

## Report to the Cabinet

Meeting to be held on Thursday, 10 June 2021

### Report of the Chief Executive and Director of Resources

#### Part I

Electoral Division affected:  
(All Divisions);

### The County Council's Financial Position - 2020/21 Outturn

(Appendix 'A' refers)

Contact for further information:

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

#### Executive Summary

This report provides details for Cabinet on the county council's 2020/21 revenue and capital outturn position.

The 2020/21 revenue position at the end of the year is net expenditure of £825.619m, against an approved budget of £844.851m, which represents an in-year underspend of £19.232m or 2.28% of the revenue budget.

This has been an exceptional year due to the pandemic, with a significant number of different grants received from the government at various points through the year to support additional activity and costs to support local communities. The grants relate to one off non-recurrent funding with the majority expected to have been spent by 31 March 2021 or specified earlier points, but some being carried forward into 2021/22 reflecting activities which necessarily need to continue into the following financial year. Additionally, some further grants have been awarded for the first quarter of 2021/22 but it must be recognised that there have been changes in the type of costs that may be incurred and uncertainty as to exact scale and speed of increased demand for a number of services as we recover from the pandemic, particularly social care, that will impact on the medium term financial strategy. Another significant factor is in relation to savings delivery, as in the region of c£30m of agreed 2020/21 savings have necessarily been delayed and now must be delivered in 2021/22, in addition to savings that have already been agreed to be delivered in 2021/22 as part of their agreed profile, bringing the total to c£43m.

The capital programme for 2020/21 totalled £160.420m with the programme delivering an outturn position of £127.810m, resulting in an underspend against budget of £32.610m.

## **Recommendation**

Cabinet is asked to:

- (i) Note the council's final revenue and capital outturn position for 2020/21; and
- (ii) Approve the transfer of the 2020/21 revenue underspend to the transitional reserve.

## **Background and Advice**

The detailed report at Appendix 'A' presents the county council's financial position as at 31 March 2021.

2020/21 was a unique year with the pandemic driving a range of unforeseen service demands and issues. Consequently, the county council's financial strategy evolved over the course of the year in response to the emerging situation and in recognition of the expected legacy issues. The current COVID-19 pandemic continues to present a significant level of uncertainty and the impact on the council's financial position, 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.

## **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
-------	------	-------------

None

Reason for inclusion in Part II, if appropriate

N/A