

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

Report to:	Overview and Scrutiny Management Board
Date:	28 June 2018
Subject:	Review of Financial Performance 2017/18

Summary:

This report invites the Overview and Scrutiny Management Board to consider a report on the Review of Financial Performance 2017/18 which is being presented to the Executive on 3 July 2018. The views of the Board will be reported to the Executive as part of its consideration of this item.

It describes the Council's financial performance for 2017/18 and makes proposals for the carry forward of over and under spendings into the current financial year.

Actions Required:

The Overview and Scrutiny Management Board is invited to

- 1) consider the attached report and to determine whether the Board supports the recommendation(s) to the Executive as set out in the report.
- 2) agree any additional comments to be passed to the Executive in relation to this item.

1. Background

The Executive is due to consider a report on the Review of Financial Performance 2017/18 at its meeting on 3 July 2018.

The Executive report attached at Appendix 1 sets out the Council's financial performance in 2017/18. 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.

TABLE 1 below summarises how the Executive plan to use the Council's underspend from 2017/18 – full details explaining this are set out in the Executive report (para 1.099 to 1.109).

TABLE 1 – Proposed Use of 2017/18 Carry Forwards and Reserves

	<u>£'000</u>
<u>Total Council Underspend for 2017/18 (Excluding Schools)</u>	27,669
<small>(This figure excludes the £17.058m Schools underspend for 2017/18)</small>	
The following amounts are allocated from the underspend in line with the Council's Financial Strategy	
Up to 1% carry forward of Commissioning Strategy underspends (details set out at Appendix D):	-3,576
Legal Shared Services and Procurement Lincolnshire to carry forward all of their surplus.	-787
	<u>23,306</u>
The following reserves are used to fund year end under/overspend in revenue budgets (in line with the Council's Financial Strategy):	
Insurance Reserve (surplus in revenue - add to reserve)	-230
Schools Sickness Insurance Reserve (deficit in revenue - drawdown from reserve)	584
Business As Usual Reserves (Fixed Penalty Notices, Flood and Water Risk Management)	-157
Amount available after Financial Strategy allocations:	<u>23,503</u>
The following allocations are for consideration for the remaining underspend:	
Proposal to create new reserve:	
Highways Permitting Reserve	-477
Purchase of Employee Leave Scheme	-127
Specific Schools capital projects (S77 of the Schools Standards and Framework Act 1998)	-584
The Following are bids for funding in excess of 1% c/f	
Other Service Bids (Adverse Weather Reserve, Insurance Fund, Corporate Support Services Contract, New Heritage Services Fututure Operating model)	-3,650
Balance remaining after all proposals:	<u><u>18,665</u></u>

2. Conclusion

Following consideration of the attached report, the Board is requested to consider whether it supports the recommendation(s) in the report and whether it wishes to make any additional comments to the Executive. Comments from the Board will be reported to the Executive at its meeting on 3 July 2018.

3. Consultation

a) Have Risks and Impact Analysis been carried out?

No

b) Risks and Impact Analysis

N/A

4. Appendices

These are listed below and attached at the back of the report	
Appendix 1	Report on Review of Financial Performance 2017/18 to be presented to the Executive at its meeting on 3 July 2018

5. Background Papers

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

This report was written by David Forbes, who can be contacted on 01522 553642 or david.forbes@lincolnshire.gov.uk.

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