

<b>REPORT TO:</b>		Cabinet	
<b>DATE:</b>		17 July 2019	
<b>PORTFOLIO:</b>		Cllr Joyce Plummer - Resources	
<b>REPORT AUTHOR:</b>		Joe McIntyre Deputy Chief Executive	
<b>TITLE OF REPORT:</b>		Financial Position May 2019 Report for the Year Ending 31 <sup>st</sup> March 2020	
<b>EXEMPT REPORT (Local Government Act 1972, Schedule 12A)</b>	<b>No</b>	Not applicable	
<b>KEY DECISION:</b>	<b>No</b>	If yes, date of publication:	

## 1. Purpose of Report

- 1.1. The report informs Cabinet of the financial spending of the Council up to the end of May 2019 and the financial forecast outturn position for the Accounting Year 2019/20.

## 2. Recommendations

- 2.1. Cabinet notes the report and asks the Corporate Management Team to continue to identify savings and increase income over the coming year to boost the overall surplus of the Council.

## 3. Reasons for Recommendations and Background

### Summary

- 3.1. The financial detail of the report is shown as a table at the end of this document.
- 3.2. The spend for the first 2 months of the financial year to the end of May 2019 is £1,790,959 compared to a Budget of £1,889,915 giving a positive variance of £99,000 over the first 2 months of the year.

- 3.3.** The current forecast spend to the end of the financial year in March 2020 is £10,850,000 compared to a Budget of £10,994,000. This forecast produces a positive variance of £143,000. There are small adverse variances for Planning & Transportation and Policy & Corporate Governance with a more significant adverse variance on Town Centre & Markets of £155,000. These adverse variances are offset by predicted savings elsewhere on the Budget during the year.

## **Detail**

### **Environmental Services**

- 3.4.** Food Safety is predicting that net expenditure will be £4,000 less than Budget by the year end. This is due to salary savings of £4,000.
- 3.5.** Waste Services are predicting a positive variance for the financial year of £87,000. This is due to Savings on the Recycling Budget of £103,000 and £16,000 of additional income compared to Budget less £31,000 of extra salary costs and £1,000 of additional miscellaneous expenditure.
- 3.6.** The Parks & Cemeteries Service is forecasting a break even outturn at this point in the year.
- 3.7.** The Town Centre & Market Budget shows an overall adverse variance of almost £155,000. This is attributable to the continuing economic pressures limiting the generation of funds from the Market Hall in Accrington by £144,000 compared to Budget and other income down £9,000 and £4,000 of miscellaneous additional costs, offset by £2,000 of salary savings.

### **Culture & Leisure Services**

- 3.8.** Culture and Leisure Services are indicating a break even outturn position by the end of the year.

### **Planning & Transportation**

- 3.9.** Planning & Transportation are predicting an adverse variance for the year of £33,000. This is due to a predicted shortfall in income compared to budget on Building Control of £65,000. Elsewhere on the Budget there are £3,000 of staff saving and £48,000 of additional income less £19,000 of miscellaneous additional expenditure.

## Regeneration & Property Services

- 3.10. Regeneration & Property Services are predicting a break even position by the year end with additional income of £157,000 offset by £144,000 of additional staff costs and £13,000 of additional miscellaneous spending.

## Policy & Corporate Governance

- 3.11. Policy & Corporate Governance are predicting an adverse variance of £31,000. This is due to increased income above budget of £100,000 and £19,000 of savings on miscellaneous spending less a predicted £150,000 Housing Benefit spend<sup>1</sup>.

## Non Service Items

- 3.12. The current estimate for the year is a positive variance of £270,000.

## 4. Alternative Options considered and Reasons for Rejection

- 4.1. Not applicable. This report is for information purposes.

## 5. Consultations

- 5.1. Not applicable

## 6. Implications

<b>Financial implications (including any future financial commitments for the Council)</b>	As outlined in the report.
<b>Legal and human rights implications</b>	Not applicable
<b>Assessment of risk</b>	Not applicable
<b>Equality and diversity implications</b> <i>A <a href="#">Customer First Analysis</a> should be completed in relation to policy decisions and should be attached as an appendix to the report.</i>	Not applicable

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<sup>1</sup> The overall expenditure in this area is around £25m per year and therefore small predicted variances can have a large impact on our overall budget position –this adverse variance is a less than 2% variance from budget.

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## **7. Local Government (Access to Information) Act 1985: List of Background Papers**

Council Meeting 21st February 2019

General Revenue Budget 2018/19

The report can be found by clicking on this link

[Budget 2019/20](#)

And downloading the relevant PDF from that page.

**Budget Monitoring 2019/20**

**Period 2 to 31 May 2019 Summary - GF Revenue**

Description	Y-T-D Period 2			Month 2			Year		
	Budget £	Actual £	Variance £	Budget £	Actual £	Variance £	Budget £	Actual £	Variance £
<b>Environmental Services</b>									
Food Safety	68,523	67,500	1,023	34,261	33,238	1,023	411,141	407,141	4,000
Waste Services	654,073	551,073	103,000	355,804	252,804	103,000	3,579,218	3,492,008	87,210
Parks & Cemeteries	170,040	170,040	0	85,020	85,020	0	1,020,237	1,020,237	0
Town Centre & Markets	41,022	71,833	-30,811	20,511	51,322	-30,811	246,133	400,625	-154,492
<b>Sub-Total Environmental Services</b>	<b>933,658</b>	<b>860,446</b>	<b>73,212</b>	<b>495,596</b>	<b>422,384</b>	<b>73,212</b>	<b>5,256,729</b>	<b>5,320,011</b>	<b>-63,282</b>
<b>Culture &amp; Leisure</b>	<b>148,845</b>	<b>148,845</b>	<b>0</b>	<b>74,422</b>	<b>74,422</b>	<b>0</b>	<b>893,071</b>	<b>893,071</b>	<b>0</b>
<b>Planning &amp; Transportation</b>	<b>132,366</b>	<b>131,736</b>	<b>630</b>	<b>66,183</b>	<b>65,553</b>	<b>630</b>	<b>794,198</b>	<b>826,841</b>	<b>-32,643</b>
<b>Regeneration &amp; Property Services</b>	<b>278,777</b>	<b>278,777</b>	<b>0</b>	<b>139,388</b>	<b>139,388</b>	<b>0</b>	<b>1,672,663</b>	<b>1,672,663</b>	<b>0</b>
<b>Policy &amp; Corporate Governance</b>	<b>499,300</b>	<b>519,300</b>	<b>-20,000</b>	<b>249,650</b>	<b>269,650</b>	<b>-20,000</b>	<b>2,995,799</b>	<b>3,026,999</b>	<b>-31,200</b>
<b>TOTAL General Fund Services</b>	<b>1,992,946</b>	<b>1,939,104</b>	<b>53,843</b>	<b>1,025,239</b>	<b>971,397</b>	<b>53,843</b>	<b>11,612,460</b>	<b>11,739,585</b>	<b>-127,125</b>
<b>Non Service Items</b>	<b>-103,031</b>	<b>-148,145</b>	<b>45,114</b>	<b>-51,245</b>	<b>-73,802</b>	<b>22,557</b>	<b>-618,183</b>	<b>-888,875</b>	<b>270,692</b>
<b>TOTAL Net Expenditure</b>	<b>1,889,915</b>	<b>1,790,959</b>	<b>98,957</b>	<b>973,994</b>	<b>897,595</b>	<b>76,400</b>	<b>10,994,277</b>	<b>10,850,710</b>	<b>143,567</b>
Contribution (from) / to GF Reserves							0	143,567	
<b>TOTAL Net Requirement</b>							<b>10,994,277</b>	<b>10,994,277</b>	<b>0</b>