



REPORT TO:	South Holland District Council
DATE:	Wednesday, 28 September 2022
SUBJECT:	Report from Cabinet meeting on 21 September 2022
PURPOSE:	To consider the recommendations of the Cabinet in respect of: <ul style="list-style-type: none">• 2021/22 Provisional Financial Outturn – To set out the provisional outturn position for South Holland District Council for 2021/22 subject to final audit and provide information on the implications for the Council’s balances and reserves including the capital position for the year (Cabinet minute 34) (Cabinet agenda item 10)
KEY DECISION:	No
PORTFOLIO HOLDER:	Portfolio Holder – Finance, Commercialisation and Partnerships
REPORT OF:	Cabinet
REPORT AUTHOR:	Christine Morgan
WARD(S) AFFECTED:	N/A
EXEMPT REPORT?	No

SUMMARY

This report provides Members of the Council with details on issues considered by the Cabinet at its meeting on 21 September 2022, which require decisions by Full Council. Relevant extracts from the Cabinet minute are detailed at Section 2 below, and the relevant Cabinet report and appendix are attached as appendices to this report.

RECOMMENDATIONS TO COUNCIL:

- 1) That the outturn position for 2021/22 as detailed in Table 1 be financed from the Council Tax Reserve;
- 2) That Cabinet recommends to Council approval of the following reserve movements:

- a) A contribution of £1,419,065 to the Earmarked Grants reserve of additional section 31 grants received in year which are required to fund the Collection Fund Deficit in 2022/23;
 - b) A contribution from the Earmarked Grants Reserve of £2,922,033 which is required to drawdown section 31 grants received in 2020/21 but are required to fund the Business Rates deficit in 2021/22
- 3) General Fund capital position – That the 2021/22 capital budget carry forward to 2022/23 due to slippage/re-profiling, as detailed in column 3 of Table 8, be approved; and
 - 4) HRA capital position – That the budget carry forward due to slippage/re-profiling, as detailed in column 3 in Table 12, be approved.

REASONS FOR RECOMMENDATIONS

The reasons for recommendations are detailed within the individual report attached and are summarised in the relevant Cabinet minute below.

OTHER OPTIONS CONSIDERED

Other Options considered are detailed within the individual report attached and are summarised in the relevant Cabinet minute below.

1. BACKGROUND

- 1.1 Article 4 of the Council's Constitution provides that only the full Council may exercise the functions of approving, adopting or amending the policy framework and budget, adopting or changing the Constitution. Staffing matters are also a Council function. The Cabinet however has responsibility for advising the Council on such matters. At its meeting on 21 September 2022, the Cabinet made recommendations to Council in respect of the above item which may affect budget and policy framework, constitution or compromise staffing issues
- 1.2 The remainder of this report details the recommendations of the Cabinet which must be read in conjunction with the individual reports to Cabinet, copies of which are attached as appendices.

2. PROVISIONAL FINANCIAL OUTTURN 2021/22

Consideration was given to the report of the Portfolio Holder for Finance, Commercialisation and Partnerships, the Strategic Finance Manager (PSPS), and the Deputy Chief Finance Officer (Client) (PSPS), which set out the provisional outturn position for South Holland District Council for 2021/22, subject to final audit, and provided information on the implications for the Council's balances and reserves including the capital position for the year.

The Portfolio Holder for Finance commented that since the start of the pandemic, the Council has seen numerous impacts on its finances. In addition, increased living costs impacted the

public and also made it difficult for the Authority to budget, and there had been significant changes as South Holland District Council had separated from its partnership with Breckland Council and joined the South and East Lincolnshire Councils Partnership. It had been a challenging year for the Finance Team and the Portfolio Holder thanked them for their dedicated work.

The following points were raised:

- In response to a question as to whether local councils would receive any support themselves towards increased energy costs, the Deputy Chief Executive (Corporate Development) advised that representations had been made by Chief Executives regarding the impact that these increased costs were having on council finances and thus spending on public services. However, councils were in the same position as many others, and it would be important to see the outcome of the settlement process.
- It was encouraging to see the increased spend on Disabled Facilities Grants.
- Collection figures were high and this was very encouraging, particularly during the period of the pandemic.

DECISION:

- 1) That Cabinet notes the outturn position for 2021/22 as detailed in Table 1 and recommends to Full Council its financing from the Council Tax Reserve;
- 2) That the reserve movements and balances, as detailed in Table 3 be noted;
- 3) That Cabinet note the general fund capital position and recommends to Council to approve the 2021/22 capital budget carry forward to 2022/23 due to slippage/re-profiling as detailed in column 3 of Table 8; and
- 4) That Cabinet note the HRA capital position and recommends to Council to approve the budget carry forward due to slippage/re-profiling as detailed in column 3 in Table 12.

(Other options considered:

- *To not approve the reserve movements outlined.*

Reasons for decision:

- *To ensure the Council's provisional financial position for 2021/22 is considered and related decisions approved. It is important that the Cabinet is aware of the financial position of the General Fund to ensure that they can make informed decisions that are affordable and financially sustainable for the Council.)*

APPENDICES	
Appendices are listed below and attached to the back of the report: -	
<i>APPENDIX A</i>	Cabinet Agenda Item 10 – 2021/22 Provisional Outturn covering report
<i>APPENDIX B</i>	Cabinet Agenda Item 10 – 2021/22 Provisional Outturn (Appendix A to original Cabinet report)

BACKGROUND PAPERS

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report

CHRONOLOGICAL HISTORY OF THIS REPORT

Name of body	Date
Cabinet	21 July 2022

REPORT APPROVAL

Report author:	Christine Morgan cmorgan@sholland.gov.uk
Signed off by:	The individual reports have previously been signed off by the relevant Director and Portfolio Holders
Approved for publication:	As above.