



## Report of the Director Finance, Property & Information Services

Audit Committee 19<sup>th</sup> September 2014

### Corporate Finance Position as at 30<sup>th</sup> June 2014 and Capital Programme 2014/15 – 2016/17 Update

#### 1. Purpose of the Report

- 1.1 The purpose of the report is to summarise for the Audit Committee, the Corporate Finance position and the Authority's Capital Programme for 2014/15 to 2016/17 as at 30<sup>th</sup> June 2014.

#### 2. Background

- 2.1 The Corporate Finance position and the Authority's Capital Programme for 2014/15 to 2016/17 as at 30<sup>th</sup> June 2014 reports were presented to Cabinet on 30<sup>th</sup> July 2014. These reports have been made available to members of the Audit Committee.

#### 3. Summary - Corporate Finance Position for the month ended 30<sup>th</sup> June 2014

- 3.1 This is the first report for the current year and it reviews the Council's financial position for the quarter ended 30<sup>th</sup> June 2014.
- 3.2 The overall position shows a potential year end operating surplus of £3 million pounds.
- 3.3 However, it should be noted that this includes £3.7 million pounds of non-service related under-spends, which have now been factored into future year's budgets as part of the recently updated Medium Term Financial Strategy and are therefore non-recurrent.
- 3.4 Taking this into account there is actually a forecast operational deficit on service expenditure of around £0.8 million pounds for the current financial year.
- 3.5 There are cost pressures in the Children, Young People and Families Directorate of around £0.4 million pounds, predominantly related to the Community Learning and Information Service. Mitigating actions are currently being considered in relation to the Moorland Plastics business plan and other contributing factors which should see this deficit disappear in 2015/16 and reduce in the current financial year.
- 3.6 The other reported cost pressures are within Development, Environment and Culture where shortfalls in income in the Engineers and Culture Services are

contributing towards an estimated operational deficit of £0.4 million pounds. Again, the mitigating actions outlined in the report seek to reduce the estimated deficit in the current financial year with Future Council plans eliminating this deficit in future years.

- 3.7 In summary, the position for the current financial year is a relatively healthy one. However, given the funding outlook over the medium term it is crucial that Directors bring the over-spending areas highlighted within the report back on track in both the current and future financial year

#### **4 Summary – Capital Programme**

- 4.1 The total estimated cost of the Council's capital programme is around £203 million pounds, including the significant investment set aside to fund the regeneration of the Town Centre.
- 4.2 In overall terms, there are no major problems anticipated in funding the existing capital programme at this time.
- 4.3 However, it should be noted that the potential for additional capital investment over the next few years will be severely restricted, given that the Council's number one priority is to successfully complete the Town Centre redevelopment during this time.

#### **5. Background Papers**

- 5.1 The following reports are available:
- Corporate Finance Position as at 30<sup>th</sup> June 2014.
  - The Authority's Capital Programme Position as at 30<sup>th</sup> June 2014 for the three year period 2014/15 to 2016/17.

**Officer Contact: Neil Copley**  
**Telephone No: 01226 773237**  
**Date: 5<sup>th</sup> August 2014**