

**Open Report on behalf of Andrew Crookham, Executive Director -
Resources**

Report to:	Overview and Scrutiny Management Board
Date:	27 June 2019
Subject:	Review of Financial Performance 2018/19

Summary:

This report invites the Overview and Scrutiny Management Board to consider a report on the Review of Financial Performance 2018/19 which is being presented to the Executive on 9 July 2019. 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 2018/19 and makes proposals for the carry forward of over and under spends 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 2018/19 at its meeting on 9 July 2019.

The Executive report attached at Appendix 1 sets out the Council's financial performance in 2018/19. It identifies and explains variances from the revenue and capital budgets, and makes proposals for use of the carry forward of under and over spends into the current financial year.

TABLE 1 below summarises how the Executive plan to use the Council's underspend from 2018/19 – full details explaining this are set out in the Executive report (paragraphs 1.135 to 1.139).

TABLE 1 – Proposed Use of 2018/19 Carry Forwards and Reserves

	£000's	£000's
Total Council Underspend for 2018/19 (excluding Schools)		15,833
Allocations from the Underspend in line with the Council's Financial Strategy		
Up to 1% carry forward of Commissioning Strategy underspends (see Appendix B)		-3,473
Legal Shared Services & Procurement Lincolnshire carry forward of whole surpluses		-790
		11,570
The following reserves are used to fund year end under / overspends in revenue budgets in line with the Council's Financial Strategy		
Business as Usual Reserves (Civil Parking enforcement, adverse weather road maintenance, flood & water risk management)		-552
Amount available after Financial Strategy allocations		11,018
Proposals to create one new reserve from existing reserve		
Highways & Transport Grants and Contributions (existing)	-261	
Traffic Commissioner Threshold (new)	<u>261</u>	0
Bids for Funding in Excess of 1% carry forward		
Other Service Bids (Insurance Fund, earmark capital receipt from school playing fields sale)		-844
Balance remaining after all proposals		10,174
Financial Volatility Reserve Position		
Current balance	45,595	
Add 2018/19 remaining underspend	<u>10,174</u>	
	55,769	
NB: includes amount to be used to fund 2019/20 budget shortfall	3,087	

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 9 July 2019.

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 2018/19 to be presented to the Executive at its meeting on 9 July 2019.

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 Michelle Grady, who can be contacted on 01522 553235 or michelle.grady@lincolnshire.gov.uk.

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