

STRATEGIC SCRUTINY COMMITTEE -19 November 2020

CLLR BOB FOALE –PORTFOLIO HOLDER FOR TRANSFORMATION & ENVIRONMENT

Finance Directorate Services – Work during Covid-19

Medium Term Financial Plan	
MTFP	This is covered in the Leader's Briefing under Strategic Finance.
Exchequer Services	
Payment of suppliers	<p>The prompt payment of suppliers has been critical during COVID-19. Since the outbreak all invoices have been paid on immediate payment terms, in order to support the cash-flow of the Council's suppliers and to help support their service continuity during and after the pandemic.</p> <p>The percentage of invoices paid within 30 days was 97.00% for the first six months of 2020/21, compared with 94.86% for the same period in 2019/20.</p>
Accountancy Services	
COVID-19 Returns	<p>To date, the team have submitted six monthly COVID-19 Returns to central government. The COVID-19 return captures the additional expenditure being incurred by the Council and the significant loss of income due to the pandemic. It is the key mechanism for continuing to draw the financial impact of COVID-19 to the attention of central government, in order to inform their emergency funding allocations and other financial support measures.</p> <p>Emergency funding of £1.895m has been awarded to Exeter. The latest return, submitted to MHCLG on 2 October, reports additional expenditure pressures of £3.166m and income losses of £7.387m (excluding council tax and NDR losses) for the General Fund. We are therefore reporting a significant shortfall and submission of these returns is therefore crucial to highlighting this to the government. The next return is due to be submitted by Friday 6 November.</p>
Emergency budget	<p>On 21 July 2020, Council approved an emergency budget for 2020/21 to help address the financial impact of COVID-19 and to ensure that the Council maintains a balanced budget, whilst maintaining the recommended minimum reserves level.</p> <p>The accountants will be reporting against the revised budget for 2020/21 and have recently completed Quarter 2 budget monitoring, which will be presented to Executive on 1 December 2020. Due to the extraordinary impact of COVID-19, the process of budget monitoring has become critical to understanding whether the assumptions built into the emergency budget have worsened or improved, in order to inform the future savings required or whether spending that has been held back can restart.</p>

Sales, Fees & Charges Compensation Scheme	<p>On 2 July, the Secretary of State announced a new support measure to reimburse councils for income from sales, fees and charges that are irrecoverable due to the pandemic.</p> <p>The team submitted the first claim, covering income losses during April, May, June and July, on 29 September which totalled £1.5m.</p> <p>There are strict criteria for claiming irrecoverable income losses and it involved a significant amount of detailed work for the accountants to analyse; eligible income losses, offsetting savings in expenditure (by the respective income generating area) and whether the net losses are specifically due to Covid-19 restrictions (e.g. closure of facilities in accordance with Government guidance). Submission and accuracy of the claim is critical to payment of grant, which will have a significant positive impact on the financial position of the Council.</p>
Closure of 2019/20 Accounts & Audit	<p>The Council's unaudited Statement of Accounts were published on the 31 July, a full month earlier than the Government's extended statutory deadline of 31 August.</p> <p>The deadline for the final audited accounts has been extended from 31 July to 30 November and the team is now assisting the external auditors with requests for information/evidence required in respect of the 2019/20 accounts. This is the first year that the audit will be undertaken virtually.</p>
In-sourcing of Leisure	<p>The team have assisted with the in-sourcing of leisure services in respect of its insurance arrangements, its new banking and payment facilities and VAT.</p> <p>With regards to VAT, it triggered a review of the Council's partial exemption status (ability to fully recover VAT paid by the Council) and the team have provided an extensive amount of financial data to an external VAT consultant in order to perform the review.</p>
2021/22 Estimates	<p>On the 14 September the Director Finance delivered a budget orientation presentation to Portfolio Holders, which set out the budget reductions required for 2021/22 – 2023/24 and Portfolio Holders are now working with their Directors to discuss opportunities to reduce spend and identify new income.</p>
Procurement	
Background	<p>Since its inception in October 2018, the Procurement Team has been supporting on a broad range of tendering activity supporting all areas of the Council. The work plan has a significant number of live and upcoming procurement projects on it, covering both renewal of existing contracts and new/ project related contracts.</p> <p>Since restrictions have been lifted, we have seen a significant increase in the activity against projects on the work plan with most projects which were previously paused having restarted.</p>

<p>Staff</p>	<p>Three members of the team were furloughed during the months of April-October with a mixture of full time and part time furlough arrangements in place as dictated by the workload,</p> <p>From 1st November the team are now all now back at work on a full time basis with the exception of the Procurement Apprentice who is on reduced hours due to the fact that many of the tasks associated with that role have ceased as a result of the team moving to full time remote working and the fact that we have changed the processes to accommodate this.</p>
<p>PPE</p>	<p>The Procurement Team have continued to manage the procurement of all PPE for the Council.</p> <p>The process has now been fine-tuned with a form now available on the intranet for Officers to place their orders.</p> <p>Supply routes have been established ensuring that we are benefitting from our access to the central government issued PPE where possible (via DCC). This PPE is available free of charge so we are accessing this rather than purchasing from other supplier wherever it is possible to do so.</p> <p>We have managed to agree a corporate supplier of reusable face masks from Devon Disability Collective.</p> <p>We continue to ensure that only those items agreed in line with the Corporate Health and Safety team are purchased.</p>
<p>Key challenges</p>	<p>Remote working – full review systems and processes has now been applied. Challenge remains with managing more junior member of staff who needs a level of support which is harder to manage remotely and the feeling of isolation which has been reported amongst the team. Before the present lockdown we were making the effort to meet in person once per month to retain some feeling of ‘team’ and we endeavour to hold team meetings via video conferencing so at least you are seeing each other.</p> <p>Workload – following the latest pipeline planning a large volume of projects have been identified. Planning is underway as to how we will adequately resource the support for these projects.</p>
<p>General</p>	<p>The previously reported pipeline planning work has now been embedded into our ongoing processes and we continue to consult Service Leads on a quarterly basis to enable us to prioritise the workload effectively.</p> <p>Following the changes in responsibility at SMB level, with some Service Leads moving into different directorates, we have made the necessary changes to our structure and how we split the areas we each support to align with the corporate changes.</p> <p>We have been keeping abreast of information as it is released with regard to the changes to Public Procurement Regulations which are anticipated post Brexit and will update our internal regulations and all Service Leads as required.</p>

