

A28. Annual Accounts 2020/21

The committee considered a report by the Director of Corporate and Housing Services presenting the audited accounts for 2020/21. The accounts had been audited by the Councils External Auditors, EY, and were free from qualification.

During 2020/21, all school pupils in P6 to S6 and P1 to P5 pupils on a 1:5 basis had been provided with a computer device, members asked if funding was available to repair or replace these devices. The Head of Planning & Resources stated that 16,000 devices had been successfully delivered, which was the target, by Christmas 2021. In terms of ongoing funding, the Scottish Government had announced Revenue & Capital Funding, until the end of the current Parliament's term, for all Councils - the intent of the Service was to utilise this funding for repair and reinvestment in devices, however, specific details on how the funding would be allocated was still yet to be known.

The committee then focused on the Closer to Home Project and raised concern on whether targets would be met as the continual overspend was an issue – in 2020/21, there was £2.3m overspend in Children's Services. The Chief Executive referred to a report presented to the Children & Young People's Executive in November 2021 which set out the policy drivers, the importance of the project and the anticipated savings. Mr Lawrie stated there were ongoing challenges in accumulating savings in Children's Services, but Closer to Home was central to achieving its targets. The Project was important for the care of vulnerable young people and critical to the Council's financial strategy. The Head of Planning & Resources explained that the projection for 2021/2022 had shown an improvement in position overall in regard to the reported overspend, including the position in terms of Closer to Home – this projection showed an underspend for the Children & Family service.

Following a question on whether partnerships could be utilised to help achieve targets in the Closer to Home Project, the Chief Executive stated that all decisions had to be taken within the context of ensuring they were correct for vulnerable young people. He explained that there was existing work that looked to collaborate with other departments and existing partners and that collaboration was essential to meet the scale of targets placed on the Project.

The Council had received c£34m additional funding for Covid-19 related costs during 2020/21, £14.7m of which was being carried forward to meet further pressures arising from the pandemic in 2021/22. Members asked if this amount was sufficient for covering additional costs considering the ongoing situation with the Omicron variant. The Chief Finance Officer stated that any additional funding would be welcomed but at the present time, additional funding seemed to be limited to support for businesses. The lack of additional funding was not limited to Local Governments, Mr Smail explained it had been seen across both UK and Scottish Government budgets. Harnessing Fiscal Flexibility with the purpose to help manage Covid-19 related pressures had yielded c£7m. The projected Covid-19

impact costs for 2022/23 was roughly £5m and due to the limitations of Fiscal Flexibility, the surplus £2m would be utilised for Covid-19 related costs in 2023/24.

Decision

The Committee agreed to refer the Audited Annual Accounts for 2021/2022 for approval.