restricted to specified services, ring-fenced. The amount of grant income credited to the comprehensive income and expenditure account for the year represents the value received (or due to be received) in the year less any such amounts which are repayable by virtue of a condition which has not been satisfied. Outstanding conditions are normally satisfied in the following year in which case the liability is transferred to income at that stage.

The following bodies (shown together with their common abbreviations) award grants to the authority and are the sources of income in the analysis of government grants:

- CSPN = County Sports Partnership Network
- CWDC = Children's Workforce Development Council
- DBERR = Department for Business, Enterprise and Regulatory Reform

DCMS	= Department for Culture, Media & Sport
DEFRA	= Department for Environment, Food & Rural Affairs
DfE	= Department for Education
DfT	= Department for Transport
DHSC	= Department of Health and Social Care, formerly DH - Department of Health, now with Social Care responsibilities
DIUS	= Department for Innovation, Universities and Skills
DTI	= Department of Trade & Industry
DWP	= Department for Work & Pensions
ESFA	= Education and Skills Funding Agency - combination of EFA - Education Funding Agency and SFA Skills Funding Agency
EU	= European Union
HEFCE	= Higher Education Funding Council for England
HLF	= Heritage Lottery Fund
HO	= Home Office
MHCLG	= Ministry of Housing, Communities and Local Government, replaced DCLG from January 2018
MoD	= Ministry of Defence
NE	= Natural England
P4S	= Partnership for Schools
PSA	= Public Service Agreement
SCITT	= School Centred Initial Teacher Training
SDF	= Sustainable Development Fund
TDA	= Training and Development Agency
YJB	= Youth Justice Board

## **INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

These standards are issued by the International Accounting Standards Board. They are adapted under the auspices of CIPFA so as to apply to local authorities and consolidated in the Code of Practice on Local Authority Accounting (The Code).

## **MINIMUM REVENUE PROVISION (MRP)**

MRP represents the minimum amount that, under government regulations, must be appropriated from the general fund each year in order to fund the repayment of existing debt.

## **OUTTURN**

Outturn represents the annual results of the revenue and capital programmes which the authority reports in order to account for its use of public funds under government legislation. It is reported in the same terms as the budget under which council tax funding was originally raised. The outturn report is not subject to external audit and does not apply the Code, nor does it include a balance sheet. As such it is not truly comparable with the statement of accounts.

## **PRECEPTS & LEVIES**

A levy is a charge made by one statutory body on another in order to meet the net cost of its services. A precept is a charge made by a statutory body upon the council tax collection fund of a billing authority.

## **PRIVATE FINANCE INITIATIVE (PFI)**

PFI contracts, and also public-private partnerships (PPP), typically involve a private sector operator constructing or enhancing assets used in the provision of a public service, and operating and maintaining those assets for a specified period of time on behalf of the authority after which the assets pass to the authority for little or no incremental consideration. Under the Code, contractual charges made by the operator on the authority fall under two headings, finance lease (to finance construction or enhancement) and service provision (to finance operation and maintenance), and each heading is accounted for accordingly over the period of each contract. In cases where no asset is to pass to the Balance Sheet, all charges are made annually to the comprehensive income and expenditure account. Under the finance lease model, the liability remains with the Authority even where assets subsequently vest in schools on a change of status.

## **PROPERTY, PLANT AND EQUIPMENT**

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are included in the balance sheet under the heading of property, plant and equipment. Such assets are carried at current value and are regularly revalued in order to ensure that this remains the value at which they are reported annually. Where there is no market-based evidence of current value (because of the specialist nature of an asset), depreciated replacement cost is used as an estimate of current value. Depreciation is charged annually by

reference to the remaining useful life of an asset or of each class of component making up that asset. Surplus assets are valued at fair value.

## **PROVISIONS**

A provision is a liability of uncertain timing or amount. It is recognised when there is a present obligation (whether legal or constructive) as a result of a past event where a transfer of economic benefit is likely to result and a reliable estimate of this transfer can be made.

## **RELATED PARTIES**

Parties are considered to be related if one party has the ability either to control the other party or to exercise significant influence over it in making financial or operating decisions. Parties are also related if they are subject to common control. Related parties include subsidiaries, associates, joint ventures, and possibly other entities or individuals. Central government is a related party by this definition. Related parties attract additional disclosure requirements in order to identify the extent to which the authority may exercise or be subject to influence or control. The statement of accounts includes the following in this respect:

- Details of significant government grants and the awarding bodies;
- Transactions with subsidiary and associated companies;
- Transactions with the pension fund.
- Transactions with related individuals not applicable to other members of the community (for example, members and chief officers)

## **REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE (REFCUS)**

REFCUS is revenue expenditure that is funded from capital either because it is capital in nature (but does not result in an asset) or because capital financing has been allowed by specific regulation. REFCUS is included accordingly in the comprehensive income and expenditure account and appropriated from general fund to capital adjustment account in the movement in reserves statement.

## **SECTION 151 OFFICER**

The section 151 officer is the council officer designated under that section of the Local Government Act 1972 to take overall control of the financial affairs of the authority and to take personal responsibility for its financial administration. At Devon County Council the Section 151 Officer is the County Treasurer.

## **SUBSIDIARY**

A subsidiary is an entity which is under the control of the authority. This means that investment by the authority is such that it has decisive power over the entity, has the ability to direct all its substantial activities and enjoys rights (or suffers exposure) to variable returns. Investment takes account of contractual connections, participation in governance and executive interchange as well as the level of financial investment.

## **UNUSABLE RESERVES**

Unusable reserves are reserves that the authority is not able to utilise to provide services. These reserves fall into two categories, namely: revaluation balances and adjustment accounts. Revaluation gains held under the first category only become available for use when the assets to which they relate are disposed of and the gain realised as a capital receipt. In the second category, each reserve is named after the adjustment variously required to report the comprehensive income and expenditure account under the accounting basis. These adjustments are realised only by reversal and thus constitute timing differences. By these adjustments, the general fund continues to be stated under the funding basis required by regulation.

## **USABLE RESERVES**

Usable reserves are reserves available to the authority for the provision of services although there may be statutory limitations on the type of use in each case. Reserves usable for capital expenditure consist of the capital receipts reserve (which may also be applied in the repayment of borrowings) and capital grants unapplied. Usable revenue reserves consist of the general fund together with any earmarked reserves set aside from general fund for specified future expenditure.

## **VIREMENT**

The process of transferring money from one budget heading/line to another.

## ***Mary Davis***

Electoral Divisions: All

Local Government Act 2003

Contact for Revenue Enquiries:

Mary Davis Tel No: 01392 383310

Angie Sinclair Tel No: 01392 380711

Contact for Capital Enquiries:

Esther Thorpe Tel No: 01392 383457

Background Paper Date 14th July 2021

Detailed financial working papers and systems

Executive Member: Councillor Phil Twiss