

Cabinet - 6 February 2014

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)

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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 Council's likely financial position at the end of the financial year and;
- Assess any impact on the Council's overall financial outlook.

The report set out at Appendix 'A' is the third budget monitoring report for 2013/14, and reflects the position as at 31 December 2013. As such, this is an important point in the financial year, as limited time remains to take corrective action.

The key headlines of this are:

- A potential overspend on the revenue budget of £2.4m representing an overall improvement in position of £1.9m since the last report to Cabinet, this is offset by the availability of additional one-off resources from the government in 2013/14 of £5.8m, giving a net position of an underspend of £3.4m. In accordance with Cabinet's previous decisions, £0.7m of this will be transferred to the Council's Hardship Claims reserve with the balance of £2.7m added to the downsizing reserve.
- The capital investment programme is on track to deliver 82% of spending in 2013/14.
- A forecast position at the end of the year of £36m on the Council's County Fund and £47.9m on the Council's Downsizing reserve.

Recommendation

Cabinet is asked to:

- (i) Note the forecast position for the 2013/14 revenue budget and capital investment programme;
- (ii) Approve that £1.8m relating to unrealised commitments that are no longer required that are held on the Council's balance sheet be transferred into the Downsizing reserve;
- (iii) Note the forecast position on the Council's County Fund Balance and Downsizing 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	December 2013	George Graham, County Treasurers' Department (01772) 538107

Reason for inclusion in Part II, if appropriate

N/A