

**Public**  
**Key Decision - No**

## **HUNTINGDONSHIRE DISTRICT COUNCIL**

**Title/Subject Matter:** Draft 2019/20 Annual Financial Report

**Meeting/Date:** Corporate Governance Committee – 23 July 2020

**Executive Portfolio:** Councillor J A Gray – Executive Councillor for Finance and Resources

**Report by:** Finance Manager

**Ward(s) affected:** All Wards

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### **Executive Summary:**

The Council is required by statute to produce both an Annual Governance Statement (AGS,) and an Unaudited Annual Financial Report (AFR, **Appendix A**). Given the current situation with the Covid 19 pandemic the normal statutory deadline has been moved to 30<sup>th</sup> November rather than 31<sup>st</sup> July. Therefore, draft statements need to be approved by 31<sup>st</sup> August or earlier.

At this time, the publication of the draft AGS has not been finalised and will follow in due course.

In respect of the Unaudited AFR, members should note:

- Achieved underspend of £0.265m against a budget of £17.157m
- Net contribution to reserves of £1.778m
- Continued to maintain General Fund Reserves at 15% of net expenditure
- Delivered acquisitions of £14.678m in relation to the Commercial Investment Strategy as a part of the on-going £30m business plan
- Delivery of Business Rates growth within the Enterprise Zone of £0.638m

Due to the change in statutory deadline Ernst and Young (EY), our auditors will not present an audit opinion to this committee for approval by 31<sup>st</sup> July 2020. However, the Council has prepared a draft Unaudited AFR and a Notice of Publication (**Appendix B**) for publication.

### **Recommendation(s):**

1. Consider and approve the Unaudited Annual Financial Report (**Appendix A**).
2. Consider and approve the Notice of Publication (**Appendix B**)

## **1. PURPOSE OF THE REPORT**

- 1.1 To complete the processes for finalising and publishing the Council's Annual Finance Report (AFR) for 2019/20.

## **2. WHY IS THIS REPORT NECESSARY/BACKGROUND**

- 2.1 The Corporate Governance Committee is designated as 'those charged with governance' and consequently it is required to approve the AFR. To do this the Committee needs to follow the stages in the order shown in the report.

## **3. ANNUAL FINANCE REPORT**

- 3.1 2019/20 has been another challenging year for the Council with the continued pressure on Government funding. During 2019/20 the Council has continued to deliver against its corporate objectives and budget.
- 3.2 The financial position reported in the AFR sets the foundation for the Council to strive to become financially independent from Central Government, in light of the continued spending reviews and the Fair Funding Review promised by Central Government.

The key tools of this strategy include:

- Continued implementation of the Commercial Investment Strategy
  - Comprehensive review of all budgets
  - Adoption of a Transformation Programme looking at enterprising and collaborative solutions
- 3.3 Key highlights from this year's financial performance are as follows:
- Achieved underspend of £0.265m against a budget of £17.157m
  - Net contribution to reserves of £1.778m
  - Continued to maintain General Fund Reserves at 15% of net expenditure
  - Delivered acquisitions of £14.678m in relation to the Commercial Investment Strategy as a part of the on-going £30m business plan

## **4. KEY IMPACTS / RISKS**

- 4.1 Paragraph 3 above outlines the control observations and the associated management comments.

## **5. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES**

- 5.1 Ensuring we are a customer focused and service led Council – to become more business-like and efficient in the way we deliver services. The production of the AFR is also a statutory requirement.

## **6. CONSULTATION**

- 6.1 In line with the Account and Audit regulations the AFR was available for inspection from 1 June to 10 July 2020 (pre-agreed with EY prior to change in regulations).

## **7. LEGAL IMPLICATIONS**

- 7.1 There are no direct legal implications arising from this report.

## **8. RESOURCE IMPLICATIONS**

- 8.1 There is a specific budget for the Audit Fees.

## **9. REASONS FOR THE RECOMMENDED DECISIONS**

- 9.1 The process that has been followed in preparing the AFR has been thorough and in line with statutory regulations.

## **10. LIST OF APPENDICES INCLUDED**

Annex A – 2019/20 Annual Financial Report (Draft)

Annex B – Notice of Publication of Statement of Accounts

## **CONTACT OFFICER**

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