

Report to the Cabinet

Meeting to be held on Thursday, 9 June 2022

Report of the Chief Executive and Director of Resources

Part I

Electoral Division affected:
(All Divisions);

Corporate Priorities:
Delivering better services;

The County Council's Financial Position - 2021/22 Outturn

(Appendix 'A' refers)

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Brief Summary

This report provides details for Cabinet on the county council's 2021/22 revenue and capital outturn position.

The 2021/22 revenue position at the end of the year is net expenditure of £851.490m, against an approved budget of £881.413m, which represents an in-year underspend of £29.923m or 3.39% of the revenue budget.

This has been another 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 as well as reduced service income in some areas and delayed savings delivery. The grants relate to one off non-recurrent funding with the majority expected to have been spent by 31 March 2022 or specified earlier points. One Public Health COVID-19 grant, the Contain Outbreak Management Fund, is being carried forward into 2022/23 to support any additional work on containing any future outbreaks and any eligible expenditure which is required in the new financial year. It is recognised that whilst general restrictions due to the pandemic have now been relaxed for the general public, the impact of COVID-19, and the further variants such as Omicron, will continue to have an effect on the demand for services, particularly social care. We are anticipating some ongoing impacts on the medium-term financial strategy from this as well as the from the general cost of living pressures and the fair cost of adult social care review requirements from central government.

A further significant factor is in relation to savings delivery, as in the region of c£15m of agreed 2021/22 savings must now be delivered in 2022/23, in addition to savings that have already been agreed to be delivered in future years as part of their agreed profile, with the total value of agreed savings to be delivered by 2024/25 being c£41m.

The agreed capital delivery programme for 2021/22 totalled £170.563m with a final outturn position of £164.124m, a variance against planned delivery in the year of £6.439m.

Recommendation

Cabinet is asked to:

- (i) Note the council's final revenue and capital outturn position for 2021/22; and
- (ii) Approve the transfer of the 2021/22 revenue underspend to the transitional reserve.

Detail

The detailed report at Appendix 'A' presents the county council's financial position as at 31 March 2022.

2021/22 was again affected by the COVID-19 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 residual effects of COVID-19 and potential subsequent variants continues to present a significant level of uncertainty along with the rising cost of living and lack of a longer-term financial settlement for local government. Cost of Care reforms and rising inflation, are all anticipated to have an impact on the council's financial position, this will be subject to 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
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None

Reason for inclusion in Part II, if appropriate

N/A