



## **Finance Panel**

### **Scrutiny Observations to Cabinet**

The Finance Panel met on 3 July 2019 and considered the following documents:

- Outturn 2018/19
- Capital Outturn 2018/19
- Savings Outturn 2018/19
- CIPFA Finance Model Executive Summary

Due to the cancellation of the previous meeting of the Finance Panel, specific comments regarding outturn reports for 2018/19 were not available for the appropriate meeting of Cabinet. However, the Panel wished to review the reports and make the following general observations across all the reports considered, tying in with the findings of the CIPFA report.

- Finance training for budget holders should be mandatory – it cannot be assumed that managers have sufficient or appropriate finance training at the point of recruitment
- The lack of financial control within some services led to a significant variation between the projected outturn at the end of February 2019 and the actual outturn at the end of March. The Panel noted with concern the number of administrative amendments that had had to be made across budget headings. Such variances late in the year is a recurring theme which needs to be addressed to ensure there is more accuracy in forecasting the year end position.
- The Panel remain concerned regarding the level of school budget deficits. Information previously circulated to Members did not tie in with the report presented to the Panel – the Head of Finance explained the differences between the figures which were reporting different things, and has agreed to consider this when reporting in the future to avoid confusion. The issue remains that school deficit budgets are a risk to the financial sustainability of the Authority if not addressed.
- Capital spend is again less than budgeted. The profiling and projecting of capital expenditure needs to improve. This will improve the projection of the impact on the revenue position. Although the delay of capital spend has had a positive impact on the revenue budget for 2018/19 the potential impact of an extensive capital programme on future revenue budget is considerable. A longer term view is essential for effective forward planning.
- It is further suggested that post-completion reviews are introduced to ensure that the objectives are achieved and anticipated savings delivered
- An ongoing concern of the Panel is that the level of savings set within some budgets are not achievable with proposals not having been properly stress tested. It is acknowledged that there is a move to outcome-based budgeting and that all Members across the Authority are to have a greater involvement in

the budget process. The Panel wish to contribute by being proactive and constructive throughout the process.

- As in previous years, it is the intention of the Panel to invite Heads of Service and Portfolio Holders to discuss savings delivery. The first of these meetings will be in August, following receipt of the Q1 Savings Delivery Monitoring report.
- The Panel welcome their input in monitoring the implementation of the action plan developed following the CIPFA Finance Model report

Membership of the Finance Panel on 3 July 2019:

Mr J Brautigam, Chair, County Councillors J Gibson-Watt, J G Morris, D A Thomas, R G Thomas and G Williams