

Report to the Council

Committee: Cabinet

Date: 29th July 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

I can report that the Finance Team are now close to producing the draft accounts for 2020/21, together with the year-end outturn position. The 2020/21 Financial Year has proved particularly complicated due to all the additional transactions associated with the Covid19 pandemic. The Council paid numerous additional grants and received government support in multiple transactions to help mitigate some of the financial impacts Covid19. In addition, with the resources of the Council deflected into the response effort the budgetary spending pattern looked significantly different to that originally assumed when the budget for 2020/21 was approved. Reconciling these and making sure that they all sit within the right places within the accounts has proved additionally time consuming, but the team still believe that they are on course to meet the statutory deadline.

At the same time the Finance Team have been working closely with the Council's External Auditors, (Deloitte), to support them in their review of the final accounts for 2019/20, and these appear elsewhere on this agenda. As members will be aware this is much delayed from the original deadline and this is due to a number of factors, including staff shortages on both the part of the external auditors and the council's own Finance Team. Again, Covid19 has played a significant contributory factor in this delay.

Audit and Governance received the External Auditor's Management Letter at its meeting on 15th of July 2021 and after considering its findings has recommended that the Council agree the Accounts.

The Management Letter has noted solid progress in resolving the issues that dogged the production of the 2018/19 Accounts but noted that there is still some work to be done. I have been working with Finance Team and am pleased to say that these improvements have been consolidated in the production of the 2020/21 Accounts, but I recognise that the improvement process is ongoing.

The restructuring of the Finance Team has been completed and when the final new additions join the Team next month, the section will be at full complement and this will

allow for the acceleration of the review and improvement journey which is already underway.

Qualis

The Qualis 4 year Business Plan also appears on this agenda and represents a major step forward in its future plans development, but also in understanding how we can help each other. The report explains how the activities of Qualis will significantly financially benefit the Council; at a time when the Council will undoubtedly need this financial assistance. It also clarifies how the Council and Qualis can work together and specialise in those areas where they respectively work best. Through aligning and supporting each other, and not by duplicating or competing, Qualis and the Council can maximise the opportunities and benefits of partnership working.