



Report of the Acting Executive Director of Finance

Audit Committee 27th March 2013

CORPORATE FINANCE AND PERFORMANCE MANAGEMENT POSITION FOR THE MONTH ENDED 31st DECEMBER 2012 AND CAPITAL PROGRAMME 2012/13 – 2014/15 UPDATE

1. Purpose of the Report

- 1.1 The purpose of the report is to summarise for members the position of the Corporate Finance and Performance Management position and the Authority's Capital Programme for the three year period 2012/13 to 2014/15 as at 31st December 2012.

2. Background

- 2.1 The Corporate Finance and Performance Management position and the Authority's Capital Programme for the three year period 2012/13 to 2014/15 as at 31st December 2012 reports were presented to Cabinet on 30th January 2013. These reports have been made available to members of the Audit Committee.

3. Overview – Corporate Finance and Performance Management

- 3.1 This is the third report for the current year and it reviews the Council's financial position for the quarter ended 31st December 2012.
- 3.2 The overall service position shows a potential year end surplus of £922,000 pounds. However, this includes surpluses or under-spends which are not sustainable moving forward. In particular there remains major uncertainty over certain funding streams currently received via the Health Service.
- 3.3 The overall position takes into account slippage and non achievement of key lines of enquiry totalling £0.2 million pounds, although it should be noted that some £29 million pounds worth of key lines of enquiry are on target to be delivered over the two year period to 31st March 2013.
- 3.4 Over and above the shortfall on the key lines of enquiry, the projected surplus incorporates a number of cost pressures and surpluses as follows.
- 3.5 Demand led pressures relating to Children in Care are contributing to a projected £1.7million pound deficit in the Children, Young People & Families budget.
- 3.6 A continuing shortfall in planning fee income is contributing to a £0.8 million pound operational deficit in the Development, Environment and Culture Directorate.
- 3.7 A projected operating surplus in the Adults and Communities Directorate of £3.7 million pounds is predominantly the result of the early achievement of future year's efficiency targets together with lower than anticipated Mental Health care costs

following a revised funding agreement with the PCT. As such these are mainly one off and will not be repeated in future years.

- 3.8 SMT are currently giving consideration to areas of continuing pressure in future years in order to agree how they may be addressed permanently
- 3.9 In addition a one off surplus of £3 million pounds is forecast on the debt charges budget due to the Council's policy of using internal resources rather than borrowing externally.
- 3.10 The one-off surplus resources predicted for the year, although welcome, need to be viewed within the context of the £50 million pounds plus funding gaps which have been identified within the Medium Term Financial Strategy.

4. Overview – Capital Programme

- 4.1 The total estimated cost of the Council's capital programme is around £252 million pounds including £128 million pounds for improving Council dwellings to maintain the Barnsley Homes Standard.
- 4.2 In overall terms there are no major problems anticipated in funding the programme at this time.
- 4.3 Latest forecasts also indicate that there are £5 million pounds of specifically ring-fenced capital resources that are still to be allocated over the life of the programme.
- 4.4 That said, the potential for new capital investment over the financial planning period continues to be significantly constrained and therefore there continues to be a need to ensure that the performance and efficiency of the Council's existing asset portfolio is maximised in the first instance.
- 4.5 These matters will continue to be monitored closely throughout the remainder of the year.

5. Background Papers

- 5.1 The following reports are available:
 - Corporate Finance and Performance Management Position for the month ended 31st December 2012.
 - The Authority's Capital Programme Position as at 31st December 2012 for the three year period 2012/13 to 2014/15.

Officer Contact: Neil Copley
Telephone No: 01226 773237
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