

REPORT OF THE SERVICE DIRECTOR - FINANCE & PROCUREMENT

DRAFT MANAGEMENT ACCOUNTS 2013/14

Purpose of the Report

- 1.1 To inform the Committee of the year end position for the 2013/14 draft Management Accounts
- 1.2 To request that the Committee:
 - a) Recommend the carry forward of £2.2m of underspends into 2014/15 for approval by County Council
 - b) Recommend the transfer from County Fund Balances of £13.0m, for approval by County Council
- 1.3 To inform the Committee of the position on other reserves of the authority
- 1.4 To inform the Committee on the year end position for the 2013/14 capital programme and its financing
- 1.5 To request approval of variations to the capital programme.

Information and Advice

2. Background

- 2.1 The financial position of the County Council has been monitored throughout the financial year, with monthly reports to Corporate Leadership Team and this Committee providing an update of progress, thus ensuring decision makers had access to financial information on a timely basis. At the Finance and Property Committee meeting of the 28 April 2014, Members were informed of the forecast as at period 11. This report is the draft out-turn for 2013/14; the final figures will be confirmed at the County Council meeting on the 11 July.

3. Summary Financial Position

- 3.1 Through continued prudent financial management, Committee budgets have achieved a net underspend of £3.7m or 0.7% of net Committee budgets (corresponding figures for 2012/13 were £3.8m and 0.7%). This compares to a period 11 forecast of £11.8m, the major variance is that departments have now been allocated the costs of redundancy, which had previously been reported under Central Items. Carry Forward requests totalling £2.2m have been submitted to support key areas as detailed in Appendix B (£1.4m in 2012/13).
- 3.2 The net total for restructuring costs is £10.1m (of which 0.9m relates to trading activity). In line with accounting practice, each year a provision is made for estimated costs that are due to fall in the following year based on published Section 188 notices. The provision that was released for 2012/13 into 2013/14 was £1.3m, the corresponding figure set aside for in 2013/14 is £6.6m.

- 3.3 In the budget report to County Council in February, there was an assumption that a contribution to the Council's Capital Projects Reserve of £3m would be made. This will help to reduce future borrowing costs.
- 3.4 The level of County Fund balances, subject to approval by County Council, will reduce by £13.0m to £29.1m, this is £2.2m higher than originally planned.
- 3.5 The detailed figures are summarised in the appendices to this report, Table 1 shows the summary revenue position of the County Council.

Table 1 – Summary Financial Position

Committee	Final Budget £'000	Draft Out-turn £'000	Draft Variance £'000
Children & Young People	158,125	156,820	(1,305)
Adult Social Care & Health	215,199	215,413	214
Transport & Highways	64,038	64,726	688
Environment & Sustainability	29,287	29,172	(115)
Community Safety	4,070	3,930	(140)
Culture	15,589	15,319	(270)
Policy	32,477	29,726	(2,751)
Finance & Property	29,811	30,228	417
Personnel	3,152	2,876	(276)
Economic Development	1,724	1,592	(132)
Public Health *	-	-	-
Net Committee total	553,472	549,802	(3,670)
Schools Budgets	1,010	(8,672)	(9,682)
School Statutory Reserve	-	9,682	9,682
Net Schools total	1,010	1,010	-
Trading Services	(634)	(634)	-
Central Items	(12,591)	(22,370)	(9,779)
Net expenditure prior to Corporate reserves	541,257	527,809	(13,448)
Carry Forwards from 2012/13	(1,350)	(1,350)	-
Proposed C/Fwds to 2014/15	-	2,218	2,218
PFI Reserves	872	496	(376)
Improvement Programme	(6,226)	(4,557)	1,669
Pay Review Reserve	(1,000)	(269)	731
Earmarked Reserves	(4,476)	(4,518)	(42)
Trading Activity capital adjustment	1,318	2,296	978
Capital Projects Reserve	-	3,000	3,000
Redundancy Reserve	(3,119)	-	3,119
Net transfer to/(from) Corporate reserves	(13,981)	(2,684)	11,297
Transfer to / (from) General Fund	(15,138)	(12,987)	2,151
Net County Council	512,138	512,138	-

*Public Health expenditure is funded in full by a ring-fenced grant of £35.1m. The underspend (£4.9m) will be transferred to an earmarked reserve at year end, to ensure the full grant is spent on Public Health priorities.

4. Committee & Central Items

The overall net underspend within the Committees is £3.7m, which is 0.7% of the net Committee budgets. The principal reasons for the variations are detailed below.

4.1 Children & Young People (£1.3m underspend, 0.8% of Committee budget)

The Committee has funded £3.2m of redundancy costs that had previously been reported under Central Items in the monthly budget monitoring forecasts. The net underspend consists of the following major variances:

- £4.8m on external placements for Looked After Children (LAC) due to estimated growth not materialising
- £0.5m on Children's Disability Service
- £0.6m on Support to Schools
- £0.4m on School Transport Policy
- £0.2m on Joint Use resulting from reduced demand, primarily due to academies
- £0.5m in Early Years and Early Years Intervention due to savings in pre-contract costs, transition budgets, NCFP pensions costs and NCC staffing
- £0.4m in Targeted Support and Youth Justice predominantly due to vacancies

This is offset by the following significant overspends:

- £1.5m on staffing in social work fieldwork staffing, due to the need to use agency staff to cover vacancies
- £0.8m Home to School Transport due to budgets not increasing in line with growth in the LAC population and additional Special Education Needs requirement
- £0.4m within Financial Support to Special Guardian budgets as the growth in these placements exceeded estimates
- A net overspend of £0.3m across all other areas of the division

4.2 Adult Social Care and Health (£0.2m overspend, 0.1% of Committee budget)

The Committee has funded £3.0m of redundancy costs that had previously been reported under Central Items in the monthly budget monitoring forecasts. The net overspend consists of the following major variances:

- The Corporate Director Division has reported an underspend of £0.5m due to additional Community Voices Reform grant.
- The Promoting Independence Division has reported a net underspend of £0.3m, due to £1.7m underspend on the National Welfare Assistance Fund, offset by £1.4m of overspends across the Adult Access Service, Reablement & Intermediate Care and Emergency Night Response Service.
- The Joint Commissioning Division has reported an overspend of £2.6m. This is comprised of a shortfall of £3.0m in Client Contribution Income, offset by underspends on Joint Commissioning and in Business Change and Support.
- The Younger Adults Division has reported a net underspend of £1.4m. This is primarily due to a £1.6m underspend in Day Services due to underspends on staffing and running costs, a £1.5m surplus on Continuing Health Care income due to a concerted effort to chase outstanding agreements, and a £0.6m underspend in the Short break units due to underspends on staffing and increased income. This is offset by a £2.3m overspend on Community Care budgets for Disability Services, primarily Long Term Care and Direct Payments.

- The Older Adults Division has reported a net underspend of £0.2m. This is comprised of an underspend of £1.7m in the Care and Support Centres, a £0.3m surplus on Continuing Health Care income due to a concerted effort to chase outstanding agreements and a continued underspend of £0.5m across Day Care and Supported Accommodation. This has been offset by an overspend of £2.2m on Direct Payments and £0.1m on Short Term Care.

Earmarked Reserves

The budget contained a planned net use of £8.4m of earmarked reserves to fund specific projects and posts within the department. There has been some delay and slippage with these projects and posts, so the actual use of these reserves is £4.2m.

In addition the County Council received additional income of £10.1m from Health partners in the form of Section 256 agreements for specific purposes. This has been transferred into earmarked reserves, resulting in an overall net addition of £5.9m into earmarked reserves.

4.3 Transport & Highways (£0.7m overspend, 1.1% of Committee budget)

The Committee has funded £0.6m of redundancy costs that had previously been reported under Central Items in the monthly budget monitoring forecasts.

4.4 Environment and Sustainability (£0.1m underspend, 0.4% of Committee budget)

The Committee has funded £0.1m of redundancy costs that had previously been reported under Central Items in the monthly budget monitoring forecasts.

4.5 Community Safety (£0.1m underspend, 3.4% of Committee budget)

The Committee has funded £0.2m of redundancy costs that had previously been reported under Central Items in the monthly budget monitoring forecasts. The net underspend is mainly due to underspends in Trading Standards due to staffing vacancies and reduced spend on books and subscriptions.

4.6 Culture (£0.3m underspend, 1.7% of Committee budget)

The Committee has funded £0.4m of redundancy costs that had previously been reported under Central Items in the monthly budget monitoring forecasts. The net underspend consists of the following major variances:

- £0.3m underspend in the Sports & Arts in the Community service, a carry forward request for Olympic Legacy funding has been submitted
- £0.3m underspend on Country Parks, largely due to increased income (resulting from good weather at key times of year) and a vacant Group Manager post.

4.7 Policy (£2.8m underspend, 8.5% of Committee budget)

The Committee has funded £0.7m of redundancy costs that had previously been reported under Central Items in the monthly budget monitoring forecasts. The net underspend consists of the following major variances:

- £0.7m due to staff vacancies in Business Support and Customer Services Centres;
- £0.7m due to staff vacancies and reduced expenditure on publications and printing costs in Corporate Strategy and Communications & Marketing;
- £0.2m underspend regarding members allowances and hospitality;

- An underspend of £1.7m in the Improvement Programme relating to slippage in the Ways of Working programme and ICT spend being less than anticipated (£0.5m), together with underspends due to project delays and slippage on the Schools Phase 2, and some departmental transformation projects. The Improvement Programme has always been funded by an earmarked reserve and as such this slippage will be carried forward into 2014/15.

4.8 Finance and Property (£0.4m overspend, 1.4% of Committee budget)

The Committee has funded £0.9m of redundancy costs that had previously been reported under Central Items in the monthly budget monitoring forecasts. The net underspend is mainly due to staffing savings within Finance & Procurement, following the restructure.

4.9 Personnel (£0.3m underspend, 8.7% of Committee budget)

The Committee has funded £0.1m of redundancy costs that had previously been reported under Central Items in the monthly budget monitoring forecasts.

4.10 Economic Development (£0.1m underspend, 7.7% of Committee budget)

No redundancy costs have been incurred within this Committee. A report regarding the Youth Employment Strategy was considered by the Economic Development Committee on 17 October 2013. This recommended the re-programming of £0.5m to 2014/15 and 2015/16 and an earmarked reserve has been created. In addition, there has been some slippage on some projects and initiatives.

4.11 Public Health net nil ringfenced grant

The responsibility for providing Public Health services transferred to the County Council from 1 April 2013. Expenditure in this area is met in full by a government grant of £35.1m, however an underspend against this funding of £4.9m has occurred. This has primarily arisen as the contingency that was set aside to provide for the transition was not required, and several of the proposed developments were put on hold whilst a review of the budget was completed. As previously reported, the balance will transfer to an earmarked reserve to ensure the full grant is spent on Public Health priorities.

5 Carry Forwards

The Council has a carry forward protocol which enables planned savings to be carried forward into the following financial year to support Committee priorities. This approach encourages rigorous financial management and budgetary control whilst at the same time providing a degree of flexibility for budget managers. In accordance with this protocol, carry forwards of £2.2m have been requested to support priority areas within Committee budgets in 2014/15. The details are set out in Appendix B.

6 Central Items (£9.8m underspend)

Central Items primarily consists of interest and payments on cash balances and borrowing, together with various grants and contingency. Key variances are outlined below.

6.1 Contingency (£6.2m underspend)

The 2013/14 contingency budget was originally set at £5.0m, split between redundancy (£3.0m) and general contingency (£2.0m). During the 2014/15 budget challenge process, one-off surplus budget was identified which related to previous years budget pressures that had not materialised. This was transferred to the general contingency. Requests of £0.5m received approval in year through the budget monitoring report. A full list of

individual schemes is included at Appendix C. The costs of redundancy are included within the Committees in Table 1 above.

6.2 Interest (£1.9m underspend)

The underspend is partly caused by a net reduction in interest payable, due to a reduced need to undertake additional borrowing in the current year, as a result of delays in the phasing of the capital programme.

In addition, close monitoring of interest rates throughout the year has ensured borrowing was undertaken at appropriate points of interest rate fluctuations. Similarly, careful management of cash flow, has ensured that the Council has achieved an investment rate of 0.9%. This is above the benchmark 7 day LIBID rate of 0.4%.

6.3 Statutory Provision for Debt Redemption (£1.2m overspend)

The budget included an estimate of the Minimum Revenue Provision (MRP) that was based on the assumption that the mix of assets types on which capital expenditure would be incurred would be similar to that of previous years. This was not the case and as a result MRP was £1.2m more than had been forecast.

6.4 Government Grants (£2.3m underspend)

Several non-ring fenced grants sit centrally, but values are not normally confirmed until after the budget is set in the February of each year.

The Education Services Grant was a new funding stream in 2013/14, replacing the previous grant structure of Local Authority Central Spend Equivalent Grant (LACSEG). An estimated rate, per estimated pupil numbers, reduced by assumed academy conversions was included in the budget. However, the final funding received was a reduction of £1.5m from what had been anticipated. This has been reflected in the 2014/15 budget and the Council's Medium Term Financial Strategy (MTFS).

The Local Services Support Grant is only confirmed on a year by year basis and is not anticipated when the budget is set. An additional £0.6m was received in year, contributing to the overall underspend reported.

Following the changes to Council Tax Benefit and the new Localised Council Tax Support scheme, a transition grant was awarded to authorities where the policy of the billing authorities met certain national criteria. As this was outside of the control of the County Council, no expectation was included in the budget report, and therefore the £0.9m grant has also contributed to the overall underspend reported.

As reported in the budget monitoring report, the establishment of the new Business Rates mechanism has led to additional one-off income in the current year of £1.5m.

On 27th March 2014, the Department for Communities and Local Government (DCLG) made a payment of £0.8m to the Council. This was a reallocation of money that had originally been topsliced from the national Revenue Support Grant, for authorities to bid for. Bids had not been as high as DCLG had originally estimated, and therefore the balance has been redistributed. As this was announced late in the year this receipt has not been expected in the budget monitoring or reported to Members before now.

7 Movements on Balances and Reserves (for detail please refer to Appendix D)

7.1 General Fund Balances

The Council meeting on 28th February 2013 approved the use of £15.1m of General Fund Balances. Given the underspend that has been achieved, it is recommended that £13.0 is drawn down. Subject to Council approval, the closing balance of the Councils General Fund will reduce from £42.1m to £29.1m.

7.2 Other Earmarked Reserves

At the end of 2013/14 the total of other 'earmarked' reserves stood at £140.9m, a reduction of £7.3m since 31 March 2013. This consists of the following:

- **PFI Reserves**

£32.3m of reserves are held for PFI schemes, this equates to 23.3% of other earmarked reserves. The arrangements for calculating PFI grant result in more grant being received in the early years of a PFI scheme than is needed to meet the payments to providers of the service. These surpluses need to be kept in an earmarked reserve to cover the corresponding deficits in later years. The amounts set aside at the end of 2013/14 are shown in Table 2 below.

Table 2 – PFI set aside as at 31/03/2014

PFI Scheme	£'000
East Leake Schools	3,079
Bassetlaw Schools	620
Waste	28,648
Total	32,347

- **Insurance Reserve**

The Authority operates a self-insurance scheme and covers risks up to an agreed amount. External insurers cover risks in excess of this figure. The Insurance Reserve is set aside to cover possible insurance claims losses that are not yet known about. The closing balance of this reserve is expected to be £10.8m.

- **Capital Projects Reserve**

The Capital Projects Reserve has been built up over a number of years to support current and future capital commitments, thereby reducing reliance on borrowing and the associated repayment costs. As identified in Table 1 above, a contribution of £3.0m has been made in line with the proposals contained in the Council's Budget report. £11.9m has been used to finance the current years capital programme. As at the 31 March 2014, the balance on the Capital Projects Reserve is therefore £21.2m.

- **Improvement Programme (including Ways of Working)**

When it was initially approved, the Improvement Programme had a revenue allocation of £21.3m over the five years between 2009/10 and 2013/14. Since then additional funding has been set aside for one off schemes, primarily Ways of Working, and the spending profile of the Programme was extended.

Expenditure for 2013/14 totalled £5.2m, an underspend against the budget of £1.7m. For this reason, there was a reduction in the use of the Improvement Programme reserve. The closing balance on the reserve for 2013/14 would therefore be £6.8m, made up of £3.8m

for the Improvement Programme itself, and £3.0m for Ways of Working. However, the Budget Report (Council, 27/2/2014) approved the establishment of a Strategic Development Fund (SDF), funded in part by the remaining balance of this reserve. The £3.8m has therefore been transferred into the new SDF reserve, the £3.0m Ways of Working reserve will be utilised in 2014/15 and 2015/16.

- **Life Cycle Maintenance**

The Life Cycle Maintenance Reserve was created to spread the cost of maintaining new buildings. However, due to the Council's savings requirement, other priorities have taken precedence in subsequent budget setting processes. In the Budget Report (Council, 27/2/2014) approval was given to re-designate this reserve to support the newly established Strategic Development Fund. The balance of £4.2m was therefore transferred and this reserve is now closed.

- **Trading Activities**

The principal purpose of the Trading Activities Reserve is to accumulate funds for asset replacement, and after contributions to, and uses of the reserve during 2013/14, there was £2.8m in this reserve at the year end.

- **Pay Review Reserve**

The planned use of the Pay Review Reserve has only partly been required to meet the cost of claims made in year. Given the diminishing value of claims paid in year, the requirement for this reserve has been reviewed and the reserve subsequently closed, with the balance transferring to the Corporate Redundancy Reserve. Should any future claims become payable, this will be met by resources in year.

- **Redundancy Reserve**

A Redundancy Reserve of £3.1m was created in 2009/10, and a further contribution of £2.8m was made from underspends in 2012/13. In addition a redundancy contingency was provided in each budget to help meet the costs of restructuring. Prudent financial management has ensured that the reserve has not yet been required although future years contingency allocation has reduced. As reported above, pay review reserves have been reviewed (including the funds the Council had set aside to fund schools pay review claims), and surplus balances have transferred into this reserve. The closing balance for 2013/14 is therefore £10.0m.

- **Departmental Reserves**

All departments have reserves for identified purposes. In addition, Financial Reporting Standards require grant income to be carried on the Balance Sheet until the conditions of the grant have been satisfied. During the year, these departmental balances increased by a net £9.7m to £48.4m. This is primarily due to £10.1m being received from Health partners in the form of Section 256 agreements for specific purposes.

8 Capital Expenditure

- 8.1** Capital Expenditure in 2013/14 totalled £106.283m. Table 3 shows the final 2013/14 Capital Programme broken down by Committee.

Table 3 – 2013/14 Capital Expenditure

Committee	Original Budget £'000	Revised Budget £'000	Total Out-turn £'000	Variance £'000
Children & Young People's Services	54,294	61,227	43,651	(17,576)
Adult Social Care & Health	6,104	373	127	(246)
Transport & Highways	43,324	40,956	41,411	455
Environment & Sustainability	4,853	4,473	5,091	618
Culture	6,930	4,000	2,933	(1,067)
Policy	5,075	5,785	4,031	(1,754)
Finance & Property	11,180	10,420	8,619	(1,801)
Community Safety	297	289	369	80
Personnel & Performance	70	145	52	(93)
Contingency	829	0	0	0
Total	132,956	127,668	106,283	(21,385)

Note: These figures exclude any expenditure incurred directly by schools.

8.2 The major areas of investment in 2013/14 are listed in Table 4 below.

Table 4 – Major investment areas 2013/14

Committee	Scheme	2013/14 Capital Expenditure £'000
CFCS	School Capital Refurbishment Programme	24,357
	School Basic Need Programme	13,754
	Beardall Street Primary	1,569
Transport & Highways	Road Maintenance & Renewals	15,639
	A453 Widening	10,000
	Local Transport Plan	6,402
	Street Lighting Renewal	2,139
	Highways Vehicles and Plant	1,033
Environment & Sustainability	Local Improvement Schemes	3,805
Culture	National Watersports Centre	1,723
Policy	Ways of Working Programme	3,712
Finance & Property	Building Works	4,841
	Various IT Capital Projects	1,920

Capital Programme Variations

- 8.3** The changes in the gross Capital Programme for 2013/14, since its approval at Council (28/02/13) are summarised in Table 5 below.

Table 5 2013/14 Capital Programme

	2012/13 £'000	£'000
Approved per Council (Budget Book 2013/14)		132,956
Incorporated in Budget report (Council 27/02/14)		
Net slippage from 2012/13 and financing adjustments	12,632	
Approved variations to February Council	(16,119)	
Variation approved at F&P Committee (April 2014)	(1,801)	
Subsequent to Budget Report (Council 27/02/14)		
Net re-phasing/slippage from 2013/14 to future years	(21,385)	
		(26,673)
Final revised gross Capital Programme		106,283

- 8.4** The following variations to the Capital Programme require approval by Finance & Property Committee.

- It is proposed that the 2013/14 Capital Programme for Transport & Highways is varied to reflect that:-
 - Additional works at both the Highways Depot Rationalisation Programme (£0.053m) and the Gamston Depot Salt Barn (£0.078m) have been funded from capital allocations that were originally approved against the Termination of MOPs project.
- It is proposed that the 2013/14 Capital Programme for Environment and Sustainability is varied to reflect that:-
 - Revenue funding required to fund expenditure on the Eastcroft Incinerator was £0.117m less than estimated.
 - £0.446m more external funding than forecast was received for Environment and Highways scheme.

- It is proposed that the 2013/14 Capital Programme for Finance and Property Committee is varied to reflect that:-
 - £0.198m revenue funding was used to part fund costs associated with the planned maintenance programme.
 - £0.164m revenue funding was used to part fund costs associated with the Business Management System programme.
 - £0.079m Departmental reserves were used to fund increased costs associated with the County Supplies project.
- It is proposed that the 2013/14 Capital Programme for Children and Young People's Committee is varied to reflect a £0.034m revenue contribution to fund final costs associated with the Samworth Academy project.

8.5 Maximising the use of grants in 2013/14

Sometimes when there is slippage on a scheme funded by grant, rather than slipping the grant funding for use in the next year, it is possible to use the grant to finance the expenditure on a different scheme in the current year. This does not affect the total expenditure on individual schemes, nor their phasing, but delays the use of prudential borrowing and the consequent impact on the revenue budget of having to set aside a minimum revenue provision (MRP).

Grant funding unapplied totalling £1.9m has been used to fund capital expenditure on the School Capital Refurbishment Programme in 2013/14 that would otherwise have been funded from borrowing.

Slippage/re-phasing of Capital Schemes

- 8.6** In addition to the slippage and re-phasing of schemes incorporated into the Budget Report 2013/14 there has been £21.4m of further net slippage/re-phasing on a number of schemes, of which £15.4m relates to schemes funded by capital allocations (borrowing). The main areas of this further slippage/re-phasing are:

Slippage

- Schools Capital Refurbishment Programme (£8.0m slippage)
- School Places Programme (£4.2m)
- Edwinstowe Respite Centre (1.3m)
- Ways of Working Programme (£1.7m)
- Business Management System (£1.5m)

The main reasons for slippage on the Schools Capital Programme are:-

- Contributions to condition works at Academies have not been made as the works have not completed.

- Schools increasingly are insisting that works are undertaken in holidays or out of school hours.
- Difficulty in gaining access for asbestos related works has had a knock on effect on start dates for the main works.
- Further delays with regard to surveys, design and accommodating complementary projects.

Despite slippage on the main schools capital programmes it is still expected that the programmes will be delivered as agreed and within approved budgets.

Acceleration

Acceleration of £1.8m in the main Transport and Highways programmes has followed the planned over-programming of schemes. This has been partially offset by minor slippage in other areas of the Transport and Highways capital programme.

Capital Financing

- 8.7** The following Table outlines how the 2013/14 capital expenditure has been financed.

Table 6 - 2013/14 Capital Financing

	Original Budget £'000	Revised Budget £'000	Total Out- turn £'000	Variance £'000
Funding Source:				
Prudential Borrowing	72,444	63,732	48,261	(15,471)
Capital Grants	44,351	47,247	42,674	(4,573)
Revenue/Reserves	16,161	16,689	15,348	(1,341)
Gross Capital Programme	132,956	127,668	106,283	(21,385)

- 8.8** Capital receipts for 2013/14 totalled £2.8m, which exceeds the £2.0m receipts anticipated in the 2014/15 budget report. These capital receipts have been set against the principal of borrowing in previous years. Analysis has determined that this application of funding sources is optimum in terms of reducing the impact of the Capital Programme on the revenue account.
- 8.9** Total borrowing for the year is £48.3m, which is £15.4m less than the revised borrowing for 2013/14 of £63.7m. This is primarily as a result of the slippage/re-phasing of capital expenditure to be funded from prudential borrowing. The corresponding funding (capital allocations) will be carried forward and incorporated into the Capital Programme for 2014/15.
- 8.10** The Capital Programme for 2014/15 will be monitored to ensure that borrowing for 2014/15 is managed within the prudential limits for the year. Funding by borrowing in 2014/15 is now projected to be £61.2m. Although this is £17.8m more than the budgeted

borrowing figure in the Budget Report 2014/15, any new capital expenditure slippage in 2014/15 will offset this and the Council's overall level of indebtedness is not expected to exceed previous forecasts. The size of the revised Capital Programme for 2014/15 is £137.1m.

9 Statement of Accounts

- 9.1 The pre-audited Statement of Accounts will be certified by the S151 Officer before 30th June to meet the statutory requirements, and be published on the Council's website. The external audit will take place over the summer months and therefore figures will be provisional, pending the completion of the audit.

Statutory and Policy Implications

- 10.1 This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATIONS

- 11.1 To note the provisional 2013/14 year end revenue position.
- 11.2 To recommend the year-end carry forwards set out in section 5 and Appendix B to County Council.
- 11.3 To recommend the level of County Fund Balances set out in section 7.1 and Appendix D to County Council.
- 11.4 To note the movements in reserves as detailed in section 7 and Appendix D.
- 11.5 To approve the capital variations outlined in section 8.4.
- 11.6 To note the capital programme and its financing.

Paul Simpson

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For any enquiries about this report please contact:

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Constitutional Comments (HD 08/05/2014)

The proposals set out in this report are within the remit of the Finance and Property Committee.

Financial Comments (PM 30/04/2014)

The financial implications are set out in the report.

Background Papers

None

Electoral Division(s) and Member(s) Affected

All