

Cabinet - 7 November 2013

Report of the County Treasurer

Electoral Division affected:

All

Money Matters - Update on the County Council's Financial Position for 2013/14 (Appendix 'A' refers)

Contact for further information:

Gill Kilpatrick, (01772) 534715, County Treasurer's Department,
gill.kilpatrick@lancashire.gov.uk

George Graham, (01772) 538102, County Treasurer's Department,
george.graham@lancashire.gov.uk

Executive Summary

In order to maintain overall strategic control of the County Council's finances, the Cabinet receives regular Money Matters reports. The purpose of these is to

- Highlight the high risk financial issues facing the County Council, both in the current and future financial years, together with any action which may be required;
- Set out the County Council's likely financial position at the end of the financial year and;
- Assess any impact on the County Council's overall financial outlook.

The report set out at Appendix 'A' is the second budget monitoring report for 2013/14, and reflects the position as at 30 September 2013.

The key headlines of this are:

- An overspend of £4.3m is forecast on the revenue budget representing an overall improvement in position of £2.1m since the last report to Cabinet. Given the level of financial risk facing the County Council, it is imperative that management action is taken to bring spending back into line with the overall revenue budget by the end of the year.
- The capital investment programme is on track to deliver 87.6% of spending in 2013/14.

Recommendation

Cabinet is asked to:

- (i) Note the forecast position for the 2013/14 revenue budget and capital investment programme;

- (ii) Note the forecast position on the County Council's reserves;
- (iii) Approve the setting aside of £173,000 to fund the cost of the Living Wage in 2013/14 (subject to Full Council approval) and the transfer of additional one-off resources available of £4.177m to the County Council's downsizing reserve;
- (iv) Note the forecast position on the County Council's Voluntary Severance reserve.

Background and Advice

See Appendix 'A'.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

The County Council's overall approach to risk management continues to be to manage exposure to risk by the most appropriate means. This report is part of the risk management framework designed to manage future risks.

List of Background Papers

Paper	Date	Contact/Directorate/Tel
Directorate monitoring reports	October 2013	George Graham, County Treasurer's Department (01772) 538107

Reason for inclusion in Part II, if appropriate

N/A