

MINUTE EXTRACT

POLICY AND RESOURCES COMMITTEE

30 JUNE, 2021

23 REVENUE OUTTURN FOR FINANCIAL YEAR 2020-21

Shaer Halewood, Director of Resources introduced a report which provided a summary of the year-end revenue position for the 2020/21 financial year as at the end of March 2021. As part of the budget monitoring cycle, the financial position of the Council had been reported to Members quarterly, the first from April to June 2020 was reported to the former Cabinet. The following three reports, from July to September 2020; October to December 2020 and this report, to the Policy and Resources Committee.

At the end of the year, the position had improved since the last report to committee with an adverse variance of £6.525m reported as the final position and the value that the Council would borrow under the Exceptional Financial Support (EFS) (also known as the capitalisation directive) approval. As the lockdown restrictions started to relax, there was an opportunity for the Council to take stock and review whether the assumptions made during the year for demand and expenditure commitments had come to fruition. As nothing like this had been experienced before, there was no real way to accurately predict the value of funding and support required so best estimates had been used and had been firmed up as more of the situation became known.

Although many of the savings agreed at Budget Council in March 2020 had still not been achieved, offsetting alternative savings had been available as a result of the way the Council had been working under lockdown restrictions. With the majority of Council buildings remaining closed and the majority of staff working at home, savings had been made from utilities costs, staff mileage and supplies and services costs such as printing, stationery and face to face training events.

She reported that in total, in 2020/21, £205m funding had been provided to Wirral by the Government to support the emergency pandemic. An additional £10m of Tranche 5 funding had been notified as being received in 2021/22 which had been fully committed to Covid-19 pressures already identified in 2021/22. The year-end position represented an adverse variance of £6.525m which would be the subject of borrowing under EFS approval from the Ministry of Housing, Communities and Local Government (MHCLG). It must be noted that this was a draft position as this was subject to External Audit sign-off of the accounts by the Council's auditor, Grant Thornton.

In response to comments from Members, Shaer Halewood explained the use of the term 'cross cutting initiatives' in the report, which were in respect of unachieved savings not able to be allocated across directorates due to the unprecedented Covid situation and the Council's response. She assured the Committee that there had been no double counting in respect of any of these savings. The term would not show again in the report on the 2021/22 financial year.

Members expressed their views about the various funding streams which the Government had provided to Wirral during the pandemic.

On a motion by the Chair, seconded by Councillor Yvonne Nolan, it was –

A. Resolved – That this Committee,

- (1) agrees that the draft, unaudited outturn variance for 2020/21 is £6.525m as compared to the end of December forecast outturn variance of £8.9m;**
- (2) agrees that following the approval of ‘not exceeding £9m’ Exceptional Financial Support from MHCLG that the outturn of £6.525m is capitalised in line with the relevant guidance;**
- (3) notes the impact of funding and expenditure as a direct consequence of Covid-19, including the additional funding sources that have been received for 2020/21;**
- (4) notes the impact of funding and expenditure as a direct consequence of Covid-19, including the additional funding sources which have been identified, but as yet, not received.**

B. RECOMMENDED - To Council,

- (5) the 2020/21 budget of £46.574m in relation to Covid-19 funding for Council use and note the additional £22.963m of funds that is to be made available to the Council for onward relay to other organisations as passported funding. This recommendation follows on from the recommendation made by Policy & Resources Committee on 17th February 2021, following the recent notification of additional funding;**
- (6) that the debts in excess of £10,000 included within Appendix 2 be approved for write off against the Provision for Bad Debts.**