

<b>REPORT TO:</b>		Cabinet	
<b>DATE:</b>		29 July 2015	
<b>PORTFOLIO</b>		Cllr Gareth Molineux	
<b>REPORT AUTHOR:</b>		Joe McIntyre, Deputy Chief Executive Resources	
<b>TITLE OF REPORT:</b>		Financial Position 2015/16 Report to end of June 2015	
<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 at the end of June 2015 and the prediction of the outturn position to the end of the financial year in March 2016.

**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 2015/16 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 three months of the year is £2,735,569 against a Budget of £2,766,137 leaving a positive variance of just over £30,000.

The forecast spend for the year to 31<sup>st</sup> March 2016 is £11,458,000 against a budget of £11,489,000. This indicates a forecast surplus of £30,000 by the end of the financial year. This is a budget surplus of slightly more than 0.25% on the overall activities of the Council for the financial year 2015/16.

There are small overspends in Environmental Health, Planning & Transportation. Culture & Leisure and Parks & Open Spaces. Regeneration & Property Services is predicting a large adverse variance of almost £123,000. However savings across other Budget areas outstrip these negative variances and the current prediction is for a small overall surplus of £30,000 by the end of the financial year.

## **3.2 Detail**

### **Community Services**

Environmental Health is predicting a small negative variance of just under £5,000 due to the loss of £3,000 of income from the ending of a contract providing services to Rossendale Council and £2,000 of expected additional staff costs forecast for the year, compared to the Budget.

Waste Services are predicting a surplus of £11,000 due to predicted savings of staff costs of £11,000 and £2,000 of extra income, less £2,000 of additional miscellaneous costs.

Parks & Open Spaces are predicting an adverse variance for the year of £15,000 due to increased rates bills on cemeteries and the crematorium of £6,000 and additional one-off staff costs of £9,000.

### **Culture & Leisure Services**

Culture & Leisure Services are predicting an adverse variance of just under £2,000. This is due to the delay in transferring the Clayton Civic Centre to Mercer House 1842.

### **Planning & Transportation**

Planning & Transportation is predicting an adverse variance of £20,000 due to the costs of a planning appeal in connection with Foxwood. Elsewhere on the Budget salary savings of £49,000 are offset by £35,000 of lost income compared to Budget and £14,000 of other additional expenditure.

### **Regeneration & Property Services**

Regeneration & Property Services are predicting an overspend of almost £123,000 by the end of the year. This is due to the loss of £15,000 in grant support to a number of community centres from Lancashire County Council, a predicted shortfall in income of £69,000, as well as £70,000 of additional business rates costs from unlet properties within our corporate

property portfolio, and £24,000 of net other costs. This is offset by £55,000 of predicted salary savings this year.

### **Policy and Corporate Governance**

Policy and Corporate Governance anticipate a positive variance of £183,000. This is due to £75,000 of discretionary rate relief no longer requiring funding, there is £51,000 of extra income predicted during the year, £44,000 of salary savings expected to be achieved during the year, a reduction of £10,000 on pension costs as well as a reduction of expenditure on Member Expenses of £3,000 and £1,000 of other savings.

### **Non Service Items**

At this point in the year we are predicting a break even position on the Budget.

### **Treasury Management**

The position on treasury management performance in the 1<sup>st</sup> quarter will be reported on the at the next Cabinet meeting.

## **4. Alternative Options considered and Reasons for Rejection**

4.1 Not applicable

## **5. Consultations**

5.1 Not applicable

## **6. Implications**

<b>Financial implications (including any future financial commitments for the Council)</b>	As outlined in this report
<b>Legal and human rights implications</b>	None
<b>Assessment of risk</b>	None
<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>	None

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

Council Meeting 26<sup>th</sup> February 2015  
General Revenue Budget 2015/16

The report can be found by clicking on this link

[Council Meeting 26th February 2015 General Revenue Budget 2015/16](#)

**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 2015/16**

**Period 3 Summary - GF Revenue**

Description	Y-T-D Period 3			Month 3			Year		
	Budget £	Actual £	Variance £	Budget £	Actual £	Variance £	Budget £	Forecast £	Variance £
<b>Community Services</b>									
Environmental Health	119,571	124,790	-5,219	48,643	47,606	1,037	598,375	603,115	-4,740
Waste Services	644,938	630,461	14,477	308,378	298,058	10,320	2,855,951	2,844,463	11,488
Parks & Cemeteries	299,129	313,573	-14,444	99,409	107,527	-8,118	1,196,512	1,212,355	-15,843
Sub-Total Community Services	1,063,638	1,068,824	-5,186	456,430	453,191	3,239	4,650,838	4,659,933	-9,095
<b>Culture &amp; Leisure</b>	309,366	302,835	6,531	99,161	93,006	6,155	1,265,627	1,267,498	-1,871
<b>Planning &amp; Transportation</b>	217,136	217,039	97	72,438	72,064	374	868,544	888,143	-19,599
<b>Regeneration &amp; Property Services</b>	413,835	458,088	-44,253	136,354	164,797	-28,443	1,655,338	1,778,114	-122,776
<b>Policy &amp; Corporate Governance</b>	929,696	868,100	61,596	315,409	285,535	29,874	3,718,793	3,535,221	183,572
<b>TOTAL General Fund Services</b>	2,933,671	2,914,886	18,785	1,079,792	1,068,593	11,199	12,159,140	12,128,909	30,231
<b>Non Service Items</b>	-167,534	-179,317	11,783	-55,844	-63,545	7,701	-670,140	-670,140	0
<b>TOTAL Net Expenditure</b>	2,766,137	2,735,569	30,568	1,023,948	1,005,048	18,900	11,489,000	11,458,769	30,231
Contribution (from) / to GF Reserves							0	30,231	
<b>TOTAL Net Requirement</b>							11,489,000	11,489,000	0