



Report of the Director Finance, Property & Information Services

Audit Committee 25th March 2015

Corporate Finance Position as at 31st December 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 31st December 2014.

2. Background

- 2.1 The Corporate Finance position and the Authority's Capital Programme for 2014/15 to 2016/17 as at 31st December 2014 reports were presented to Cabinet on 11th February 2015. These reports have been made available to members of the Audit Committee.

3. Summary - Corporate Finance Position for the month ended 31st December 2014

- 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 2014.
- 3.2 The overall position shows a potential year end operating surplus of £3.7 million pounds.
- 3.3 However, it should be noted that this includes £4.2 million pounds of non-service related under-spends, which have now been factored into future year's budgets and are therefore non-recurrent.
- 3.4 Taking this into account there is actually a forecast operational deficit on service expenditure of around £0.5 million pounds for the current financial year.
- 3.5 There are cost pressures in the Children, Young People and Families Directorate of around £0.9 million pounds, predominantly related to the Community Learning and Information Service and higher than budgeted social care 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 This over-spending 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 £1.3 million, comprised of lower than anticipated DRL closure costs, have been transferred to strategic reserves pending an update of the recently approved reserves strategy which will take place in the summer.
- 3.8 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 £254 million pounds, including the £50 million investment set aside to fund the regeneration of the Town Centre.

4.2 In line with the recently approved reserves strategy, there are currently no available resources to fund new capital investment over and above what has already been set aside for the Town Centre and the Jobs & Growth Plan.

4.3 Further updates will be provided in due course.

5. Background Papers

5.1 The following reports are available:

- Corporate Finance Position as at 31st December 2014
- The Authority's Capital Programme Position as at 31st December 2014 for the three year period 2014/15 to 2016/17.

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