

Report to the Council

Committee: Cabinet
Date: 29 April 2021
Subject: Finance and Economic Development Portfolio Holder
Portfolio Holder: Councillor J Philip

Recommending:

That the report of the Finance and Economic Development Portfolio Holder be noted.

Finance

The financial year 2020/21 has now drawn to a close and this will probably be the most financially uncertain year many of will have seen or are likely to see. With the passing of the 31st March the process of concluding the final cost of Covid19 to the Council has begun and is likely to continue for at least a few months.

Whatever the final number is, we do know that Covid19 has been a significant unplanned cost. In helping to understand the true cost the main question that needs to be answered is what has been the wider impact on the Council of not delivering all of its usual activities and planned projects. This will have reduced spending in some areas and will help to offset some of the new Covid19 related costs. The last budgetary forecast indicated that the Council will still report a small overspend for last year, but the true position cannot be accurately determined until all the year-end processes are complete.

As soon as we have this answer we will report it to members.

As previously reported to Council, the Finance Team's focus on producing the budget for 2021/22 meant they were unable to address the final queries from our external auditors on the accounts for 2019/20. After the budget was set the Team resumed their work on the Final Accounts and this ultimately led to the identification of an omitted accounting transaction in the signed off 2018/19 accounts relating to a Business Rate payment to Government. This was not identified by the auditors in 18/19. The net result is that the reported closing balance as at the 31st March 2019 was effectively overstated. This will now require correction and as part of restating the 2018/19 accounts some amendments will also have to be made to the draft accounts for 2019/20. It is worth noting that this does not mean that the Council has lost any money. The Finance Team are currently agreeing the detailed amendments required with the Council's external auditors, and this will then be reported to Audit and Governance Committee in due course. Whilst I cannot update Council on the exact impact until the matter is agreed with the Auditors, I can say, after considerable challenge to the Finance Team, that I am confident that the revision will not require any changes to any of the Council's agreed financial plans.