

**CABINET**

**11 SEPTEMBER 2020**

**REFERENCE REPORT FROM THE RESOURCES  
AND SERVICES OVERVIEW & SCRUTINY COMMITTEE**

**A.5 FINANCIAL OUTTURN 2019/20 AND ALLOCATION OF GENERAL FUND  
VARIANCE FOR THE YEAR**

(Report prepared by Keith Durran and Ian Ford)

**BACKGROUND**

At the meeting of the Resources and Services Overview and Scrutiny Committee held on 13 August 2020 (Minute 73 refers) the Committee was provided a report of an overview of the Council's financial outturn for the year 2019/20 and the allocation of the associated General Fund Variance for that year.

The reports considered by the Corporate Finance and Governance Portfolio Holder on 17 July 2020 in respect of the Financial Outturn 2019/20 position and by Cabinet on 24 July 2020 (Minute 40 refers) in respect of the Outturn 2019/20 and proposed allocation of the General Fund variance for the year were submitted to the Committee to assist it with its scrutiny of those matters.

The Committee was advised that on 17 July 2020 the Corporate Finance and Resources Portfolio Holder had considered the Financial Outturn 2019/20 and had 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, the Cabinet had considered the Outturn 2019/20 and the Proposed Allocation of the General Fund Variance for the Year and had 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.*

#### **COMMITTEE RECOMMENDATIONS AND COMMENTS TO CABINET**

Following discussion, the Committee **RECOMMENDED TO THE CABINET** that it:

- (a) Implements the invitation from the Portfolio Holder for Corporate Finance and Governance to convene a meeting with the Chairman of this Committee, and other interested Councillors, to examine in detail the financial reserves and provisions to look at progressing further and speedier with those schemes or releasing the funds with a view to the outcome of that meeting being reported to the meeting of this Committee to be held on 21 September 2020;
- (b) Notes that this Committee endorses the decision to allocate £862k from the 2019/20 General Fund Outturn variance to 'Back to Business' Initiatives and associated activities; and
- (c) Considers establishing a corporate dedicated project completion resource, with project management skills, with a direction to progress projects and priorities of corporate significance to the Council, support delivery milestones for those projects and unlock capacity and other issues that could frustrate delivery of those projects and priorities.

#### **PORTFOLIO HOLDER'S COMMENTS AND RECOMMENDATIONS TO CABINET**

##### **Portfolio Holder Comments**

*"As with earlier reports, the Committee's work is always appreciated and their comments welcomed, especially in supporting the allocation of £862k to the Back to Business Initiative.*

*In respect of point a), this to a large extent overlaps with point c), and together they will be considered as part of our Back to Business initiative and action plan that is currently being developed where there is a need to translate comments and feedback into practical actions that can be delivered on the ground and in a timely manner.”*

**Recommendations to Cabinet**

- (a) That the Committee is thanked for the work they have undertaken in reviewing the Financial Outturn for 2019/20 and their ongoing support in their overview and scrutiny of the Council's financial performance, both in-year and future years; and
- (b) That the Committee's comments are taken into account as part of developing the Back to Business Action plan, which will include regular and timely updates being presented to the Committee as part of their important overview and scrutiny role in delivering against this key priority for the Council.