

Title of Report:	Financial Performance Report - Quarter Three 2013-14
Report to be considered by:	Executive
Date of Meeting:	13 February 2014
Forward Plan Ref:	EX2670

Purpose of Report: To inform Members of the latest financial performance of the Council.

Recommended Action: For Members to note this report.

Reason for decision to be taken: To ensure that Members are fully aware of the latest financial position for the Council

Other options considered: None

Key background documentation: Papers held in Accountancy

The proposals will help achieve the following Council Strategy principles:	
<input checked="" type="checkbox"/>	CSP6 - Living within our means
<input checked="" type="checkbox"/>	CSP8 - Transforming our services to remain affordable and effective

Portfolio Member Details	
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Date Portfolio Member agreed report:	30 January 2014

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Implications

Policy: n/a

Financial: If the forecast position occurs at the end of the financial year there will be a corresponding impact on the Council's General Reserves of an increase of £183k. The financial implications of the report have been detailed throughout the summary report and directorate appendices.

Personnel: n/a

Legal/Procurement: n/a

Property: n/a

Risk Management: n/a

Equalities Impact Assessment: n/a

Is this item subject to call-in?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
If not subject to call-in please put a cross in the appropriate box:		
The item is due to be referred to Council for final approval		<input type="checkbox"/>
Delays in implementation could have serious financial implications for the Council		<input type="checkbox"/>
Delays in implementation could compromise the Council's position		<input type="checkbox"/>
Considered or reviewed by Overview and Scrutiny Management Commission or associated Task Groups within preceding six months		<input type="checkbox"/>
Item is Urgent Key Decision		<input type="checkbox"/>
Report is to note only		<input checked="" type="checkbox"/>

Executive Summary

1. Introduction

- 1.1 This is the third quarterly report to Members of the Executive as part of the financial reporting cycle for the 2013-14 financial year.
- 1.2 The forecast revenue under spend for the 2013-14 financial year is £183k. This is a movement of £444k from Quarter Two, when we were reporting an over spend of £261k.

2. Proposals

- 2.1 For Members to note this report.

3. Equalities Impact Assessment Outcomes

- 3.1 EIA completed; no impact on vulnerable groups.

4. Conclusion

- 4.1 The Quarter Three financial position is showing a forecast under spend of £183k for the year end. Though the Council remains in a challenging financial environment, and is faced with making savings in excess of £5m, it has taken steps to maintain financial discipline and ensure that savings are deliverable.

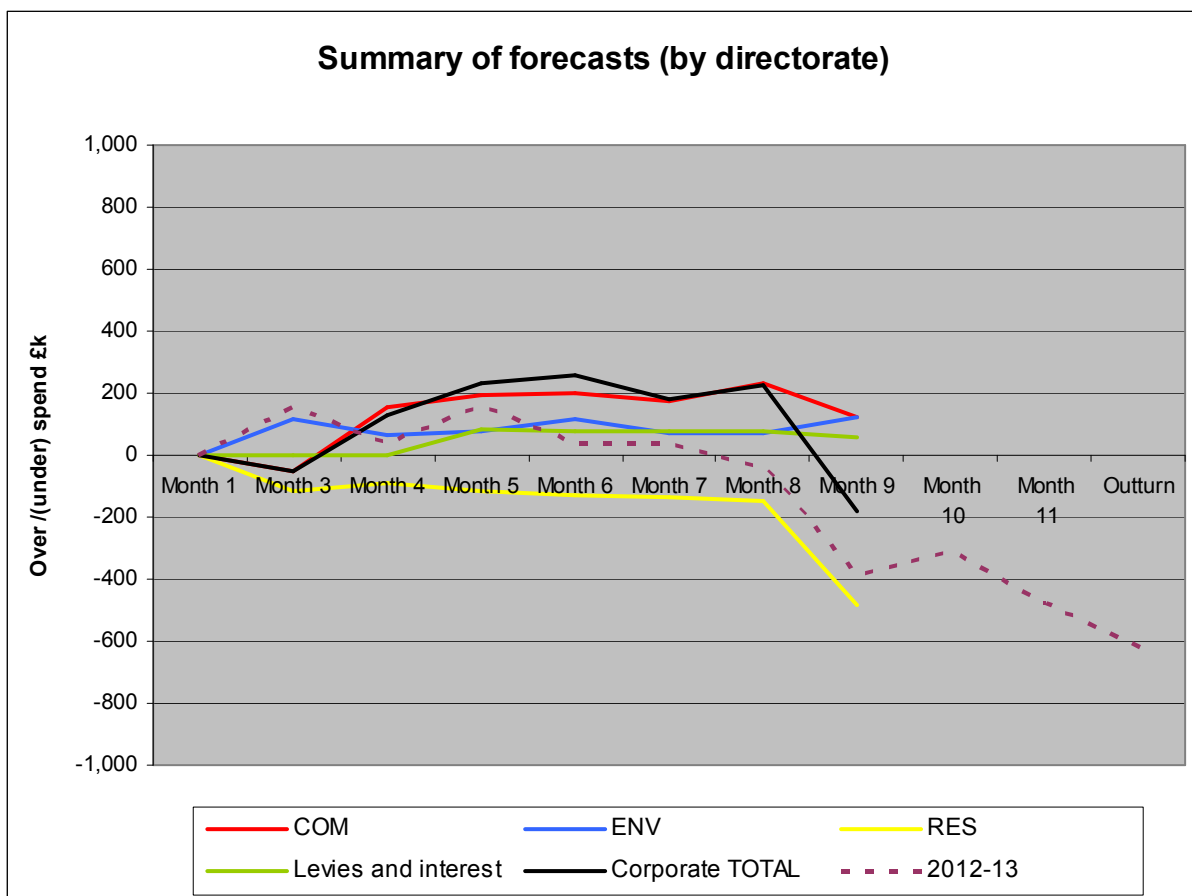
Executive Report

1. Introduction

- 1.1 The forecast outturn position as at Quarter Three of the 2013-14 financial year is an under spend of £183k, a movement of £444k from Quarter Two, where we were reporting an over spend of £261k.

2. Summary Revenue Position

- 2.1 Overall, the Council is showing a relatively low forecast under spend.
- 2.2 In Communities, Children's Services are forecasting an over spend of £230k as a result of the level of Looked After Children and supported children. In order to address the increased projected over spend, expenditure across Children's non placement budgets and all Communities Services' budgets is being re-profiled.
- 2.3 Education Services is forecasting an under spend of £51k at year end, an increase of £21k. This has been achieved through reductions in costs associated with Disabled Children's Placements.
- 2.4 In Environment, Highways and Transport are forecasting a pressure of £290k. This is mainly due to an increased forecast in the Emergencies budget as a result of the recent storms and flooding.
- 2.5 Culture and Environmental Protection are forecasting an under spend of £204k, an increase of £31k from Quarter Two, mainly due to Public Health being able to fund some of their services in the areas of Environmental Health and Trading Standards which are delivering Public Health outcomes in the current year.
- 2.6 The other Council services are all forecasting close to a breakeven position for the end of the financial year with the exception of Strategic Support where the forecast under spend position of £136k has increased by some £66k from the previous period. This has been mainly due to Public Health being able to fund the Domestic Abuse Co-ordinator along with contributions towards Shopmobility and Relate which are delivering Public Health outcomes in the current year.
- 2.7 There is a further under spend of £258k in Quarter Three due to the release of the Drug and Alcohol Action Team budget after all service commitments have been funded. This budget was historically within Strategic Support but is now managed by Public Health.
- 2.8 Levies and Interest is currently forecasting a £56k over spend mainly due to a lower return on temporary investments than originally expected.



3. Summary Capital Position

3.1 85% of the 2013/14 capital programme is committed as at the end of December. Forecast capital spend in the year is currently £30.3 million against a budget of £31.1 million with £0.8 million now expected to be re-profiled into 2014/15.

3.2 Communities

Schemes in Adult Social care for care home refurbishment and to improve the efficiency of service provision are progressing as planned. In Care Commissioning Housing and Safeguarding a lower than expected take up of Home Repair Assistance grants is expected to result in an under spend of approximately £30,000.

In Education Services, good progress is being made with schemes currently underway to deliver additional primary school places. A significant proportion of the programme has already been re-profiled to 2014/15 and later years to take account of the latest pupil number forecasts, more accurate estimates of schemes to provide additional school places and assumptions about external funding. However further unavoidable delays to projects including the relocation of the Reintegration Service and expansion of Purley Infants and Francis Baily primary schools are expected to result in a further under spend of approximately 5% of the revised programme.

3.3 Environment

In Culture and Environmental Protection, the Northcroft Leisure Centre Scheme has been completed on budget. The Museum Project remains on programme and on budget. Good progress is also being made with the majority of Highways schemes, including the £1.4m re-profiled from future years to address problems on the network caused by the severe winter weather. However £100,000 S106 for the A340 rail bridge at Aldermaston Wharf is still expected to be re-profiled because of difficulties with the land owner.

In Planning and Countryside, the majority of work on public rights of way projects has been completed, but there have been delays to some projects because of the extreme weather conditions. This will result in some expenditure being deferred to 2014/15. The forecast outturn is lower than the amount currently spent and committed as not all commitments are expected to be fully paid by year end.

3.4 Resources

The Council's investment in the Market Street regeneration project, managed by the Chief Executive, is now largely complete while the London Road project is now at the stage of selecting a joint venture partner. In ICT the contract for Superfast Broadband has now been let, but the revised project programme now shows that the Council's budget of £205,000 for implementation of the first stage of the project in 2012/13 will not now be required to be paid until 2014/15.

Appendices

Appendix 1a, 1b – Summary Revenue and Capital positions

Appendix 2a, b, c – Directorate commentaries

Appendix 3 – Equality Impact Assessment – Stage 1

Consultees

Local Stakeholders: n/a

Officers Consulted: Corporate Board

Trade Union: n/a