

Agenda Item 5

**EXECUTIVE
04 JULY 2017**

REPORT: REVIEW OF FINANCIAL PERFORMANCE 2016/17

SCRUTINY OPINION FROM THE OVERVIEW AND SCRUTINY MANAGEMENT BOARD – 29 JUNE 2017

The Overview and Scrutiny Management Board met on 29 June 2017 and considered a report concerning the Review of Financial Performance 2016/17. The Board supported the recommendations contained in the report.

The following comments were made by the Board in relation to the under and over spends:

- Readiness for Adult Life - it was questioned what the options were for meeting the growing demands of Care Leavers and homeless 16-17 year olds and it was suggested that a report should be presented to the Children and Young People Scrutiny Committee outlining these options.
- Children are Safe and Healthy – concerns were raised about the staffing vacancies in the early help teams and it was questioned what the current staffing situation was and if it was critical.
- Adult Care – it was suggested that in future it would be useful to have a link between expenditure and activity to see what the impact of activity was on spending. The Board was informed that Mosaic had just been implemented and care records were in the process of being transferred to the new system. The next stage of the Mosaic implementation was to bring in the financial information which would mean that a direct correlation between activity and spend would become visible. Planning for this would need to take into consideration the work to upgrade Agresso from its current configuration to version 6.2. Work to implement Mosaic finance functionality would not start until this work was complete and an assessment of the links between the two systems had taken place. Therefore work was unlikely to start until the end of this financial year or the start of the next financial year.
- Environment and Economy – support was given to the winter maintenance underspend being put into the general reserves as there was £0.5M still in the contingency budget for winter maintenance.
- Schools – concerns were raised that there was £12.683M underspend in schools budgets and it was questioned how this compared to schools budgets nationally. The Board was informed that the Council had a policy in place where there was a cap of 8% carry forward of schools budgets, and if the carry forward was higher the policy would be triggered. Schools were advised to hold some reserves to provide some flexibility as their budget was driven by pupil numbers. The Lincolnshire Schools Forum regularly received reports on the budgetary position of maintained schools. However, with regards to academies, it was reported that their level of reserves were likely to start decreasing due to the cessation of the LACSEG (Local Authority Central Spend Equivalent Grant), especially once the transition protection ended.

The following comments were made by the Board in relation to the carry forwards:

- The Board accepted the proposed allocations of carry forwards as set out in paragraph 1.84.
- It was suggested that more narrative about the business case for each of the carry forward proposals would be useful in future reports to justify the reasons for creating new reserve accounts. However, it was recognised that there was a need for flexibility to withdraw from some proposals if new financial pressures arose in future.
- Highways Advanced Design Reserve – support was provided for this reserve as it was recognised that it was essential to have schemes ready to go when funding became available.
- Horncastle Salt Barn Reserve – support was provided for this proposal especially in light of the savings from the winter maintenance budget.
- It was suggested that it would be useful for some staff to have two screens for working to improve their productivity.