

# NORTH YORKSHIRE COUNTY COUNCIL

## EXECUTIVE

25 May 2021

### QUARTERLY PERFORMANCE AND BUDGET MONITORING REPORT

#### Joint Report of the Chief Executive and Corporate Director – Strategic Resources

#### EXECUTIVE SUMMARY

#### Background

The Quarterly Performance and Budget Monitoring Report seeks to bring together key aspects of the County Council performance on a quarterly basis. The Summary below captures the key points in this Quarterly update as set out in the main body of the attached report.

#### Performance

1. The in depth focus for the Quarter 4 Performance report is “Public Health” and reviewing ambitions on “Innovative and Forward Thinking Council”.
2. The Quarter 1 report for 2021/22 will focus on the ‘council plan ambition for Growth

#### Revenue Budget 2020/21

There is an overall projected net underspend of £9,090k against budget for 2020/21 (**paragraph 2.2.1**). The key drivers of the financial position are set out below:

1. Responding to the COVID-19 pandemic has brought significant new costs and responsibilities leading to headline overspends in most directorates, which has been offset by unprecedented levels of additional government funding
2. Since Q3, the net expenditure position has changed significantly, largely as a result of welcome additional government funding that was not expected at Q3.
3. A breakdown of each Directorates forecast variance is provided in **Appendices B to F** with the financial position for NYES provided in **Appendix G**.

#### Capital Plan

1. Overall capital expenditure for 2020/21 is £119.6m against a budget of £163.1m – an underspend of £43.5m. When capital receipts and grants are taken into account the net position shows an underspend of £12.5m (**paragraphs 4.4**).
2. The main variances are a £2.5m underspend in HAS mainly due to delays on Extra Care schemes; a £13.5m underspend on CYPS due to covid delays on a number of large-scale school schemes; £5.9m underspend on CS largely due to slower than anticipated draw down of loans by NYCC owned limited companies; and a £21.6m underspend on Business and Environmental Services mainly due to delays on the purchase of vehicles

for NY Highways and slippage on the Highways annual programme (**paragraph 4.9 to 4.12**).

3. After adjusting for an increase in the value of loans to outside bodies and savings on schemes (£0.9m) a net underspend of £13.4m is to be carried forward to 2021/22 (**paragraph 4.14**).
4. Financing of the capital plan is largely through grants, contributions and revenue contributions, the remaining element of £2.3m is funded from internal borrowing (**paragraph 4.16**).
5. The acquisition of land on the east side of Beckwith Head Road, Harrogate for £1.8m, is proposed in order to progress the scheme to assist with social care market development in the Harrogate area. If approved, the acquisition will be funded through the Capital Programme for Extra Care. (**paragraph 4.28 & 4.29**)

### **Annual Treasury Management and Prudential Indicators**

1. External debt stood at £236.0m at 31 March 2021. The average interest rate of this debt was 4.46% (**paragraph 3.17**).
2. The forecast capital borrowing requirement for 2020/21 is £18.3m (**paragraph 3.20**) which will increase the internal borrowing position.
3. Investments outstanding at 31 March 2021 were £479.4m (£476.2m at 31 December 2020) of which £197.3m belonged to other organisations who are part of NYCC's investment pool arrangements, with a daily average balance of £506.9m up to Q4 of 2020/21 (**paragraphs 3.31, 3.39 & Appendix A**).
4. For cash invested the average interest rate achieved in Q4 was 0.48% which exceeded the 7 day benchmark rate of -0.07% and was above bank rate of 0.10%. (**paragraph 3.31**).
5. A potential investment in solar generation is under consideration as part of the Commercial Investment framework overseen by the Commercial Investment Board. In order to take this work forward, up to £75k is requested from the Strategic Capacity Reserve to bring forward a full business case for investment in a Solar PV asset. (**paragraph 3.57 to 3.65 & 3.78**)

RICHARD FLINTON  
Chief Executive

GARY FIELDING  
Corporate Director, Strategic Resources

County Hall  
Northallerton  
25 May 2021

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