

## Cabinet – 5 February 2015

### Report of the County Treasurer

Electoral Divisions affected: All
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#### Money Matters – Update on the County Council's Financial Position for 2014/15 (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 budget monitoring report for 2014/15, and reflects the position as at 31 December 2014

The key headlines of this are:

- A forecast underspend on services of £4.1m, meaning the Council will not need to call on the planned use of County Fund balance in 2014/15 of £2.6m to support the revenue budget
- An extra-ordinary financial position on the capital financing budget of £52m. This position is a direct result of the ongoing risk management activity in response to the current economic volatility which has impacted on the financial markets. This position is a one-off, and must be considered to be extra-ordinary.
- The capital investment programme is on track to deliver 81.6% of spending in 2014/15.
- The County Fund Balance is forecast to remain at £36m, as reported at the last meeting of the Cabinet.

#### **Recommendation**

Cabinet is asked to:

- (i) Note the forecast position for the 2014/15 revenue budget and capital investment programme;
- (ii) Consider the appropriate use of the funds arising from the one off extra-ordinary position on the capital financing budget and the release of £1.7m from the Strategic Investment Reserve, as part of the Cabinet's overall consideration of the 2015/16 to 2017/18 revenue position and future capital investment programme.

### **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**

N/A

Reason for inclusion in Part II, if appropriate

N/A