

HUNTINGDONSHIRE DISTRICT COUNCIL

Title:	Draft 2020/21 the Annual Financial Report
Meeting/Date:	Corporate Governance Committee – 22 July 2020
Executive Portfolio:	Strategic Resources: Councillor J A Gray (Deputy Executive Leader)
Report by:	Chief Finance Officer
Wards affected:	All Wards

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 30th September rather than 31st July. Therefore, draft statements need to be approved by 1st August or earlier.

In respect of the Unaudited AFR, members should note:

- Achieved underspend of £0.064m against a budget of £17.687m
- Delivered Business Support Grants of £45.111m
- Continued to maintain General Fund Reserves at £2.175m
- Delivery of Business Rates growth within the Enterprise Zone of £0.863m
- Increased pension deficit to £95.273 due to the impact of not only the tri-annual valuation, but also the impact of Covid-19 on the economic and financial landscape.

Due to covid-19 and delays with the 2019/20 Statement of Accounts, this has impacted our ability to complete a valuation for our Land & Buildings and Investment Properties in the time period required to complete our draft accounts. A new valuer for 2020/21 has been appointed and instructed to carry out our valuations and will be completed by October to ensure that they are available for audit purposes and any movement in the value of the assets will be reflected within the Audited Annual Financial Report.

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 30th September 2021, this is due to the impact of Covid-19 on resources and capacity within both Local Government and EY.

However, the Council has prepared a draft Unaudited AFR and a Notice of Publication (**Appendix B**) for publication.

Recommendations:

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 2020/21.

2. 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 The Financial year 2020/21 has been unlike any other year. The Council had to adapt to evolving events as the country moved in and out of lockdown and various tiered restrictions. It has required flexibility and adaptability to respond to an ever changing national and local scene.
- 3.2 The effects of the covid-19 pandemic have been felt to varying degrees by every household, every business, every school, every public sector and charitable organisation. Many people have suffered the devastating effects of illness, others have lost income or their livelihoods. Charities have lost the opportunity to raise funds and are therefore unable to continue their work to support the most needy in our society.
- 3.3 During 2020/21, Huntingdonshire district council has risen to the challenge and taken forward its leadership role and supported Huntingdonshire and its residents by ensure that it continued to deliver a high level of service. The council had distributed £45m in grant funding to businesses throughout the borough by 31 march 2021, administered over £22m in covid related business rates relief and £0.65m of hardship relief to council tax reduction recipients.
- 3.4 The council has worked successfully with the voluntary sector and provided help and support to those residents who had to shield. It introduced a wide range of initiatives to keep citizens safe as well as coordinating delivery of food and access to prescription drugs for the vulnerable.
- 3.5 The financial position reported in the AFR shows a positive position with increased reserves and improved financial resilience, against a backdrop of a changing Government funding position.
- 3.6 Key highlights from this year's financial performance are as follows:
- Achieved underspend of £0.064m against a budget of £17.687m
 - Delivered Business Support Grants of £45.111m
 - Continued to maintain General Fund Reserves at £2.175m
 - Delivery of Business Rates growth within the Enterprise Zone of £0.863m

4. KEY IMPACTS

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

5. LINK TO THE CORPORATE PLAN

- 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 2nd August to 14th September 2021.

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

BACKGROUND PAPERS

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