

REVENUE BUDGET MONITORING REPORT 2019/20

COMMENTS FROM THE OVERVIEW AND SCRUTINY MANAGEMENT BOARD

On 30 January 2020, the Overview and Scrutiny Management Board considered the report and agreed to support the recommendations to the Executive.

The following points were confirmed:

- The £1.303m overspend on insurance was largely due to increases in premiums which reflects insurance claims due to bad weather causing damage to the roads and claims for car damage from pot holes. Support was provided to services to manage insurance claims.
- £0.810m of the £1.097m underspend on Readiness for Adult Life was due to the new children's homes in Grantham and Gainsborough for 16 and 17 year old care leavers. These homes have avoided the Council placing these young people in more expensive out of county provision. The budget had allowed for a one year transition between the two but staff were able to cope with the demand more quickly than anticipated so the money was not needed for the out of county costs.
- The £0.104m underspend on the youth housing contract was due to not needing to draw on the additional funding earmarked from the 1% carry forward to support the contractor with temporary bed vacancies for young people at risk of homelessness and needing support. The additional funding was not required as occupancy levels had been between 95% and 100%.
- The £2.267m underspend in Enablers and Support to Council Outcomes was due to a number of factors as set out in the report (*pages 20 – 21 in the Executive agenda*), some of which were legacy issues. It was anticipated that the Legal underspend would not be there next year as Legal Services had now gone through a rebasing exercise.
- It was suggested that underspends could be re-used in-house by service areas rather than being allowed to accumulate. However, it was noted that if the underspends were moved to a new activity, then a political decision would be required. If the underspends were recurrent rather than a one-off, then the money could be used to fund other activities. Timely and accurate financial information would be required to enable virement in year, along with potential plans already in place to make a decision on. The new Development Fund would allow funding to be put into new activities.
- The Board agreed that there was a need to be prudent and not take risks with the underspends as it was better to have a small underspend than a large overspend.

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