

**Customer & Corporate Services Scrutiny  
Management Committee**

**10 June 2019**

Report of the Assistant Director – Legal & Governance

**Financial Progress Information Report**

**Summary**

1. This report informs the Customer and Corporate Services Scrutiny Management Committee (CSMC) of a decision by Members of the previous CSMC to invite the Corporate Directors of Health, Housing and Adult Social Care and Children, Education and Communities to the first meeting of the new CSMC to explain the financial forecasts within their Directorates.

**Background**

2. At a meeting of the previous CSMC in March 2019, Members considered their 3<sup>rd</sup> Quarter Finance and Performance monitoring report and noted that the finances of two Directorates were moving in the wrong direction between Monitor 2 and Monitor 3.
3. In Children, Education and Communities there was an increase in expenditure or shortfall in income from +£869k to +£943k and in Health, Housing and Adult Social Care from +£576k to +£830k.
4. Members expressed concern at these figures and sought assurances that financial controls were in place in these two Directorates to prevent this financial drift from getting worse.
5. The former Committee heard that while it was unusual to see things getting slightly worse between Monitor 2 and 3 there were significant pressures on both the Directorates. They were both looking at where their main overspends were and trying to prepare more detailed analysis to try and mitigate those overspends.
6. Members were told that early forecasts indicate the council is facing financial pressures of £525k and an overview of this forecast, on a

directorate by directorate basis, is outlined the table below.

#### Finance overview

2017/18 outturn		2018/19 Forecast Variation Monitor 2	2018/19 Forecast Variation Monitor 3
£'000		£'000	£'000
+147	Children, Education & Communities	+869	+943
-204	Economy & Place	+322	nil
-274	Customer & Corporate Services	-200	-250
285	Health, Housing & Adult Social Care	+576	+830
-574	Central budgets	-300	-350
-620	Total	+1,267	+1,173
-761	Contingency	-648	-648
-1,381	Total including contingency	+619	+525
	Potential additional income from business rates	-2,000	-1,000

Note: '+' indicates an increase in expenditure or shortfall in income  
 '-' indicates a reduction in expenditure or increase in income

7. Members were concerned that while the position may be rectified by the end of the financial year there were clearly underlying issues within both Directorates.
8. As a consequence the Committee agreed to invite the Corporate Directors of the two Directorates to the first meeting of the new CSMC to explain the financial position and provide assurances that financial controls are in place.

#### **Consultation**

9. The Corporate Directors of Health, Housing and Adult Social Care and Children, Education and Communities have both been invited to this meeting to explain the financial position within their Directorates.

## **Options**

10. Members can accept the information and assurances provided by the Corporate Directors of Health, Housing and Adult Social Care and Children, Education and Communities or can ask for further information and/or undertake a more detailed review into the financial positions of the two Directorates.

## **Council Plan**

11. This report is linked to the Focus on Frontline Services priority in the Council Plan.

## **Implications**

12. This report is about the financial implications, set out above. There are no HR, Equalities, Legal, Crime and Disorder, IT, Property or other implications.

## **Risk Management**

13. There are no risks associated with the recommendation in this report. However, the risk of a deteriorating financial position could have serious implications for the Council.

## **Recommendation**

14. In light of the data provided by the Corporate Directors, Members will need to consider if there is any further information they need in regard to the financial position of the two Directorates.

Reason: To provide the Committee with assurances that financial controls are in place to mitigate any overspend.

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Wards Affected:

All

For further information please contact the author of the report