

<b>Committee(s):</b> Audit and Scrutiny Committee	<b>Date:</b> 28 <sup>th</sup> July 2020
<b>Subject:</b> 2019/20 Outturn Report	<b>Wards Affected:</b> All
<b>Report of:</b> Jacqueline Van Mellaerts, Director of Corporate Resources	<b>Public</b>
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### Summary

This report deals with the 2019/20 provisional outturn report for:

- (i) The General Fund – paragraph 3.
- (ii) The Housing Revenue Account – paragraph 20, and
- (iii) The Capital Programme – paragraph 27.

The report also considers the earmarked reserves and working balance levels for both the General Fund and the HRA going forward into 2020/21.

In line with the Local Government Act 2003, the relevant CIPFA Codes of Practice and the Council's associated Treasury Management Policy and Practices; an Annual Treasury Management review of investment and borrowing activities and the actual prudential and treasury indicators for 2019/20 is required to be approved by the Committee (paragraph 30)

The key elements of the provisional outturn are:

#### *General Fund*

- 1) A breakeven provisional outturn has been achieved for 2019/20; compared to a predicted deficit of £213k.
- 2) Working balances remain at a level of £3,117k
- 3) General Fund earmarked reserves have reduced by £417k to £4,404k of which 43% are committed for future commitments and expenditure.

#### *Housing Revenue Account*

- 1) The Outturn reflects a deficit of £830k for 2019/20, compared to a forecast deficit of £417k; an increase of £413k on forecast.

- 2) The HRA working balance has been reduced to £1,071k as at 31<sup>st</sup> March 2020,  
and
- 3) The HRA earmarked reserves remain at a level of £2,400k.

#### Capital

- 1) The Capital Outturn was £30.1m compared to a revised outturn of £30.5.
- 2) Slippage of £43.7m will be carried forward into 2020/21. which includes £27.5m for commercial activities.
- 3) The 2020/21 revised base budget is £54.3m

#### Treasury Management

- 1) The treasury activity is listed out in the report and the relevant prudential indicators.

#### Recommendation(s)

##### **Members are asked to**

- R1. Note the provisional (subject to audit) outturn 2019/20 for the General Fund and the HRA contained within this report and Appendix A & B.**
- R2 Note the capital programme in Appendix C and slippage in Table 8.**
- R3 Note the Reserve balances set out in the report and Appendix D.**
- R4 Note the Treasury Management activity and information for 2019/20 contained within the report.**

## Main Report

### Introduction and Background

1. The provisional outturn forms part of the preparation of the Council's Statement of Accounts for 2019/20. The outturn is reported prior to the audit of the Council's Accounts by the Council's external auditors - Ernst & Young LLP, which is scheduled to complete at the end of October 2020.
2. The provisional outturn does not usually change as a result of the audit, however due to the ongoing impact of Covid 19 on the local economy and the Council's operations; there is likely to be more challenge in areas such as the provision for bad debt, provisions, valuation of Council assets and Pensions Fund arrangements.

### Issue, Options and Analysis of Options

#### General Fund Provisional Outturn

3. The General Fund provisional outturn shows an improved break-even position for 2019/20, compared to a forecast outturn of £213k deficit as summarised at Table 1:

#### 4. **Table 1 – 2019/20 General Fund Outturn by Priority Themes**

	<b>2019/20 Estimated Outturn £'000</b>	<b>2019/20 Actual £'000</b>	<b>2019/20 Variance £'000</b>
<b>Net Expenditure</b>	8,657	8,670	13
<b>Total Funding</b>	(8,444)	(8,670)	(226)
<b>Deficit/(Surplus) on General Fund</b>	(213)	0	(213)

5. Table 2 provides a summary of the actual spend for the General Fund compared to the estimated outturn, in line with the Council's corporate priorities:

6. Table 2 – 2019/20 General Fund Outturn by Priority Themes

	2019/20 Estimated Outturn £'000	2019/20 Actual £'000	2019/20 Variance £'000
<b>Brentwood 2025 Expenditure</b>			
Growing Our Economy	760	768	8
Protecting Our Environment	1,419	1,246	(173)
Developing Our Communities	884	650	(234)
Improving Housing	104	46	(58)
Delivering an Efficient and Effective Council	5,416	5,757	341
<b>Total Net Expenditure on Brentwood 2025</b>	<b>8,583</b>	<b>8,467</b>	<b>(116)</b>
Operating and Financing Charges	448	619	171
Transfer to/(from) Reserves	(374)	(416)	(42)
<b>TOTAL SPENDING REQUIREMENT</b>	<b>8,657</b>	<b>8,670</b>	<b>13</b>
<b>Funding:</b>			
Council Tax	(6,199)	(6,199)	0
Business Rates Income	(1,900)	(2,126)	(226)
Collection Fund Deficit/(Surplus)	333	333	0
New Homes Bonus Grant	(678)	(678)	0
Other Grants	0	0	0
<b>TOTAL COUNCIL FUNDING</b>	<b>(8,444)</b>	<b>(8,670)</b>	<b>(226)</b>
<b>Deficit/(Surplus) on General Fund Balances</b>	<b><u>(213)</u></b>	<b><u>0</u></b>	<b><u>(213)</u></b>

7. The break-even reported, is made up of number of variances across all services. These variances include costs incurred that are specifically funded from reserves.

8. Table 3 outlines the material variances; subjective analysis of these variances can be found within Appendix A:

### 9. Table 3 – 2019/20 General Fund Key Variances

Expenditure/Income area	Over/ (Under spend) £'000	Explanation
<i>Service-related variances:</i>		
Staff costs – establishment costs	(316)	Vacancies in year and delayed recruitment, especially in Planning and Environmental Health
Staff Costs - Overtime	(58)	Reduction in overtime costs.
ICT costs	(78)	Reduction in ICT maintenance costs.
Legal Provisions	140	In line with accounting arrangements additional legal provisions required for 2019/20.
Planning Service – LDP	(253)	LDP submitted in Feb 20 Inspection work delayed to 2020/21.
Valuers and Brokers fees increase	47	Increased work required by the council valuer for Statement of Accounts work. Brokers fees increased due additional borrowing requirements for SAIL.
<i>Non-Service-related variances:</i>		
Interest Payable	56	The advance to SAIL was higher than expected resulting in additional interest costs.
<i>Bad Debt Provision</i>	87	Increased provision required due to changes in accounting arrangements and increased debts outstanding
<i>Income and Funding</i>		
Interest income	216	The advance of £19m to SAIL was later than initially planned, resulting in loss of forecasted interest receivable.
Government Grants –	(412)	Additional Business Rates Grant received as part of the governments March 2020 budget to support Retail sector – £144k and additional Planning Grant - £268k.

10. The provisional outturn has updated the projected working balances as follows:

**Table 4 - General Fund Working Balances**

	<b>2019/20 Actual £'000</b>	<b>2020/21 Projected Outturn £'000</b>	<b>2021/22 Budget £'000</b>	<b>2022/23 Budget £'000</b>
<b>Working Balance B/Fwd</b>	<b>3,117</b>	<b>3,117</b>	<b>3,117</b>	<b>2,756</b>
<b>Less: - Funding Gap</b>	0	0	361	723
<b>Working Balance c/fwd</b>	<b>3,117</b>	<b>3,117</b>	<b>2,756</b>	<b>2,033</b>

11. Although, the COVID-19 pandemic occurred towards the end of the Council's financial year; it has a fundamental impact on the provision of council services, deployment of resources and financial performance, both in the short and medium term. The Council has received to date £882k in government funding to mitigate the additional costs of COVID-19. On a monthly basis, the council submits formal returns to central government detailing the financial impact of the pandemic; both in terms of costs and lost income. The last submission reported in June 2020 forecast additional costs of £805k for the General Fund and £187k for the HRA, and lost income of £2,995k for the General Fund and £753k for the HRA, of which £1,026k is unrecoverable to date.

12. Central Government has issued further financial support to Local Authorities on 2<sup>nd</sup> July 2020. Including further financial support to mitigate additional costs and an income guarantee to cover 75% of unrecoverable income especially in relation to carparking, museums and other cultural services. Detailed guidance is awaited to evaluate the impact for the Council.

13. The improved financial position for the General Fund in 2019/20, will in a small way assist the Council's financial position for 2020/21. There will still be a requirement to deliver budget reductions and income generation to deliver a sustainable medium- term financial position.

#### General Fund Reserves

14. As part of the year end procedures the Council must review its Earmarked Reserves. These Reserves are required in order to comply with proper accounting practice, whilst others have been created to earmark resources for known or predicted liabilities.

15. The total reserve balance as at 31<sup>st</sup> March 2020 is £4.4m; the drawdown requirement was a net position of £417k. The complete reserves position is set out in Appendix D.

16. The reserves are grouped into 4 types of reserves.

- **Service** – Monies requested by the service from existing budgeted to be used on specific plans or projects.
- **Trading** – Trading Accounts are held so that over a period of three financial years the account should balance to zero. Any surplus is taken into account when setting future years fees and charges.
- **Specific** – Monies that the Council has received that have restricted conditions on how the money can be used.
- **Funding** – Earmarked specifically to mitigate financial risks to the Council

17. The Funding Volatility reserve is to mitigate the uncertainty and financial risks the Council Faces, especially in regard to the Fair Funding Review. £1.3m is believe to an adequate level to mitigate this uncertainty until further information on the fair funding review is known.

18. Organisational Transformation Reserve, has been reduced zero to allow for additional service reserves to be established for 2020/21 which were presented in the 4<sup>th</sup> March 2020 Budget report. The drawdown from this reserve has been also been utilised to fund the additional due diligence work on procurement of the Joint Venture partner for the Asset Development Programme at the start of 2019/20. In addition to this, the reserve has also funded the membership to ASELA.

Housing Revenue Account (HRA) Provisional Outturn

19. As detailed at Table 5, the HRA is reporting a deficit of £830k for 2019/20, compared to a forecast deficit of £417k; an adverse increase in spend of £413k.

**20. Table 5 HRA Provisional Outturn**

	<b>2019/20 Estimated Outturn £'000</b>	<b>2019/20 Actual £'000</b>	<b>2019/20 Variance £'000</b>
<b>Total Expenditure</b>	13,307	13,757	450
<b>Total Income</b>	(12,890)	(12,927)	(37)
<b>Deficit/(Surplus) on General Fund</b>	(417)	(830)	413

21. Appendix B reports the HRA and resulting variances to Budget. The material variances are detailed below:

- Provision for Bad Debts - *£213k increase* due to increased provision required for bad debts as arrears increased from £1.1m to £1.4m, in particular older debt - £80k; arrears written off - £55k and additional provision required in line with required accounting practice to take into account the economic position over the next 12 months - £78k;
- Repair cost of Voids - *£152k increase* – due to increased number of voids in last quarter of the year,
- Increased contract provision due to legal requirements - *£338K*,
- Condition Survey - delayed – savings of *£169k, and*
- Increase rental income and improved cashflow benefit due to slippage in the Decent Homes programme- *£107k additional income.*

22. Of the material variances, rental income, interest income on cashflow and the provision for bad debts will continue to be reviewed for 2020/21 onwards. The remaining material variances are one off.

23. The impact of the HRA provisional outturn on HRA reserves and working balances is detailed below:

**Table 6 HRA Working Balance and Reserves**

	<b>2019/20 Estimated Outturn £'000</b>	<b>2019/20 Actual £'000</b>	<b>2019/20 Variance £'000</b>
<b>HRA Working Balance:</b>			
<i>Balance Carried forward as at 31<sup>st</sup> March 2020</i>	1,484	1,071	(413)
<b>HRA Reserves Balance Carried Forward as at 31st March 2020</b>			
Affordable Housing Reserve	2,400	2,400	0
<i>Major Repairs Reserve – Funding of Decent Homes programme of works</i>	4,325	6,345	2,020

24. Expenditure in relation to the Decent Homes major repairs programme slipped in 2019/20, hence the Major Repairs Reserve balance increased by £2.02m. The funding is carried forward to fund the reprogrammed schemes in 2020/21.

25. The outturn position will inform the refresh of the HRA Business model, which will require updating as part of the 2021/20 budget and rent setting process. The financial and operational impact of Covid 19 also needs to be factored into the revised HRA business model.

Provisional Capital Outturn for 2019/20

26. The Council's Capital Strategy for 2019/20 was approved by Council as part of the budget strategy for 2019/20 on 27<sup>th</sup> February 2019 and totalled £36.5m (£26m General Fund – including commercial activity of £13m; and £10.5m HRA) for 2019/20, The budget was subsequently increased as follows:

- a. £3.9m slippage into 2019/20 on reporting the capital outturn for 2018/19 for General Fund and HRA and £33.5m slippage for commercial activities (PRED - July 2019): and
- b. £0.173m additional expenditure for the King Georges Playing field development

This resulted in a total current budget of £74.1m.

27. The provisional capital outturn, against the forecast spend for 2019/20 is detailed below at Table 7.

Table 7 - Provisional Capital Outturn 2019/20:

	<b>2019/20 Current Budget £'000</b>	<b>2019/20 Provisional Forecast £'000</b>	<b>2019/20 Provisional Outturn £'000</b>	<b>2019/20 Variance £'000</b>
<b>Brentwood 2025 Expenditure</b>				
Growing our Economy	562	280	527	247
Protecting our Environment	1,827	795	271	(524)
Developing our Communities	9,389	1,391	1,389	(2)
Improving Housing	260	250	298	48
Delivering an Efficient and Effective Council	2,973	3,502	3,395	(107)
<b>Total General Fund Capital Programme</b>	<b>15,011</b>	<b>6,218</b>	<b>5,880</b>	<b>(338)</b>
<b>Total Commercial Activities</b>	<b>46,500</b>	<b>18,400</b>	<b>19,000</b>	<b>600</b>
<b>HRA Expenditure</b>				
Affordable Housing Development	6,881	3,936	4,390	454
Decent Homes	5,726	1,971	927	(1,044)
Other Capital Expenditure	25	0	0	0
<b>Total HRA Capital Programme</b>	<b>12,632</b>	<b>5,907</b>	<b>5,317</b>	<b>(590)</b>
<b>TOTAL CAPITAL PROGRAMME</b>	<b>74,143</b>	<b>30,525</b>	<b>30,197</b>	<b>(328)</b>
<b>FUNDING:</b>				
General Fund capital Receipts	(200)	(200)	(200)	0
HRA Capital Receipts	(2,064)	(1,181)	(1,317)	(136)
Government Grants	(250)	(250)	(300)	(50)
Other Grants	(450)	0	(52)	(52)
HRA Major Repair Reserves	(5,750)	(1,971)	(927)	1,044
Contributions from Revenue	(4,010)	(2,755)	(1,473)	1,282
Borrowing	(14,111)	(5,768)	(5,328)	440
HRA Borrowing	(808)	0	(1,600)	(1,600)
SAIL Borrowing	(46,500)	(18,400)	(19,000)	(600)
<b>TOTAL FUNDING</b>	<b>(74,143)</b>	<b>(30,525)</b>	<b>(30,197)</b>	<b>(328)</b>

28. In March 2020, the Council advanced £19m to its wholly owned company SAIL to purchase investment property. Under capital regulations the advance counts as capital expenditure. This is included within the commercial activities line, so it

does not distort the rest of the programme and reconciles with the Treasury Management Strategy.

29. The key variances by expenditure area are as follows:

- a. *Growing our Economy*– Asset Development – Work required on improving essential asset work, the spend was offset against the underspend projections on BLT enhancements.
- b. *Protecting our Environment* – Vehicle Replacement Programme - £525k (-), the procurement process was delayed due the need to take into consideration the Recycling Scheme service review. The procurement of vehicles is due for delivery in 2020/21. A slippage request is included to assist in the finance of the new vehicles.
- c. *Developing our Communities* – Brentwood Leisure Centre - £157k(-) increase costs of work to the plant room, although not as initially forecasted – any additional spend will be transferred from Asset Development in 2020/21. Kings Georges Play Development – Slippage has been brought forward accordingly to reconcile with the outturn – Play Area Refurbishment - reprogrammed for 2020/21 to reflect the overspend of £33k. Football Hub Development will slip into 2020/21.
- d. *Improving Housing* - Disabled Facilities commitments higher than anticipated - £50k, fully financed by government grant.
- e. *Delivering an Efficient and Effective Council* – Town Hall - £108k(-) delay in finalising the final account. Overall spend has been funded through underspends on other schemes.
- f. *HRA Capital Programme* – Affordable Housing - the budget was utilised for the purchase of 13 properties as affordable housing for the HRA, a short-term solution to reduce the risk of repaying RTB receipts to Central Government. Decent Homes - £4,799k(-), various schemes delayed. The resources for both schemes will be carried forward to enable prioritised schemes to progress.
- g. *Commercial Activities* – Loan to SAIL - £600k higher than initially forecasted as was early stages of negotiation at the time.

30. Slippage has been reviewed of the expenditure and resources for the following schemes and is shown in detail in Appendix C. Total slippage to be carried forward into 2020/21 is £8,946k for General Fund & £7.290m for HRA and £27.5m for commercial activities. Slippage does not exceed what has previously been approved for specific projects.

Table 8 – Slippage for 2020/21

<b>Scheme</b>	<b>£'000</b>	<b>Reason</b>
Car Parking Improvements	153	Required for reactive works
Vehicle Replacement Programme	832	Delays due to understanding the requirement of vehicles for recycling project
King Georges Playing Field Development	6,749	delays in business case sign off and planning approval.
Community Halls Enhancements	539	work started later in the year the expected.
Football Hub development	706	Delays in KGPF sign off
Play Area Refurbishment	(33)	Additional money spent in 2019/20, therefore Base budget for 2020/21 will be amended down to reflect the overall budget of the Play Area Strategy.
<b>Total General Fund</b>	<b>8,946</b>	
HRA Decent Homes	4,799	Required work to meet compliance and decent homes standards.
Affordable Housing	2,491	Requirement to utilise Capital Receipts
<b>Total HRA</b>	<b>7,290</b>	
<b>Total Commercial Activities</b>	<b>27,500</b>	Balance of approved £60m Loan to SAIL
<b>Total Slippage</b>	<b>£43,736</b>	

Treasury Management - Annual update for 2019/20

31. Review of activities during 2019/20

32. The main treasury activity during the year was the increase in borrowing to finance the Council's lending to SAIL (represented by the Commercial Activities line on the following table).

33. The Council's approach was to finance this lending by short-term term borrowing from other local authorities. Interest rates for short term borrowing from other local authorities were competitive at the time, and other local authorities are a highly secure source of finance. In October 2019 Central Government unexpectedly increased Public Works Loan Board interest rates by 1%, reducing the competitiveness of the PWLB as a source of finance.

34. Going forward, officers are looking at options for a package of short-term and borrowing options that will meet the aspirations of the Council's capital programme and enable the existing borrowing to be refinanced.
35. Investment activity during the year was minimal due to the low level of cash reserves held by the Council, as illustrated by the investment position at the start and end of the year (see table below). Investments were either by depositing funds in call accounts with Lloyds Bank and Santander Bank, or by short-term fixed rate investments via the Link Treasury Services Agency Scheme.
36. The activity for the year is summarised on the following table, which shows the Council's net borrowing position at the beginning and the end of 2019/20.
37. The Section 151 Officer confirms that all treasury activity during the year was in accordance with the Treasury Management Strategy for 2019/20:
38. An internal audit review was carried out on the treasury management function during the year.
39. One recommendation was given around improving the design of the internal controls. It was recommended that the Council should consider obtaining feedback on its Capital Strategy from its treasury management advisors. The Council's response was as follows: "The Council has introduced a Capital and Investment Strategy 2020/21 document. This is a new, strategic document that combines the Capital Strategy and the Treasury Management Strategy. This document will be updated each year, and in future years we expect our treasury advisors to review and provide feedback on this complete document, including the Capital Strategy element."
40. The second recommendation was around strengthening the effectiveness of the controls. These were around ensuring that approval of all loans and investments should be formalised and fully documented prior to the transaction being carried out. These recommendations have now been implemented.
41. Prudential Indicators
42. The Prudential Indicators are set out in paragraphs 42-47. The first indicator shows the capital expenditure for 2019/20 and how this was financed. The table also shows the figures reported in the 2019/20 Treasury Management Strategy (TMS), and the 2018/19 outturn figures.

**Table 9 – Capital Expenditure & Financing**

<b>Capital Expenditure</b>	<b>2018/19 outturn £000</b>	<b>2019/20 TMS £000</b>	<b>2019/20 outturn £000</b>
General Fund	11,117	8,037	5,880
HRA	4,853	10,065	5,317
Commercial activities	13,500	13,000	19,000
<b>Total Expenditure</b>	<b>29,470</b>	<b>31,102</b>	<b>30,197</b>

<b>Capital Financing</b>	<b>2018/19 outturn £000</b>	<b>2019/20 TMS £000</b>	<b>2019/20 outturn £000</b>
Capital receipts	(4,649)	(2,264)	(1,517)
Capital grants	(223)	(230)	(352)
Developer contributions	(180)	0	0
Revenue contributions	(2,699)	(3,400)	(1,473)
Major repairs reserve	(997)	(3,184)	(927)
Internal borrowing	(8,722)	0	(2,928)
External Borrowing	(12,000)	(22,024)	(23,000)
<b>Total Financing</b>	<b>(29,470)</b>	<b>(31,102)</b>	<b>(30,197)</b>

43. The Council's Overall Borrowing Need. The Council's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR). This is shown in table 10 below.

44. In order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2019/20) plus the estimates of any additional capital financing requirement for the current (2019/20) and next two financial years. The Council has complied with this prudential indicator as the gross borrowing position is lower than the CFR. This is demonstrated in the following table:

**Table 10 – Capital Financing Requirement and Gross Borrowing**

	2018/19 outturn £000	2019/20 TMS £000	2019/20 outturn £000
General Fund	18,634	26,137	23,909
HRA	61,229	62,646	62,829
Commercial activities	13,500	26,500	32,500
<b>Total CFR</b>	<b>93,363</b>	<b>115,283</b>	<b>119,238</b>
Gross borrowing position	73,355	94,460	96,351
<b>Under funding of CFR</b>	<b>20,008</b>	<b>20,823</b>	<b>22,887</b>

45. The Operational Boundary. This is the level above which borrowing is not expected to rise (occasions where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached).
46. The Authorised Limit. This is the “affordable borrowing limit” required by Section 3 of the Local Government Act 2003. This represents a limit beyond which external debt is prohibited. The table below demonstrates that during 2019/20 the Council has maintained gross borrowing within this limit.

**Table 11 – Operational Boundary & Authorised Limit**

	2018/19 £000	2019/20 TMS £000	2019/20 £000
Gross debt	73,355	94,460	96,351
Capital Financing Requirement	93,363	115,283	119,238
Operational Boundary	98,363	120,283	120,283
Authorised Limit	101,363	123,283	123,283

47. Actual financing costs as a proportion of net revenue stream. This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) against the net revenue stream.

**Table 12: Actual financing costs as a proportion of net revenue stream**

	2018/19	2019/20 TMS	2019/20
General Fund	1%	4%	3%
HRA	14%	15%	14%
Commercial activities	-1%	-2%	-5%

48. The Treasury Indicators are set out in paragraphs 49-51 below.

49. Maturity Structure of the fixed rate borrowing portfolio. This indicator assists the Council in avoiding large concentrations of fixed rate debt that has the same maturity structure and would therefore need to be replaced at the same time.

	<b>31-Mar-19</b>	<b>Proportion of total borrowing</b>	<b>31-Mar-20</b>	<b>Proportion of total borrowing</b>	<b>Maximum upper limit</b>
	<b>£000</b>		<b>£000</b>		
> 1 year	12,000	16%	35,000	36%	50%
1 to 2 years	0	0%	5,000	5%	50%
2 to 5 years	5,000	7%	0	0%	50%
6 to 10 years	10,400	14%	10,400	11%	50%
Over 10 years	45,955	63%	45,951	48%	100%
<b>Total</b>	<b>73,355</b>	<b>100%</b>	<b>96,351</b>	<b>100%</b>	

50. Exposure to Fixed and Variable Rates. The Council is not exposed to changes in variable interest rates as all its borrowings are at fixed interest rates

51. Credit Risk Exposure. The Council did not undertake any material investments during 2019/20 and there was therefore a limited need to mitigate credit risk, This has changed in the current financial year as the Council's investment activity has increased due to its increased cash flow. Credit risk is being mitigated in the current financial year by restricting investments to short term investments with other local authorities and short term deposits with UK banks.

### Reasons for Recommendation

52. Effective financial management underpins all of the priorities for the Council and will enable the Council to operate within a sustainable budget environment.

### Consultation

53. None

### References to Corporate Strategy

54. The Budget is linked to achieving the current priorities in the Corporate Strategy.

### Implications

### Financial Implications

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55. The financial implications are set out within the report and the Appendices accompanying the reports.

### **Legal Implications**

**Name & Title: Amanda Julian, Director of Law & Governance**

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56. The Council has too have robust governance in place including providing information to Audit and Scrutiny on monitoring of the financial position of the Council during the financial year.

### **Economic Implications**

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57. Economical implications have been sent out within the report and the appendices.

### **Background Papers**

Budget Report 4<sup>th</sup> March 2020  
Statement of Accounts 2019/20

### **Appendices to this report**

Appendix A: General Fund Subjective Variances  
Appendix B: Housing Revenue Account Variances  
Appendix C: Capital Outturn & Capital Programme  
Appendix D: Earmarked Reserves