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| REPORT TO: | | Cabinet | |
| DATE: | | 12 October 2016 | |
| PORTFOLIO | | Cllr Gareth Molineux | |
| REPORT AUTHOR: | | Joe McIntyre, Deputy Chief Executive Resources | |
| TITLE OF REPORT: | | Financial Position 2016/17 Report to end of August 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 August 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 five months of the year is £4,261,355 against a Budget of £4,543,925 leaving a positive variance of just over £282,000.

The forecast spend for the year to 31st March 2017 is £10,829,000 against a budget of £11,283,000. This indicates a forecast surplus of just under £454,000 by the end of the financial year. This is a budget surplus of slightly more than 4.0% 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 £21,000. This is due to £29,000 of extra staff costs incurred in the management and operation of the team during a period of prolonged sickness absence and the initial cost of a management restructure less £8,000 of additional pest control income.

Waste Services are predicting a positive variance of £31,000. This is due to salary savings of £9,000 predicted for the year, £14,000 of net additional income, vehicles and fuel savings of £17,000 less £9,000 of miscellaneous costs.

Parks & Cemeteries are predicting a positive variance for the year of £51,000. This is due to a Rates rebate on the Cemetery of £58,000 and additional cemetery income of £16,000 less £1,000 of additional costs, offset by income losses of £27,000 on the Parks Budget and £2,000 of additional costs less £7,000 saving on Salaries.

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 £45,000 due to emergency costs incurred in connection with the demolition of the former Conservative Club in Accrington of approximately £40,000 and £32,000 less income during the year, along with £6,000 of other additional costs that will be incurred above budgeted amounts, less £33,000 of salary savings.

Regeneration & Property Services

Regeneration & Property Services are predicting an adverse variance of £31,000 as a result of an expected net overall decrease in income for the year of £27,000, other operating costs increasing by £27,000, less savings on salaries of £23,000.

Policy and Corporate Governance

Policy and Corporate Governance anticipate a positive variance of £142,000. This is due to £48,000 of net salary savings expected to be achieved during the year, expected additional income of £203,000, reduced by £109,000 of other miscellaneous expenses.

Non Service Items

At this point in the year we are predicting a saving of £323,000 on the Budget.

Treasury Management

A report on our Treasury Management position for the first part of the year is included elsewhere on the agenda.

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 | None |

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| <p>A <u>Customer First Analysis</u> should be completed in relation to policy decisions and should be attached as an appendix to the report.</p> | |
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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 5 Summary - GF Revenue

| Description | Y-T-D Period 5 | | | Month 5 | | | Year | | |
|---|----------------|-------------|---------------|-------------|-------------|---------------|-------------|---------------|---------------|
| | Budget £ | Actual £ | Variance £ | Budget £ | Actual £ | Variance £ | Budget £ | Forecast £ | Variance £ |
| Community Services | | | | | | | | | |
| Environmental Health | 185,832 | 187,597 | -1,765 | 49,110 | 40,460 | 8,650 | 555,042 | 576,042 | -21,000 |
| Waste Services | 1,137,525 | 1,099,195 | 38,330 | 311,295 | 312,160 | -865 | 2,997,067 | 2,965,671 | 31,396 |
| Parks & Cemeteries | 466,842 | 409,826 | 57,016 | 88,655 | 31,773 | 56,882 | 1,087,426 | 1,036,075 | 51,351 |
| Sub-Total Community Services | 1,790,199 | 1,696,618 | 93,581 | 449,060 | 384,393 | 64,667 | 4,639,535 | 4,577,788 | 61,747 |
| Culture & Leisure | 549,571 | 544,150 | 5,421 | 108,935 | 101,951 | 6,984 | 1,353,446 | 1,349,555 | 3,891 |
| Planning & Transportation | 341,583 | 346,614 | -5,031 | 68,316 | 67,006 | 1,310 | 819,800 | 865,291 | -45,491 |
| Regeneration & Property Services | 744,755 | 755,602 | -10,847 | 150,169 | 151,812 | -1,643 | 1,787,410 | 1,818,871 | -31,461 |
| Policy & Corporate Governance | 1,456,309 | 1,395,967 | 60,342 | 291,262 | 281,266 | 9,996 | 3,495,141 | 3,353,615 | 141,526 |
| TOTAL General Fund Services | 4,882,417 | 4,738,951 | 143,466 | 1,067,742 | 986,428 | 81,314 | 12,095,332 | 11,965,120 | 130,212 |
| Non Service Items | -338,492 | -477,616 | 139,124 | -67,698 | -96,361 | 28,663 | -812,382 | -1,135,531 | 323,149 |
| TOTAL Net Expenditure | 4,543,925 | 4,261,335 | 282,590 | 1,000,044 | 890,067 | 109,977 | 11,282,950 | 10,829,589 | 453,361 |
| Contribution (from) / to GF Reserves | | | | | | | 50 | 453,411 | |
| TOTAL Net Requirement | | | | | | | 11,283,000 | 11,283,000 | 0 |