

MATTERS FOR NOTING

B. Special Cabinet – 18 April 2013

242 Financial Monitoring - Revenue (Month 11)

A report by the Interim Director of Finance set out the revenue position for 2012/13 as at Month 11 (February 2013). It identified the latest financial projections and ongoing management actions to ensure any year end overspend was minimised.

Councillor Phil Davies told the Cabinet that he was pleased that the Council's revenue spending was now on a more substantial footing and he congratulated Peter Timmins, Interim Director of Finance, and his team on this achievement. Councillor Davies then asked the Interim Director of Finance to expand on the interesting work on budget monitoring carried out with budget holders.

The Interim Director of Finance informed that Council Officers with an involvement in financial management were attending financial update and training events. They had been timed to coincide with the commencement of the new Financial Year. The Council, like others, faced significant financial challenges. A great deal had been achieved in recent months taking the Council forward and producing a budget with a sound footing. There had also been a number of revisions to financial procedures and processes with further changes to be implemented.

It was important that Officers who had financial responsibilities were aware of these changes and two, two hour, events had been held to provide them with the essential financial rules to bring them up to date with the financial position and financial procedure rules. A further session was planned for those Officers who had been unable to attend the two events already held.

It was also best practice that Officers with budget responsibilities received recent and relevant training the events had also included the distribution and sign off of the 2013/14 budgets and had provided an opportunity to meet and speak with Finance staff, who would assist them during the coming year, and raise any financial issues with them. Budget Holders had been asked to rate themselves (red, amber or green) and appropriate support would now be put in place to assist them and further training would be provided if the need for it was identified.

The feedback from these events was that they had been greatly appreciated by the staff. The Interim Director of Finance informed that it was intended to produce a monthly newsletter and create a community of people who would work together to monitor spending.

At the request of Councillor Phil Davies for advice on the Council's spending freeze, the Interim Director advised that it would be appropriate for the Council to keep the spending freeze in place for a further three months whilst

evidence was collected that it had been the right course to take such action, work on the close down of the 2012/13 accounts was carried out and major change was being implemented. The financial situation should then be re-evaluated in three months time at the end of June 2013.

RESOLVED:

That the Cabinet notes:

- (1) at Month 11 (February 2013), the full year forecast projected a potential General Fund overspend of £7.4m;**
- (2) there were no rejected freeze items in the month; and**
- (3) a major risk continues to exist concerning the reliability of fees and charges income going back many years. Corrective action is being taken to maximise recovery. A separate report regarding the background and recommendations relating to this issue is to be produced**

243 Financial Monitoring - Capital (Month 11)

A report by the Interim Director of Finance informed Members of the current position in relation to the Council's 2012/13 to 2014/15 Capital Programme and reflected the position as at 28 February 2013. It also took account of the 2013/16 Programme as approved by Cabinet on 18 February 2013 (Minute No. 204 refers), together with any subsequent growth or slippage items. The report, therefore, reflected:

- The re-profiled 2012/13 capital programme budget which incorporates previous decisions made by Cabinet to amend the programme.
- The expenditure to date, which continues to be less than it, should be.
- The request for a revision to the capital programme to reflect additional slippage of £3.152 million of schemes into the 2013/14 financial year.
- A reduction in the estimated funding required for the Think Big Investment Fund of £0.121 million.
- The projected outturn figures for 2012/13, which suggest an under spend of £0.690 million on the revised programme.

RESOLVED:

That the Cabinet:

- (1) agrees the revised Capital Programme of £40.539 million;**
- (2) agrees additional slippage in the programme of £3.152 million from 2012/13 to 2013/14;**
- (3) agrees the increase in the programme for 2012/13 of £0.697 million;**
- (4) notes the reduction in funding of £0.121 million required for Think Big Investment Fund;**
- (5) notes the spend to date at Month 11 of £27.939 million, which represents 75% of the revised capital budget, with 92% of the financial year having elapsed; and**
- (6) notes the work of the Capital Steering Group to detail the schedule of sites to validate the estimate of capital receipts.**