

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

**Audit Committee 10<sup>th</sup> December 2014**

**Corporate Finance Position as at 30<sup>th</sup> September 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> September 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> September 2014 reports were presented to Cabinet on 5<sup>th</sup> November 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> September 2014**

3.1 This is the second report for the current year and it reviews the Council's financial position for the quarter ended 30<sup>th</sup> September 2014.

3.2 The overall position shows a potential year end operating surplus of £0.3 million pounds.

3.3 However, it should be noted that this includes £1.1 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 £1.4 million pounds, predominantly related to Community Learning and Information Service and higher than budgeted social worker costs related to the Ofsted improvement plan. Mitigating actions are already in train to deliver a balanced budget position in 2015/16 including the recent Cabinet decision to close Moorland Plastics.

3.6 The over-spending in Children, Young People & Families is being offset to some extent by the early delivery of 2015/16 savings proposals in Adults and Communities as well as in Core Services.

3.7 Over and above the operational position one-off resources totalling £7.5 million, mainly comprised of New Homes Bonus, have been transferred to strategic reserves pending further consideration of any one-off investment needs related to the Town Centre Redevelopment or other emerging priorities.

- 3.8 In line with the Council's more commercial approach to delivering services Cabinet approval has been sought to establish a prize draw incentive of up to a maximum value of £1,000 in relation to the Authority's Direct Debit Campaign.
- 3.9 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 Executive Directors bring the over-spending areas highlighted within the report back on track in both the current and future financial years.

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

- 4.1 The latest estimated cost of the Council's capital programme is around £204 million pounds, including the £35 million investment set aside to fund the regeneration of the Town Centre.
- 4.2 Detailed costs for the Town Centre Re-development are currently being investigated; with the prospect for a higher than anticipated estimate given the increasing buoyance in the construction sector.
- 4.3 Given that the Council's number one priority is to successfully complete the Town Centre Re-development, resources available to fund other one-off investment needs during this time will be severely constrained.
- 4.4 An update of the Town Centre Re-development, the Jobs and Growth Plan and other emerging priorities will be given to Cabinet on the 19th November, alongside the Council's latest reserves projections.

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

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

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