

REPORT TO:		Cabinet	
DATE:		09 February 2022	
PORTFOLIO:		Cllr Joyce Plummer - Resources	
REPORT AUTHOR:		Joe McIntyre Deputy Chief Executive	
TITLE OF REPORT:		Financial Position Report December 2021 Report for the Year Ending 31 st March 2022	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	No	Not applicable	
KEY DECISION:	No	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 December 2021 and the financial forecast outturn position for the Accounting Year 2021/22.

2. Recommendations

- 2.1. Cabinet notes the report and asks CMT to continue to reduce expenditure and increase income so as to further improve the overall financial position of the Council over the remaining months of the year.

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 9 months of the financial year to the end of December 2021 is £8,572,000 compared to a Budget of £9,350,000 giving a positive variance of £778,000 over the first 9 months of the year.
- 3.3. The current forecast spend to the end of the financial year in March 2022 is £11,104,000 compared to a Budget of £11,227,000. This forecast produces a positive variance of £123,000 by the end of the financial year.

- 3.4.** The Council has received additional financial support from Lancashire County Council (LCC) to meet the cost of continuing COVID 19 pressures over the second half of the year. This will allow the Council to meet its current forecast spend in relation to COVID 19 activities for the remainder of the year.
- 3.5.** So far since the spike in cases caused by the Omicron variant, the Council has been able to provide the support the local community requires within our current funding envelop and therefore unless there is a dramatic swing upwards in COVID 19 cases over the last 2 months of the financial year we would expect to maintain this position. Any unspent balances of specific COVID 19 funding will be carried forward into the new year and used to continue to support the local community as necessary.
- 3.6.** The Budget forecast includes large elements of expenditure and funding in connection with COVID 19. As this is a new area of budget management, controls and management of the expenditure and income is not at the same high standard as for our normal budget expenditure. There is therefore a higher degree of risk around these figures in the forecasts made. Accountancy staff and Management are working to improve the thoroughness and accuracy of these figures.

Detail

Environmental Services

- 3.7.** Environmental Services are predicting a year-end adverse variance of £57,000. Food Safety are incurring significant additional costs in relation to their activity in combatting COVID 19 with £822,000 of extra predicted costs for the year met by expected additional financial support of £822,000, leaving an overall neutral impact on the Council' finances at this time. Normal activity on Food Safety is expected to show a positive variance of £31,000 for the year. Waste Services are predicting an adverse variance for the year of £54,000. This is due to £94,000 of additional costs, offset by £1,000 savings on staff costs and £39,000 of additional income. The Parks & Cemetery Service is forecasting a positive variance of £74,000, due to additional income of £70,000 and savings of £41,000 on staff costs less £37,000 of miscellaneous additional costs. The Town Centre & Market Budget is predicting an adverse variance of £108,000, with income down £152,000 less £44,000 of salary saving.

Culture & Leisure Services

- 3.8.** Culture and Leisure Services are indicating a positive variance of £35,000. Service expenditure on Leisure is forecasting a positive variance of £46,000, while the Haworth Art Gallery is predicting its income will be down by £8,000 and that they will incur an extra £4,000 of costs, offset by saving of £1,000 on staff costs.

Planning & Transportation

- 3.9. Planning & Transportation are predicting an adverse variance for the year of £14,000. This is due to a predicted additional spend on salary costs of £2,000 and £69,000 of extra miscellaneous costs less £57,000 of additional income.

Regeneration & Property Services

- 3.10. Regeneration & Property Services are predicting an adverse variance of £253,000 at year-end. This is due to £201,000 of additional staff costs and £154,000 of additional miscellaneous costs, less £102,000 of additional income.

Policy & Corporate Governance

- 3.11. Policy & Corporate Governance are predicting a positive variance of £175,000. This is due to £370,000 of salary savings less the Corporate Salary Savings Target of £116,000, an increase of income of £86,000 less £165,000 additional miscellaneous costs.

Non Service Items

- 3.12. The current estimate for the year is a positive variance of £237,000.

Robustness Of The Forecast & Other Issues

- 3.13. The estimates around expenditure necessary to fight COVID 19 are subject to more uncertainty than in the normal forecasting of expenditure given the unprecedented demands and changing nature in this area and therefore these forecasts are subject to larger variance than usual within a local authority Budget. These uncertainties lower the level of robustness and confidence in the forecast to the end of the year. Work continues within Accountancy and with Service Managers to improve the knowledge and understanding of the on-going financial impact of COVID 19 on the Council's finances.
- 3.14. The additional funding of £581,000 requested by the Council from Lancashire County Council to support our on-going work around COVID 19, has reduced the risk of an overspend this year and if COVID 19 activity largely remains as currently forecast, the Council should have sufficient funds to meet the known costs it expects to incur at this time.

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

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

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

Council Meeting 25th February 2021

General Revenue Budget 2021/22

The report can be found by clicking on this link [Budget 2021/22](#)

And downloading the relevant PDF from that page.

Budget Monitoring 2021/22

Period 09 to 31 December 2021 Summary - GF Revenue

Description	Y-T-D Period 09			Month 07 to 09			Year		
	Budget £'000	Actual £'000	Variance £'000	Budget £'000	Actual £'000	Variance £'000	Budget £'000	Forecast Outturn £'000	Variance £'000
Environmental Services	4,054	3,991	63	58	57	1	5,405	5,462	(57)
Culture & Leisure	575	527	48	128	128	-	767	732	35
Planning & Transportation	572	614	(42)	128	145	(17)	762	776	(14)
Regeneration & Property Services	785	987	(202)	174	218	(44)	1,047	1,300	(253)
Policy & Corporate Governance	2,502	1,858	644	556	556	-	3,336	3,161	175
TOTAL General Fund Services	8,488	7,977	511	1,044	1,104	(60)	11,317	11,431	(114)
Non Service Items	862	595	267	(15)	83	(98)	(90)	(327)	237
TOTAL Net Expenditure	9,350	8,572	778	1,029	1,187	(158)	11,227	11,104	123
Contribution (from) / to GF Reserves							-	123	
TOTAL Net Requirement							11,227	11,227	-