

REPORT TO:		Cabinet	
DATE:		31 August 2016	
PORTFOLIO		Cllr Gareth Molineux	
REPORT AUTHOR:		Joe McIntyre, Deputy Chief Executive Resources	
TITLE OF REPORT:		Financial Position 2016/17 Report to end of July 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 July 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 four months of the year is £3,371,268 against a Budget of £3,543,881 leaving a positive variance of just over £172,000.

The forecast spend for the year to 31st March 2017 is £10,919,000 against a budget of £11,283,000. This indicates a forecast surplus of just under £363,000 by the end of the financial year. This is a budget surplus of slightly more than 3.2% on the overall activities of the Council for the financial year 2016/17.

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

3.2 Detail

Community Services

Environmental Health is predicting an adverse variance of £4,000. This is due to extra staff costs incurred in the management and operation of the team during a period of prolonged sickness absence.

Waste Services are predicting a positive variance of £16,000. This is due to salary savings of £7,000 predicted for the year, £6,000 of net additional income and £3,000 of miscellaneous savings.

Parks & Cemeteries are predicting a positive variance for the year of £4,000. This is due to £7,000 of salary savings on the Parks Budget, offset by a loss of £13,000 of income with £16,000 of additional expected income on the Cemetery Budget less £6,000 of additional operational costs.

Culture & Leisure Services

Culture & Leisure Services are predicting a positive variance of almost £4,000. This stems from savings on rates of £8,000 by transferring buildings to other organisations, less a reduction in income of £3,000 and £1,000 of extra building maintenance costs.

Planning & Transportation

Planning & Transportation is predicting an adverse variance of £50,000 due to emergency costs incurred in connection with the demolition of the former Conservative Club in Accrington of approximately £40,000 and

£38,000 of expected income shortfall on our Building Service activity during the year, along with £2,000 of other additional costs that will be incurred above budgeted amounts, less £30,000 of salary savings.

Regeneration & Property Services

Regeneration & Property Services are predicting an adverse variance of £30,000 as a result of an expected net overall decrease in income for the year of £27,000, other operating costs increasing by £15,000, less savings on salaries of £13,000.

Policy and Corporate Governance

Policy and Corporate Governance anticipate a positive variance of £147,000. This is due to £14,000 of net salary savings expected to be achieved during the year, expected additional income of £203,000, reduced by £70,000 of other miscellaneous expenses.

Non Service Items

At this point in the year we are predicting a saving of £316,000 on the Budget.

Treasury Management

A report on our Treasury Management position was included on the Cabinet Agenda 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	None

implications	
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**

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 4 Summary - GF Revenue										
Description	Y-T-D Period 4			Month 4			Year			
	Budget £	Actual £	Variance £	Budget £	Actual £	Variance £	Budget £	Forecast £	Variance £	
Community Services										
Environmental Health	136,722	147,137	-10,415	47,421	45,372	2,049	558,694	602,694	-44,000	
Waste Services	826,230	787,035	39,195	167,695	151,665	16,030	2,997,067	2,981,277	15,790	
Parks & Cemeteries	378,187	378,053	134	88,653	85,834	2,819	1,087,426	1,082,935	4,491	
Sub-Total Community Services	1,341,139	1,312,225	28,914	303,769	282,871	20,898	4,643,187	4,666,906	-23,719	
Culture & Leisure	440,636	442,199	-1,563	108,934	110,724	-1,790	1,353,446	1,349,555	3,891	
Planning & Transportation	273,267	279,608	-6,341	68,317	75,879	-7,562	819,800	870,639	-50,839	
Regeneration & Property Services	594,586	603,790	-9,204	148,646	158,598	-9,952	1,783,758	1,813,580	-29,822	
Policy & Corporate Governance	1,165,047	1,114,701	50,346	291,261	253,968	37,293	3,495,141	3,347,678	147,463	
TOTAL General Fund Services	3,814,675	3,752,523	62,152	920,927	882,040	38,887	12,095,332	12,048,358	46,974	
Non Service Items	-270,794	-381,255	110,461	-67,699	-92,118	24,419	-812,382	-1,128,531	316,149	
TOTAL Net Expenditure	3,543,881	3,371,268	172,613	853,228	789,922	63,306	11,282,950	10,919,827	363,123	
Contribution (from) / to GF Reserves							50	363,173		
TOTAL Net Requirement							11,283,000	11,283,000	0	