



Report of Head of Democratic Services

Report to Scrutiny Board (Strategy and Resources)

Date: 22 July 2020

Subject: Financial Performance - Outturn financial year ended 31st March 2020

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this report

1.1 The purpose of this report is to provide Board Members with details of the Council's financial outturn position for 2019/20.

2. Background information

2.1 Each year the Council's financial outturn position for both revenue and capital is reported to the Executive Board. All Scrutiny Boards are then subsequently given the opportunity to consider and provide any comment on aspects of the outturn position that are relevant to their individual remits.

2.2 However, the Strategy and Resources Scrutiny Board is invited to comment more broadly on the financial outturn report as the following Executive functions fall within the Scrutiny Board's remit:

- Setting, supporting and monitoring the Council's financial strategy;
- Managing effective financial management and controls.

3. Main issues

3.1 Details of the Council's financial outturn position for 2019/20 for both revenue and capital were reflected in a report to the Executive Board at its meeting on 24 June 2020. This report is appended for the Board's consideration (Appendix A).

- 3.2 Whilst the main financial impact of the COVID-19 pandemic impacts financial year 2020/21 board members should note that £2.64m of the COVID-19 Support Grant allocated by Government was used in 2019/20 as a result of loss of income and additional expenditure.
- 3.3 Appendix A provides additional detail as noted above. Some key points to note are as follows; an overspend of £0.29m on the General Fund after the creation of a number of ear marked reserves this reflects an overall improvement of £4.1m when compared to the provisional outturn position reported to Executive Board in April, a £1m improvement in the level of capital receipts realised in 2019/20, a £1.1m reduction in the previously assumed contribution to the regional Business Rates Pool, a £0.6m improvement in the debt position in Strategic Accounts, the declaration of a £5.5m deficit on the authority's Collection Fund in respect of Business Rates the impact of which is dealt with in financial year 2020/21 and in relation to the Housing Revenue Account a net variation of £2.9m when compared against the 2019/20 budget which is offset by a reduction in the revenue contribution to the Capital Programme.
- 3.4 Appropriate senior officers have been invited to the meeting to discuss the attached report and address any issues raised by the Scrutiny Board.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The Council's financial outturn is a factual report and therefore is not subject to consultation. However, all Scrutiny Boards are given the opportunity to provide any comment on aspects of the outturn position that are relevant to their individual remits.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 The Council's revenue budget for 2019/20 was subject to Equality Impact Assessments where appropriate and these can be seen in the papers to Council on 27th February 2019.

4.3 Council policies and the Best Council Plan

- 4.3.1 The 2019/20 budget targeted resources towards the Council's policies and priorities. This report comments on the financial performance against this budget in support of our Best Council ambition of offering value for money through being an efficient and enterprising organisation.

Climate Emergency

- 4.3.2 Since this is a factual report detailing the Council's financial outturn position for 2019/20 there are no specific climate implications.

4.4 Resources, procurement and value for money

4.4.1 All financial implications are detailed in the main body of the Executive Board report.

4.5 Legal implications, access to information, and call-in

4.5.1 There are no legal implications arising from this report.

4.6 Risk management

4.6.1 Budget management and monitoring is undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand and key income budgets. To reinforce this risk-based approach, specific project management based support and reporting around the achievement of the key budget action plans was in place for 2019/20.

5. Conclusions

5.1 Details of the Council's financial outturn position for 2019/20 for both revenue and capital were reflected in a report to the Executive Board at its meeting on 24 June 2020 and this report is now appended for the Board's consideration in accordance with its terms of reference.

6. Recommendation

6.1 That the Scrutiny Board considers the relevant information within the attached Executive Board report and agrees any specific scrutiny actions that may be appropriate.

7. Background documents¹

7.1 None.

¹ The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.