



To:
Councillor Rob Stewart
Cabinet Member for Economy,
Finance and Strategy

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Overview & Scrutiny

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BY EMAIL

Summary: This is a letter from the Service Improvement and Finance Scrutiny Performance Panel to the Cabinet Member for Economy, Finance and Strategy. The letter concerns the meeting held on 11 June 2021 and the Revenue Outturn, Housing Revenue Account (HRA) Outturn and Capital Outturn and Financing Reports 20-21.

Dear Councillor Stewart,

On the 11th June, the Panel met to discuss the Revenue Outturn, HRA Outturn and Capital Outturn and Financing Reports 20-21. The Panel are grateful for your attendance and input at this meeting. We also thank Ben Smith, Chief Finance Officer / Section 151 Officer, for his valued attendance and contributions.

The Chief Finance Officer attended the meeting to give an overview to the Panel and to present the Revenue Outturn, HRA Outturn and Capital Outturn and Financing Report 20-21.

The Panel noted the unprecedented figures outlined within this report and, in particular, the exceptional £50M reserves figure. It was explained to the Panel that these figures had come about due to the unparalleled level of funding and compensatory grants awarded by Welsh Government since the beginning of the pandemic. We heard that such funds covered compensation for failure to deliver planned savings, and extra digital costs to remain agile and flexible during lockdown.

Officers highlighted that the Revenue Outturn report demonstrated the sheer scale of money that flowed in and out, both to the Council directly and also through the Council as an Agent of Welsh Government providing support to businesses. Despite the positive reflections in the report, we are aware that future economic consequences remain unclear and the longer-term impacts unknown.

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We heard that the Capital Financing costs, in the short to medium term, reflect significant underspends due to the deferring of the financing of the capital programmes by externalised borrowing.

We noted that a Council Tax deficit of £2.5M has been neutralised as a consequence of grant compensation from Welsh Government.

You highlighted to the Panel that the largest ever capital programme continued to progress despite Covid-related challenges, and that the Bay Field Hospital had also been successfully built under pressured timescales. These developments took place together with the continuation of major city developments alongside lockdown restrictions and you paid tribute to all staff and contractors involved.

The Panel also recognised the endeavours of the finance team as a whole, who worked hard to ensure payments were processed to support the wider economy during the pandemic. Overall, it was pleasing to hear the positive nature of the figures reported, and we acknowledge all efforts of staff working through the challenges of the pandemic.

We are interested in any thoughts you may have on the contents of this letter but, in this instance, we require no formal written response.

Yours sincerely,

Councillor Chris Holley

Convener, Service Improvement and Finance Scrutiny Performance Panel

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