

REPORT TO:		Cabinet	
DATE:		20 July 2016	
PORTFOLIO		Cllr Gareth Molineux	
REPORT AUTHOR:		Joe McIntyre, Deputy Chief Executive Resources	
TITLE OF REPORT:		Financial Position 2016/17 Report to end of May 2016	
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 at the end of May 2016 and the prediction of the outturn position to the end of the financial year in March 2017.

2. Recommendations

- 2.1 Cabinet notes the report and asks the Corporate Management Team to continue to identify savings and generate a surplus on the 2016/17 Budget to assist with future potential financial pressures on the Council.

3. Reasons for Recommendations and Background

3.1 Summary

The financial detail of the report is shown as a table at the end of this document.

The spend against Budget in the first two months of the year is £1,639,150 against a Budget of £1,681,281 leaving a positive variance of just over £42,000.

The forecast spend for the year to 31st March 2017 is £11,151,000 against a budget of £11,283,000. This indicates a forecast surplus of almost £132,000 by the end of the financial year. This is a budget surplus of slightly more than 1.1% on the overall activities of the Council for the financial year 2016/17.

Surpluses on Policy & Corporate Governance, Culture & Leisure, and Non Service Items, currently outweigh the predicted adverse variances on Environmental Health, Waste Services, Parks & Cemeteries, Regeneration & Property Service and Planning & Transportation.

3.2 Detail

Community Services

Environmental Health is predicting an adverse variance of £7,000. This is due to extra staff costs incurred in the first 2 months of the year to cover a period of sickness absence.

Waste Services are predicting an adverse variance of £10,000. This is due to expected increases in staff costs of £7,000, a predicted shortfall of £9,000 of commercial waste income, offset by £8,000 of other additional income and £2,000 of expected additional other costs.

Parks & Cemeteries are predicting an adverse variance for the year of £11,000. This is due to a loss of £1,000 of income on the Holt Street Ground, the loss of £5,000 of advertising income on roundabouts and £5,000 of additional rates costs linked to the cemetery and crematorium.

Culture & Leisure Services

Culture & Leisure Services are predicting a positive variance of almost £8,000. This stems from savings on rates by transferring buildings to other organisations.

Planning & Transportation

Planning & Transportation is predicting an adverse variance of £68,000 due to emergency costs incurred in connection with the demolition of the former Conservative Club in Accrington of approximately £40,000 and £40,000 of expected income shortfall on our Building Service activity during the year, along with £11,000 of other additional costs that will be incurred above budgeted amounts.

Regeneration & Property Services

Regeneration & Property Services are predicting an adverse variance of £104,000 as a result of an expected net overall decrease in income for the year of £48,000, an increase in staffing costs for the year of £10,000, along with £15,000 of additional net miscellaneous costs. Additionally the Council is picking up £31,000 of additional costs in relation to its commercial properties as a result of voids.

Policy and Corporate Governance

Policy and Corporate Governance anticipate a positive variance of £12,000. This is due to £12,000 of net salary savings expected to be achieved during the year, expected additional income of £24,000, savings on Member Expenses of £4,000, pension cost savings of £3,000, reduced by £31,000 of other miscellaneous expenses.

Non Service Items

At this point in the year we are predicting a saving of £313,000 on the Budget.

Treasury Management

A report on our Treasury Management position was included on this Cabinet Agenda at the last meeting in June 2016 within the year-end report for 2015/16. An update on the position as it evolves during the 2016/17 financial year will be provided later in the year.

4. Alternative Options considered and Reasons for Rejection

4.1 Not applicable

5. Consultations

5.1 Not applicable

6. Implications

Financial implications (including any future financial commitments for the Council)	As outlined in this report
Legal and human rights implications	None

Assessment of risk	None
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>	None

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

Copies of documents included in this list must be open to inspection and, in the case of reports to Cabinet, must be published on the website.

Council Meeting 25th February 2016
General Revenue Budget 2016/17

The report can be found by clicking on this link

[Council Budget 2016/17](#)

And downloading the relevant PDF from that page.

8. Freedom of Information

- 8.1 The report does not contain exempt information under the Local Government Act 1972, Schedule 12A and all information can be disclosed under the Freedom of Information Act 2000.

Budget Monitoring 2016/17

Period 2 Summary - GF Revenue

Description	Y-T-D Period 2			Month 2			Year		
	Budget £	Actual £	Variance £	Budget £	Actual £	Variance £	Budget £	Forecast £	Variance £
Community Services									
Environmental Health	44,645	45,165	-520	49,852	45,982	3,870	558,578	565,578	-7,000
Waste Services	330,865	328,476	2,389	306,147	301,490	4,657	2,990,742	3,001,197	-10,455
Parks & Cemeteries	200,703	205,582	-4,879	88,925	93,804	-4,879	1,086,376	1,097,535	-11,159
Sub-Total Community Services	576,213	579,223	-3,010	444,924	441,276	3,648	4,635,696	4,664,310	-28,614
Culture & Leisure	222,733	221,686	1,047	107,740	106,693	1,047	1,353,243	1,345,723	7,520
Planning & Transportation	136,565	142,585	-6,020	68,283	71,061	-2,778	819,393	887,638	-68,245
Regeneration & Property Services	297,642	314,922	-17,280	148,821	171,460	-22,639	1,785,849	1,889,642	-103,793
Policy & Corporate Governance	583,525	575,547	7,978	289,800	286,979	2,821	3,501,151	3,489,141	12,010
TOTAL General Fund Services	1,816,678	1,833,963	-17,285	1,059,568	1,077,469	-17,901	12,095,332	12,276,454	-181,122
Non Service Items	-135,397	-194,813	59,416	-67,698	-100,012	32,314	-812,382	-1,125,531	313,149
TOTAL Net Expenditure	1,681,281	1,639,150	42,131	991,870	977,457	14,413	11,282,950	11,150,923	132,027
Contribution (from) / to GF Reserves							50	132,077	
TOTAL Net Requirement							11,283,000	11,283,000	0