

RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE

13 AUGUST 2020

REPORT OF THE ASSISTANT DIRECTOR (FINANCE AND IT) & SECTION 151 OFFICER

A.1 FINANCIAL OUTTURN 2019/20 AND ALLOCATION OF THE GENERAL FUND VARIANCE FOR THE YEAR

(Report prepared by Richard Barrett and Ian Ford)

PURPOSE OF THE REPORT

To provide an overview of the Council's financial outturn for the year 2019/20 and the allocation of the associated General Fund Variance for the year.

BACKGROUND

On 17 July 2020 the Corporate Finance and Resources Portfolio Holder considered the Financial Outturn 2019/20 and made the following decision:-

"That the Corporate Finance and Governance Portfolio Holder:-

- (a) notes the financial outturn position for 2019/20 as set out in this report and appendices;*
- (b) approves the financing of General Fund capital expenditure for 2019/20 as detailed in Appendix D;*
- (c) approves the movement in uncommitted and earmarked General Fund reserves for 2019/20 set out in Appendix E;*
- (d) approves the qualifying carry forwards totalling £17.914m (£9.518m Revenue and £8.396m Capital) as set out in Appendix K;*
- (e) agrees that all other carry forwards totalling £0.658m requested by services be transferred to the relevant earmarked reserve pending consideration by Cabinet at its July 2020 meeting;*
- (f) that subject to the above, approves that the overall General Fund Outturn Variance for the year of £0.862m be transferred to the Revenue Commitments reserve until Cabinet formally considers the allocation of this funding at its July 2020 meeting;*
- (g) in respect of the HRA, approves the movement on HRA balances for 2019/20 including any commitments set out within Appendices H and/or I along with recharges to the HRA from the General fund of £2.808m for the year and the financing of the HRA capital expenditure set out in Appendix I; and*
- (h) delegation be given to the Council's S151 Officer, in consultation with the Corporate Finance and Governance Portfolio Holder, to adjust the outturn position for 2019/20 along with any corresponding adjustment to earmarked reserves as a direct result of any recommendations made by the Council's External Auditor during the course of their audit activities relating to the Council's 2019/20 accounts."*

On 24 July 2020, Cabinet considered the Outturn 2019/20 and the Proposed Allocation of the General Fund Variance for the Year and made the following decision:-

“That Cabinet:

- (a) agrees that the total of £0.658m requested by Services can be retained by them via the associated carry forward requests, as set out in Appendix A to item A.6 of the Report of the Corporate Finance and Governance Portfolio Holder; and*
- (b) approves the allocation of the General Fund Variance for the year of £0.862m as set out in Table 1 of the Portfolio Holder’s report and repeated below:-*

Proposed Allocation	Amount	Portfolio Holder’s Comments
<i>‘Back to Business’ Initiatives and associated activities</i>	£0.862m	<p><i>“It is proposed to allocate the full uncommitted General Fund variance to this major initiative and associated regeneration and economic activities.</i></p> <p><i>As elsewhere in the country, the Tendring District has been hit hard by the COVID19 crisis. Therefore it is important that this Council establishes a clear focus and determination in supporting the district and the economy to not only recover as quickly as possible but to also strengthen and embed a level of resilience that will undoubtedly be required going forward. This approach will provide a solid foundation along with complimenting all of the Council’s overall prioritised and strategic objectives.</i></p> <p><i>As already discussed by Members, there should be no constraints to the range of projects and initiatives that are put forward for consideration to support the whole district or perhaps more locally at ward level.</i></p> <p><i>In agreeing the carry forwards of £0.658m set out earlier on in this report, along with other existing projects and actions, there will be an overlap with direct back to business activities going forward to make this initiative a success.</i></p> <p><i>In terms of this success, it is also acknowledged that local businesses must have a strong influence in terms of how the Council can help and support them through what has been and will continue to be a very challenging time for them and our residents.</i></p> <p><i>The ‘Back to Business’ initiative will continue to be developed over the coming weeks and further reports will be presented to Members in late summer / early autumn.”</i></p>

The relevant reports submitted to the Portfolio Holder and Cabinet referred to above are attached as appendices for the Committee’s consideration.

RECOMMENDATION

That the Resources and Services Overview and Scrutiny Committee considers the Financial Outturn 2018/19 and Allocation of the General Fund Variance for the Year and determines whether it has any recommendations it wishes to put forward to:-

- (a) the Corporate Finance and Governance Portfolio Holder in relation to the Financial Outturn 2019/20; or**
- (b) the Cabinet in relation to the Allocation of the General Fund Variance for the Year.**

APPENDICES

Appendix A – Financial Outturn 2019/20 considered by the Corporate Finance and Governance Portfolio Holder on 17 July 2020

Appendix B – Outturn 2019/20 and the Proposed Allocation of the General Fund Variance for the Year considered by Cabinet on 24 July 2020