REPORT FOR DECISION

Agenda Item	

MEETING:	**CABINET** **OVERVIEW & SCRUTINY COMMITTEE**
DATE:	**28 AUGUST 2013** **4 SEPTEMBER 2013**
SUBJECT:	**CORPORATE FINANCIAL MONITORING REPORT – APRIL 2013 TO JUNE 2013**
REPORT FROM:	**DEPUTY LEADER OF THE COUNCIL AND CABINET MEMBER FOR FINANCE & CORPORATE AFFAIRS**
CONTACT OFFICER:	**STEVE KENYON, ASSISTANT DIRECTOR OF RESOURCES (FINANCE & EFFICIENCY)**

TYPE OF DECISION:	**CABINET (KEY DECISION)**
FREEDOM OF INFORMATION/STATUS:	This paper is within the public domain

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SUMMARY:	The report informs Members of the Council's financial position for the period to June 2013 and projects the likely outturn at the end of 2013/14. The report also includes Prudential Indicators in accordance with CIPFA's Prudential Code.
OPTIONS & RECOMMENDED OPTION	Members are asked to note the financial position of the Council as at 30 June 2013, and to approve the s151 officer's assessment of the minimum level of balances.

IMPLICATIONS:

Corporate Aims/Policy Framework:	Do the proposals accord with Policy Framework? Yes.
Statement by the s151 Officer:	The report has been prepared in accordance with all relevant Codes of Practice. There may be risks arising from remedial

action taken to address the budget position; these will be identified by Directors at the quarterly Star Chamber meetings.

Statement by Executive Director of Resources:	Successful budget monitoring provides early warning of potential major overspends or underspends against budgets which Members need to be aware of. This report draws attention to the fact that, based on the most prudent of forecasts, several budget hotspots exist which will need remedial action. Members and officers will be examining these areas in more detail at the Star Chambers. This report is particularly significant as it informs Members of the baseline financial position from which the Council sets its 2014/15 budget.
Equality/Diversity implications:	No
Considered by Monitoring Officer:	Budget monitoring falls within the appropriate statutory duties and powers and is a requirement of the Council's Financial Regulations to which Financial Regulation B: Financial Planning 4.3. (Budget Monitoring and Control) relates. The report has been prepared in accordance with all relevant Codes of Practice.
Are there any legal implications?	Yes
Wards Affected:	All
Scrutiny Interest:	Overview & Scrutiny Committee

TRACKING/PROCESS **ASSISTANT DIRECTOR: Steve Kenyon**

Chief Executive/ Strategic Leadership Team	Cabinet	Overview & Scrutiny Committee	Council	Ward Members	Partners
Yes	**28/8/13**	**4/9/13**			

1.0 INTRODUCTION

1.1 This report informs Members of the forecast outturn for 2013/14, based upon current spend for the period to June 2013, in respect of the revenue budget, capital budget and the Housing Revenue Account.

1.2 Projections are based on current trends, information, and professional judgement from service managers and finance staff.

1.3 The revenue budget projections highlight the fact that budget pressures do still exist in some key areas and it will be necessary to continue to examine options for improving the situation further.

2.0 BUDGET MONITORING PROCESSES

2.1 Reports will be presented quarterly to facilitate close monitoring of spend and implementation of action plans during the year.

2.2 Reports are also presented to the Strategic Leadership Team on a monthly basis. Detailed monitoring information will also be discussed at Star Chamber meetings during the year.

2.3 It is intended that improvements will continue to be made to the budget monitoring process, building on the significant developments implemented over the past few years.

3.0 SUMMARY OF REVENUE BUDGET POSITION

3.1 The table below outlines the annual budget and forecast outturn based upon known factors and the professional views of service managers as at month 3:

Department	Budget £000	Forecast £000	Variance £000
Adult Care Services	52,745	52,841	**+96**
Chief Executives	4,569	5,265	**+696**
Children's Services	31,888	32,334	**+446**
Communities & Neighbourhoods	35,545	35,906	**+361**
Non-Service Specific	22,979	22,249	**-730**
TOTAL	**147,726**	**148,595**	**+869**

3.2 The projected overspend of **£0.869m** represents approximately **0.59%** of the total net budget of £147.726m.

3.3 Members need to be aware that financial reporting involves an element of judgement, and this particularly applies to the treatment of budget pressures. Often an area of overspending identified at this point in the year will resolve itself before the end of the year following appropriate remedial action.

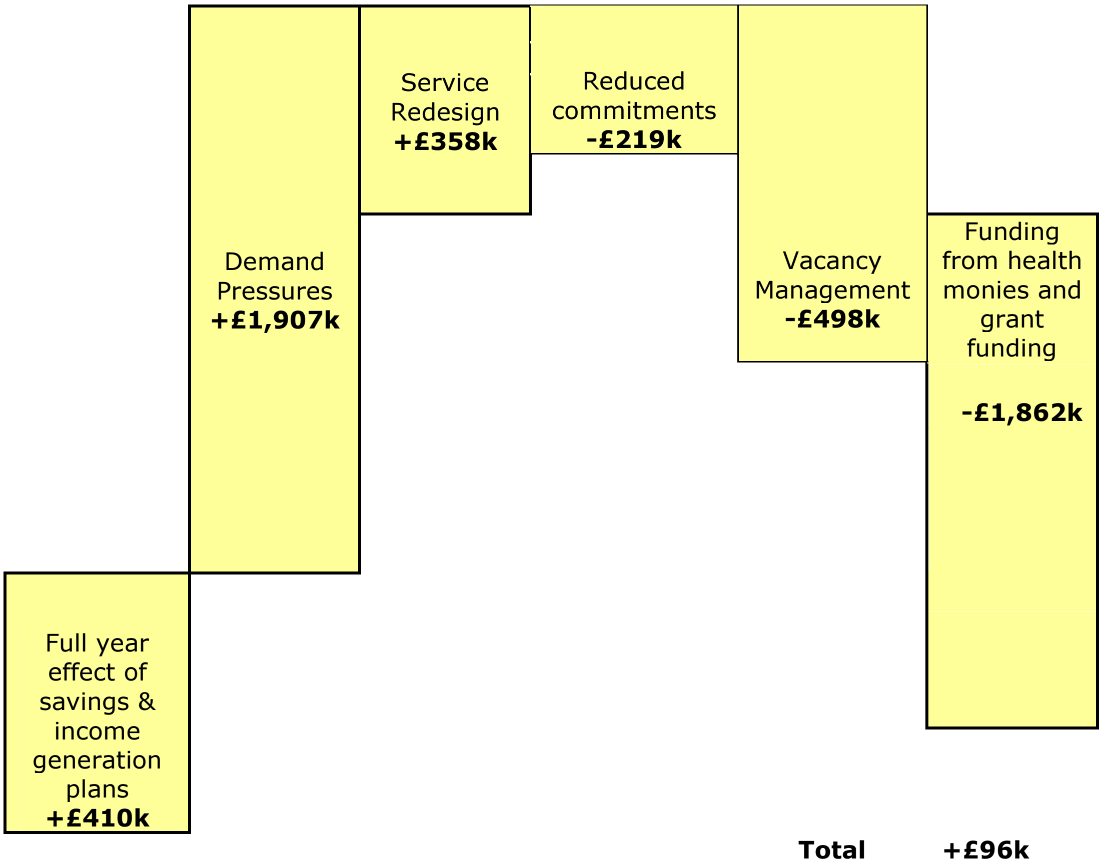
3.4 However it is felt appropriate to alert Members to potential problems at this stage so that they can monitor the situation and take ownership of the necessary remedial action and this is the basis on which the report is written.

4.0 SERVICE SPECIFIC FINANCIAL MONITORING

4.1 ADULT CARE SERVICES

4.1.1 The current projected overspend for Adult Care Services is **£0.096m**, which is 0.18% of the Department's net budget. This is a similar position to the outturn position for 2012/13, which was £0.103m overspent.

4.1.2 Reasons for major variations are illustrated in the chart below;



4.1.3 Further details by service area are outlined below, along with remedial action being taken.

Activity	Variance £'000	Reason	Action Being Taken
Strategic Housing Unit	+108	Historical shortfall in Partner Contribution	Options for addressing this are still under evaluation and should be implemented during 2012/13, to become effective during 2013/14.
Service redesign options	+250	Income shortfall; service redesigns not fully implemented during	A full service review is underway for the Integrated Community Equipment Store, which will determine its future operating structure. The pressure in relation to Seedfield will remain until the full corporate review is completed. In the

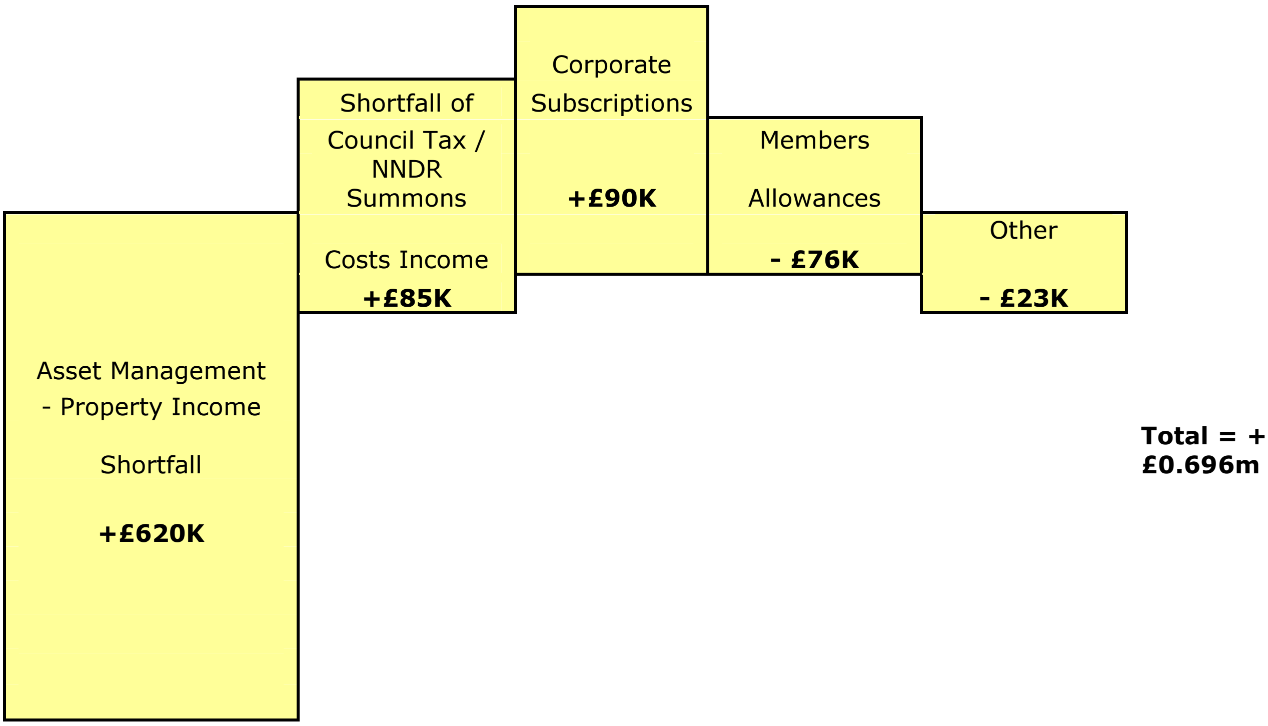
		2013/14	meantime, the overspend will be met temporarily from other areas.
Reduced income in relation to short term residential care	+151	Income shortfall	Contributions from customers in relation to short term residential care have to be calculated differently from contributions in respect of permanent care. This has created a cumulative funding pressure which will be addressed through a thorough review of income budgets under zero based budgeting and review of partner contribution to the Intermediate Care Service
Part year effect of savings	+259	Partner funding	A number of the services being reviewed will depend on contributions from Health and other partners to continue. The rationale for this is that the outcomes from those services are significantly linked with health outcomes and therefore jointly or fully funded by Health. Negotiations are ongoing.
Care in the Community: Older People Adults with Physical Disabilities Adults with Learning Disabilities Adults with Mental Health needs	 +440 +681 +707 +80	Demand Pressures, especially re: home care/ supported living numbers (residential care numbers are reducing)	A range of preventative strategies continue to be introduced to manage this demand, such as reablement, triage, improved screening, 'signposting', and crisis response as well as a programme of training for front line staff around efficient support package planning. In addition, all existing high & medium cost care packages are kept under regular review. Adult Care's Procurement Team efficiencies contribute significantly to keeping spending levels down. Non-recurring health funding is being used in initiatives that should help to reduce the rate of increase of demand, which will be monitored as part of the evaluation process. However, the full benefits of these measures will not appear until future years. 2013/14 shortfall being met by offsetting savings in other service areas.
Reduced commitments	-219	Reduced commitments	There are a number of areas where current projections of social care support are under budget, an example of this is the take up of carers personal budgets. In future this commitment will be used to offset the carers support provided from within

			the community care budget.
Staff Vacancies	-499	Vacancy Management	Combination of gradual recruitment into services recently subject to major restructures, and deliberate holding back in recruiting into non-front line vacancies. There is no correlation between vacancy levels in services and sickness rates.
Use of Health monies and grant funding	-1,862	Funding from health monies and grant funding	Utilisation of historic underspends from Adult Care Specific Grants and a contribution of the Health monies towards the demand pressures within Community Care are ensuring that the net expenditure is balanced in year. Future actions around service redesign and invest to save initiatives will ensure that there is reduced reliance in future on grants and short term solutions to the ongoing issue of demand management.

4.2 CHIEF EXECUTIVE'S DEPARTMENT

4.2.1 The Chief Executive's Department is forecasting an overall overspend of **£0.696m**, or 15.2% of a net budget of £4.569m.

4.2.2 Reasons for major variations are illustrated in the chart below;



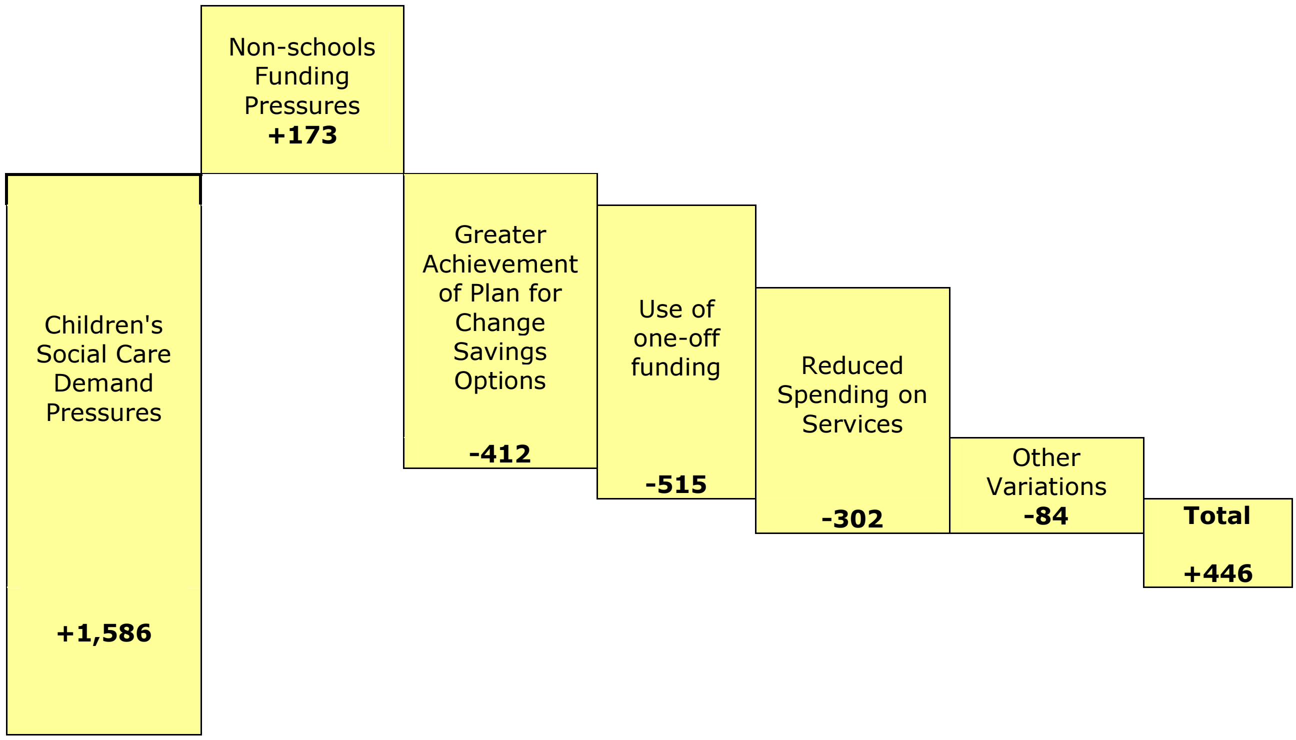
4.2.3 Property Services remains the most significant pressure facing the Department, off-set by other savings, as follows;

Activity	Variance £'000	Reason	Action Being Taken
Property Services	+620	Shortfall in income due to reduced occupancy levels.	Although most of the units at Bradley Fold that were vacated in 2011/12 have now been re-let, rents are significantly lower than what were achieved before the economic downturn. A number of units which were previously let are in the process of being demolished owing to their poor condition. A business case for the construction of new accommodation is being developed. The accounts for the Mill Gate Centre have been scrutinised in detail to ensure that all monies properly due to the Council are being paid and this will be an ongoing process.
Corporate Subscriptions	+90	Payments to AGMA are forecast to overspend by £90,000 in 2013/14 (compared with £70,000 in 2012/13). The increase of £20,000 is mainly due to the "Public Sector Reform" element of the subscription.	Monitoring of the value obtained to the Council from the AGMA subscription compared with the cost.
Summons Costs	+85	Summons costs income for council tax and business rates are forecast to under-recover against historically high income budget targets.	Internal measures being taken to improve the income recovery rate.
Members Allowances	-76	Reductions in the level of Special Responsibility Allowances paid to Members continue to result in this forecasted underspend.	To be used to assist in reducing the estimated overspend within the department.
Other Variations	-23	Various minor underspends	To be used to assist in reducing the estimated overspend within the department.

4.3 CHILDREN'S SERVICES

4.3.1 The overall Children's Services budget is currently projecting an overspend of **£0.446m**, or 1.40% based on net budget of £31.888m.

4.3.2 Reasons for major variations are illustrated in the chart below;



4.3.3 Further details of the major variations are provided in the table below:

Activity	Variance £'000	Reason	Action Being Taken
Home to School Transport	+84	Increased demand and unfunded price increases	The committed expenditure for the remainder of the academic year was greater than the budget after the Plan for Change savings were made. A change in eligibility will help contain the overspending, however until the new academic year begins it is difficult to accurately predict the financial effect.
School Attendance	-40	Increased income and staff changes	Projecting an underspending as a result of penalty notice income, additional buy-back of service by schools and a member of staff reducing their working hours.

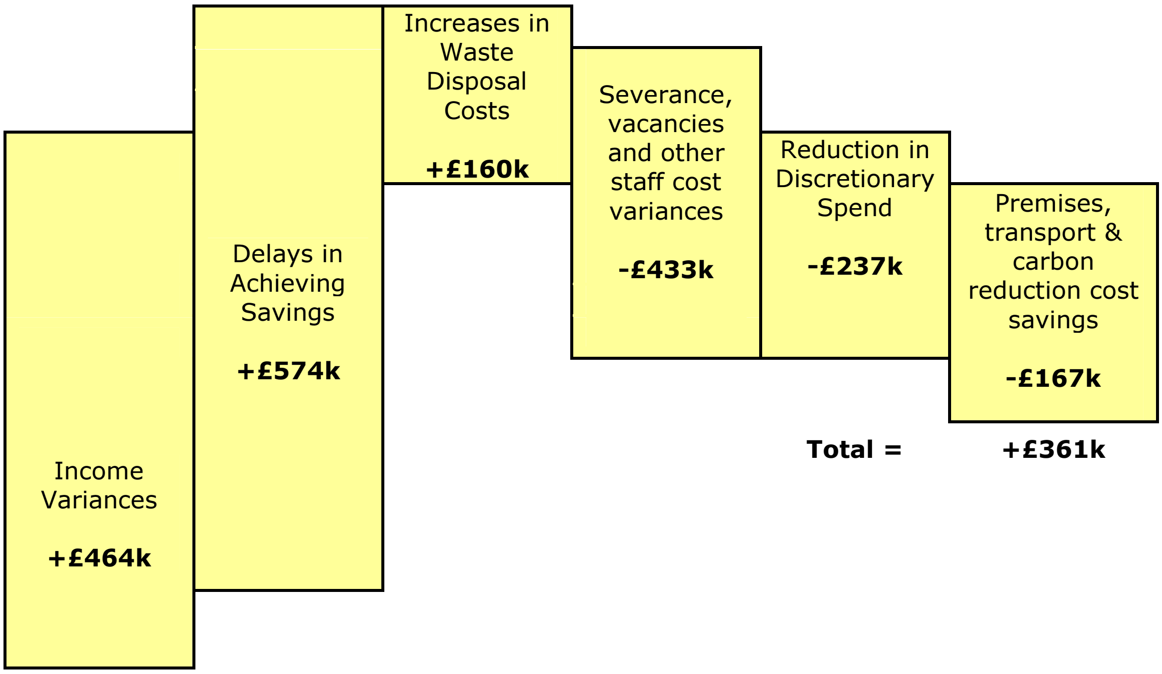
Youth Service	+70	There is an ongoing shortfall on the salary budget, an increase in the rates bill and computer software licences.	The 2012/13 overspending is being funded by savings from elsewhere within the Learning Division (see below).
Early Years including Children's Centres	-120	Non-filling of staff vacancies and reduced spending	The forecast underspend is based on 2012/13 spending levels and will require Early Years and associated children's centres to maintain this level of spending.
Connexions	-42	Underspend due to maternity leave not being covered.	The reduced spending is being used to contribute to the forecasted overspending in the Youth Service.
Leaving Care	+440	Spending on housing and further education of 19+ students who have now left our care	Spending on housing for children with complex needs and those living in semi-independent placements has increased by £485,000. The semi-independent placements cost between £40,000 and £50,000 each for a full year.
Short Breaks	-100	Savings on particular projects	The savings identified in the current financial year in preparation for the approved 2014-15 savings target.
Use of previous year's monies	-515	Previous years' underspending of external grant monies brought forward	During 2012/13 Children's Services took action to reduce spending in particular areas, including many supported by external grants as well as utilising underspendings on some externally funded schemes that now no longer exist . These unspent monies were brought forward into 2013/14 and are being used to offset some of the demand pressures afflicting the department.

Demand pressures - Children's Agency Placements	+1,147	Continuing increased Demand	The continuing overspend has decreased from the projected £2+ million overspending during the corresponding period in 2012/13. A range of preventative strategies have/are being introduced to try to minimise future spending, with all high and medium cost care packages being rigorously reviewed. It is estimated that during the forthcoming months this overspend will continue to reduce the cost burden on this highly volatile budget. However, there is no guarantee that the total expenditure will be reduced as unknown future demand pressures could have a significant impact on the budget. Children's Services constantly strive to minimise the costs of each placement, which are amongst the lowest in the north-west, but it is extremely difficult to contain a budget that is subject to such significant and variable demand pressures.
Strategic Management	-412	Continued maximisation of external grant funding as part of the Plan for Change arrangements	Making optimum use of grant funding to contribute to the Plan for Change savings targets, and also to mitigate the Department's demand pressures.
Other Services	-66	Staff vacancies and reduced spending on various services	Already being implemented.

4.4 COMMUNITIES AND NEIGHBOURHOODS

4.4.1 The department is currently projecting an overspend of **£0.361m,** or 1.01% of the latest net expenditure budget of £35.545m. The forecast allows for one-off severance costs estimated at £0.153m.

4.4.2 Reasons for major variations are illustrated in the chart below;



4.4.3 Further details are provided in the table below;

Activity	Variance £'000	Reason	Action Being Taken
Income variances	+464	Adult learning grant & fees £21k School library service reduced buy back £31k Grant funding of arts salaries (£26k) Library income shortfall £34k Planning & Building regulations income £129k Parking income shortfall £162k Refund re Millgate car park (£103k) Civic Halls surplus below target £100k Shortfalls on bulky waste income 48k, and trade waste income £169k Emergency & security service	Reduce spend levels (see below) Review level of service provision required by schools in light of reduced buy-back Use to offset overspends Reduce spend levels (see below) Budget adjustment of £137k in 2013/14; limit expenditure. Offset by one-off refund and other reductions in spend Continue to market & promote service and assess income from events. Offset by underspends elsewhere in the department Balanced by spend reductions (see below) Maintain income levels & control spend

		exceeding surplus targets (£30k) Increased income on catering and cleaning services (£270k) Net shortfall in depot income since vacation by STH £36k Architects reduced surplus £218k Other variances (£55)	 Will be reduced when Fernhill operations relocate to Bradley Fold and surplus premises disposed of Although the service covers its cost the reduction in fee levels and reduced capital programme limit the ability to meet the surplus target. Ongoing review of work and fee levels. Offset by underspends elsewhere in the department
Delays in achieving savings	+574	Libraries - phase 1 staff savings not fully implemented £36k Highways - delay in staffing changes £11k and management restructure £30k; non achievement of school crossing patrol income target £50k Highways car parking –introduction of Sunday charges and 15 min parking for part year £13k Destination management - £34k from rescheduled introduction of proposals Waste Management - extra £400k savings target not yet achieved	Offset by savings from vacancies and meet full PFC target in phase 2 Bring forward proposals to meet savings targets as early as possible Changes now implemented; monitor impact on income levels Introduction of changes ongoing Review of waste levy budgets and savings targets
Increases in waste disposal levy costs	+160	Forecast extra waste disposal levy charges - residual & recycling waste tonnage not achieving targets,	Continue to promote recycling activity; reduce residual waste by introducing recycling bins for litter and encourage recycling for commercial waste customers & school kitchens. Review and update enforcement policies/action

Severance, vacancies and other staff cost variances	-433	One off severance costs £153k, offset by provision in budget for severance costs (£200k) Adult learning salary savings in response to reduced income (£30k) Library posts held vacant in preparation for PFC savings (£121k) Planning salary savings to reduce net loss of income (£38k) Underspendings on waste management employee costs (£160k) Estimated increase in employers superannuation costs from introduction of auto-enrolment £40k Transport services staff costs & overtime (£45k) Underspends on management & administration staffing (£32k)	Monitor spend against budget Use savings to offset overspends
Reduced discretionary spend	-237	Adult Learning exam fees, utility costs and supplies £32k Underspend on library supplies to offset income shortfall (£23k) Additional costs for AGMA units £27k Underspend on caddy liners (£158k) Underspend on office supplies & expenses (£27k) underspend on unallocated budgets in DCN contingency account (£111k) Other minor variances £22k	Use savings to offset overspends
Premises, transport & CRC cost savings	-167	Car parks underspends on rates and surface water drainage costs (£43k) Waste management transport & fuel costs exceeding budget £38k Cost of CRC allowances below budget provision (£45k) Provisional estimate of part year saving from vacating Castle Buildings & Athenaeum House as part of office accommodation moves (£30k) Part year savings from Fernhill move to Bradley Fold (£35k) Underspends on transport repairs, hire & leasing costs (£72k) Other variances £20k	Use savings to offset overspends

4.5 NON-SERVICE SPECIFIC

4.5.1 There is a forecast net underspend of **£0.730m**, or 3.34% based on net budget of £21.842m. This relates primarily to the Council's Treasury Management activity (see section 8.0 for further details) and an increased dividend of £400,000 due to the revaluation of Manchester Airport on the acquisition of Stansted Airport.

5.0 CAPITAL BUDGET

5.1 Capital Programme

5.1.1 The revised estimated budget for the Capital Programme 2013/14 at the end of June, Month 3 of the year is shown in the table below:

2013/14	£million
Original Capital Programme	16.483
Approved Slippage from 2012/13	13.772
In year additions and other contributions	5.092
Re-profiled projects into 2014/15	(2.287)
Revised Budget for Year at Quarter 1	**33.060**

5.1.2 The expenditure and funding profile for the Capital Programme together with a detailed breakdown of the Original Approved Programme, the Revised Estimate, Forecast Outturn, Actual Spend up to end of Month 3, and the estimated under/over-spend of the capital programme for 2013/14 is shown in Appendix A.

5.1.3 Members should note that given the complexity and size of some of the larger schemes currently in the Council's Capital Programme the information received from budget holders can vary significantly from one quarterly report to the next and should be read in this context.

5.1.4 At the end of Quarter1, a total of **£2.287m** of the 2013/14 budget has been identified for re-profiling to 2014/15. Most of this amount is attributed to Children Services Projects where the schemes are funded mainly by grants from Department of Education to a total of £2.046m. The remainder is attributable to Highways Traffic Calming schemes with a total of £0.229m and a further £0.012m on the Planning Environmental Projects towards the ELR that was deferred into 2014/15.

5.2 Expenditure

5.2.1 The Forecast Outturn as at Month 3 is indicated to be **£33.149m** and Budget Managers have reported that they expect to spend up to this amount by 31 March 2014.

5.2.2 The actual expenditure realised by the end of Month 3 is reported at a total of **£2.177m**.

5.2.3 The main areas of spend in the first quarter relate to:

- Property Redevelopment Schemes £0.463m

- Property Sale of surplus sites £0.210m
- Children's Services - £0.406m
- Highways Schemes - £0.216m
- Planning Schemes - £0.180m
- Disabled Facilities and Adaptations grants - £0.197m
- Housing Public Sector - £0.164m

5.3. Variances

5.3.1 Appendix A gives details of variances for each scheme based on latest available information as supplied by budget managers and at Month 3 shows a predicted overspend for the Programme of £0.089million. The amount is not material in relation to the size of the programme and the schemes that are forecasted to overspend are monitored and analysed by budget managers. A remedial action if required will be taken as soon as the schemes' details for expenditure and funding availability are finalised.

5.3.2 Brief reasons for all variances are provided in Appendix A attached with the report.

5.4 Funding

5.4.1 The funding profile included in Appendix A shows the resources available to cover the capital programme during 2013/14.

5.4.2 The principal source of funding for Capital schemes approved for the 2013/14 programme is made of external resources together with resources unspent and carried forward from previous years. The Council and Cabinet have also approved Invest to Save schemes supported by the Council's own resources of **£2.5m** for the year.

5.4.3 The position of the capital receipts and borrowing as at the end of Month 3 is reported below. The figures in the table show the total funding requirement for the revised estimated capital programme and the expected resources to be supported by the Council as at the end of Quarter 3 of the year.

2013/14 Use of Council Resources for Capital Investment	**£m**
Revised Capital Programme for the year	33.060
Use of external funding and contributions	26.636
Balance of programme relying on Council resources	**6.424**
Use of Capital receipts and earmarked reserves	1.059
Use of Prudential Borrowing (2013/14 approved Invest to Save schemes)	3.936
Use of Prudential Borrowing (2012/13 schemes brought forward)	1.429
Total Council Resources used to support the Capital Budget for Year	**6.424**

5.5 Capital Programme Monitoring

5.5.1 The programme will be monitored closely during the year to minimise potential slippage into 2014/15. Departmental representatives will examine and confirm any action necessary to ensure that slippage into the following years is at its minimum.

6.0 HOUSING REVENUE ACCOUNT

6.1 The Housing Revenue Account (HRA) relates to the operation of the Council's housing stock and can be viewed as a landlord account. It is required by statute to be accounted for separately within the General Fund and is therefore effectively ring-fenced.

6.2 The latest estimates show a projected surplus (working balance carried forward) of £1.000m at the end of 2013/14. The projected outturn shows a working balance carried forward of £0.948m.See Appendix D.

6.3 There are a number of variations that contribute to the projected outturn position however there are no areas where the variance exceeds 10% and £50k.

6.4 The two main impacts on the HRA year end balance are normally ***void levels*** and the ***level of rent arrears***, but levels of ***Right to Buy sales*** can also be a major influence on the resources available.

***Voids*:**
The rent loss due to voids for April to June was on average 1.73% compared to a void target level set in the original budget of 1.8%. If this level continues for the rest of the year there would be an increase in rental income of around £0.020m; the projection of rental income in Appendix D has been calculated on this basis.

Six Town Housing have established a 'Voids Team' which brings together existing staff to focus on improving performance.

Arrears:
The rent arrears at the end of June totalled £0.854m, an increase of 4.7% since the end of March. Of this total £0.322m relates to former tenants and £0.532m relates to current tenants.

The Council is required to make a provision for potential bad debts. The contribution for the year is calculated with reference to the type of arrear, the amount outstanding on each individual case and the balance remaining in the provision following write off of debts.

The 2013/14 HRA estimates contain two provisions, £0.181m for uncollectable debts and £0.422m to reflect the potential impact that welfare benefit changes could have on the level of rent arrears.

The assessment of the impact of benefit changes is ongoing and the method of calculating the contribution required is being reviewed therefore the projected outturn has not been amended at this stage.

Right to Buy Sales:

Sales of dwellings declined significantly in recent years, from a peak of 243 in 2003/04 to only 7 sales in 2009/10. There were 18 sales in 2010/11,12 in 2011/12 and 13 last year.

The forecast for 2013/14 was set at 37, this being the level of sales assumed for Bury in the Government's self–financing valuation.

From April 2012 the maximum Right to Buy discount increased from £26,000 to £75,000.

The number of sales has a direct effect on the resources available to the HRA – the average full year rent loss for each dwelling sold is around £3,700.

6.5 There have been 11 sales in the period April to June which reflects the higher number of applications received in 2012/13 than in previous years. The level of applications and sales is being monitored and the rental income projections will be revised at the end of the second quarter if sales are expected to exceed forecast.

7.0 PRUDENTIAL INDICATOR MONITORING

7.1 It is a statutory duty for the Council to determine and keep under review the "Affordable Borrowing Limits". The authority's approved Prudential Indicators (affordability limits) for 2013/14 is outlined in the approved Treasury Management Strategy Statement.

7.2 The authority continues to monitor the Prudential Indicators on a quarterly basis and Appendix C shows the original estimates for 2013/14 (approved by Council on 20 February 2013) with the revised projections as at 30th June 2013. The variances can be seen in the Appendix together with explanatory notes. The Prudential Indicators were not breached during the first three months of 2013/14.

8.0 TREASURY MANAGEMENT

8.1 Investments:

8.1.1 At the 30th June 2013 the Council's investments totalled £47.4 million and comprised:-

Type of Investment	£ Million
Call Investments (Cash equivalents)	37.8
Fixed Investments (Short term investments)	9.6
Total	**47.4**

8.1.2 All investments were made in line with Sector's suggested credit worthiness matrices and the approved limits within the Annual Investment Strategy were not breached during the first quarter of 2013/14.

8.1.3 The Council has earned the following return on investments:

Quarter 1 0.95%

8.1.4 This figure is higher than Sector's benchmark return of 0.90% for the year.

8.2 Borrowing:

8.2.1 External borrowing of £5 million was undertaken in the quarter to 30th June 2013.

8.2.2 This was a loan, taken over 3 years, to take advantage of low interest rates. The loan was required to partly replace a more expensive longer tem loan, which had matured in February.

8.2.3 The overall strategy for 2013/14 is to finance capital expenditure by running down cash/investment balances and taking shorter term borrowing rather than more expensive longer term loans. With the reduction of cash balances the level of short term investments will fall. Given that investment returns are likely to remain low for the financial year 2013/14, then savings will be made by running down investments and taking shorter term loans rather than more expensive long term borrowing.

8.2.4 It is anticipated that further borrowing will be undertaken during this financial year.

9.0 MINIMUM LEVEL OF BALANCES

9.1 The actual position on the General Fund balance is shown in the following table:

	£m
General Fund Balance 31 March 2013 per Accounts	**10.730**
Less : Minimum balances to be retained in 2013/14 Less : Contribution towards cost of Equal Pay Less : Forecast overspend	-4.400 -1.500 -0.869
Available balances at 1 April 2013	**3.961**

9.2 Based on the information contained in this report, on the risk assessments that have been made at both corporate and strategic level, on the outturn position for 2013/14 and using information currently to hand on the likely achievement of savings options, it is clear that there is no reason to take the minimum level of balances above the existing level of £4.400m.

9.3 In light of the above assessment it is recommended that the minimum level of balances be retained at **£4.400m**.

9.4 Members are advised that using available balances to fund ongoing expenditure would be a breach of the Council's Golden Rules. Likewise, Members are advised that the Authority faces significant funding reductions in the future, and balances are likely to be required to fund one-off costs of service transformation.

10.0 EQUALITY AND DIVERSITY

10.1 There are no specific equality and diversity implications.

11.0 FUTURE ACTIONS

11.1 Budget monitoring reports will continue to be presented to the Strategic Leadership Team on a monthly basis and on a quarterly basis to the Cabinet; Overview & Scrutiny Committee; and Audit Committee.

11.2 Star Chambers have been diarised for Quarters 1, 2 & 3 with Q1 meetings scheduled to take place throughout August and September 2013.

Councillor John Smith, Deputy Leader of the Council and Cabinet Member for Finance & Corporate Affairs

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List of Background Papers:-

Finance Working Papers, 2013/14 held by the Assistant Director of Resources (Finance & Efficiency).

Contact Details:-

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