

Report to the Cabinet

Meeting to be held on Thursday, 9 July 2020

Report of the Chief Executive and Director of Resources

Part I

Electoral Division affected:
(All Divisions);

The County Council's Financial Position - 2019/20 Outturn

(Appendix 'A' refers)

Contact for further information:

Angie Ridgwell, Tel: 01772 536260, Chief Executive and Director of Resources,
angie.ridgwell@lancashire.gov.uk

Executive Summary

This report provides details for cabinet on the county council's 2019/20 revenue and capital outturn position.

The 2019/20 revenue position at the end of the year is net expenditure of £800.534m, which represents an in year underspend of £1.741m which is 0.22% of the revenue budget.

It is important to note that the revenue position includes a level of support from reserves that have previously been agreed. In some cases this is specific expenditure taking place because reserve/grant funding has been provided, however some funding is structural and in 2019/20 the structural reserve funding agreed to cover the funding gap totalled £10.245m, and if this support had not been available then expenditure would have exceeded income by £8.504m.

The capital delivery programme for 2019/20 totalled £124.886m with the programme delivering an outturn position of £121.382m, therefore resulting in a variance to budget of £3.504m.

Recommendation

Cabinet is asked to:

- (i) Note the council's final revenue and capital outturn position for 2019/20; and
- (ii) Approve the transfer of the 2019/20 underspend to the transitional reserve.

Background and Advice

The detailed report at Appendix 'A' presents the county council's financial position as at 31st March 2020.

Overall, despite a range of pressures, the county council's financial strategy has developed further over the course of the year in preparation for the challenging times ahead. The current Covid 19 pandemic presents a level of uncertainty around the future financial position the impacts of which will be subject to significant regular monitoring and scrutiny. The report includes the Chief Executive and Director of Resources (Section 151 Officer) conclusion on the county council's financial standing at the end of the year.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

The county council's overall approach to managing financial risks continues to be to identify and acknowledge risks early and build their impact into financial plans while continuing to develop strategies which will minimise their impact. This approach operates in parallel with the identification and setting aside of sufficient resources to manage the financial impact of the change risks facing the organisation.

List of Background Papers

Paper	Date	Contact/Tel
Revenue Budget 2020/21 and Financial Strategy 2020/21 – 2023/24, Capital Delivery Programme 2020/21 and Treasury Management Strategy and Non-Treasury Investment Strategy 2020/21	13 th February 2020	Angie Ridgwell/ 01772 536260
Money Matters 2019/20 Position Quarter 3	6 th February 2020	Angie Ridgwell/ 01772 536260

Reason for inclusion in Part II, if appropriate

N/A