

Open Report on behalf of Pete Moore, Executive Director (Finance and Public Protection)

Report to:	Value for Money Scrutiny
Date:	23 June 2015
Subject:	Review of Financial Performance 2014/15

Summary:

This report will be considered by the Executive at its meeting on the 7 July 2015.

It describes the Council's financial performance for 2014/15 and makes proposals for the carry forward of over and under spendings into the current financial year.

Actions Required:

The Committee is asked to note the report and consider whether there are any particular matters it wishes the Executive to consider.

1. Background

1.1 **APPENDIX A** sets out the Council's financial performance in 2014/15, it identifies and explains variances from the revenue and capital budget, and makes proposals for use of the carry forward of under and over spendings into the current financial year.

1.2 **TABLE A** over page summarises how the Executive plan to use the Council's underspend from 2014/15 – full details explaining this are set out in the Executive report (para 1.86 to 1.90).

TABLE A – Proposed use of 2014/15 Carry Forwards and Reserves

	<u>£'000</u>
Council Underspend for 2014/15.	35,341
Year end Adjustment required to the General Fund to keep the balance at 3.5% of the Council's total budget.	-500
<u>The following amounts are allocated from the underspend in line with the Council's Financial Strategy:</u>	
Up to 1% carryforward of underspend (details set out at Appendix D):	
• Children's Services 1%	-547
• Adult Care 1% (<i>Adult Care do not wish to carry forward their underspend</i>)	0
• Public Health 1%	-110
• Communities Directorate 1%	-776
• Resources and Community Safety 1%	-573
• Performance and Governance 1%	-219
• Schools to carry forward the whole of their underspend (ring fenced funding).	-17,672
• Legal Shared Services and Procurement Lincolnshire to carry forward all of their underspend.	-1,249
• Schools Repairs and Maintenance carryforward overspend to be recouped in 2015/16.	57
<u>The following reserves are used to fund year end under/overspend in revenue budgets (in line with the Council's Financial Strategy):</u>	
• Adverse Weather Reserve (surplus in revenue - contribution to reserve) <i>The Winter Maintenance Budget underspent in 2014/15, however, as the reserve stands at £1.0m no further additions to the reserve are proposed.</i>	0
• Insurance Reserve (surplus in revenue - contribution to reserve) <i>Proposal to transfer 50% of the underspend into the reserve. This will give a balance of £6.221m to carry forward into 2015/16.</i>	-1,134
• Schools Sickness Insurance Reserve (deficit in revenue - contribution from reserve)	15
• Museum Exhibits Reserve (surplus in revenue - contribution to reserve)	-6
Amount available after Financial Strategy allocations:	<u>12,627</u>
<u>The following are 'business as usual' allocations:</u>	
• Health and Wellbeing Interest	-17
• Local Welfare Provision Funding	-195
Balance remaining to be added into the financial volatility reserve.	<u><u>12,415</u></u>

2. Conclusion

2.1 Comments from this Committee will be fed directly to the Executive on the 7 July 2015.

3. Consultation

a) Policy Proofing Actions Required

n/a

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Executive Report (7 July 2015) Review of Financial Performance 2014/15

5. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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