

<b>REPORT TO:</b>		Cabinet	
<b>DATE:</b>		06 February 2019	
<b>PORTFOLIO:</b>		Cllr Joyce Plummer - Resources	
<b>REPORT AUTHOR:</b>		Joe McIntyre Deputy Chief Executive	
<b>TITLE OF REPORT:</b>		Financial Position December 2018 Report for the Year Ending 31 <sup>st</sup> March 2019	
<b>EXEMPT REPORT (Local Government Act 1972, Schedule 12A)</b>	<b>Options</b>	Not applicable	
<b>KEY DECISION:</b>	<b>Options</b>	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 2018 and the financial forecast outturn position for the Accounting Year 2018/19.

## 2. Recommendations

- 2.1. Cabinet notes the report and asks that the Corporate Management Team continues to reduce costs and increase income over the remainder of the year to help improve the overall financial position of the Council.

## 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 2018 is £8,022,653 compared to a Budget of £8,138,859 giving a positive variance of £116,000 over the first 9 months of the year.

- 3.3.** The current forecast spend to the end of the financial year in March 2019 is £10,998,000 compared to a Budget of £11,174,000. This forecast produces a positive variance of £176,000. Culture & Leisure Services, Parks & Cemeteries, Planning & Transportation, Regeneration & Property Services and Policy & Corporate Governance are all predicting small adverse variance. Only Town Centre & Markets are predicting a significant adverse variance. All other Budget Areas are predicting a surplus position compared to their Budget by the year-end.

## **Detail**

### **Environmental Services**

- 3.4.** Food Safety is predicting that net expenditure will be £58,000 less than budget by the year end. This is due to salary savings of £26,000, £2,000 of miscellaneous cost savings and additional extra income of £30,000.
- 3.5.** Waste Services are predicting a positive variance for the financial year of £20,000. This is due to salary savings of £34,000, less reduced income of £13,000 and £1,000 of miscellaneous additional costs.
- 3.6.** The Parks & Cemeteries Service is forecasting an adverse variance of £17,000. This is due to a predicted shortfall on the Parks Budget of £59,000, stemming from £12,000 of increased staff costs as well as £22,000 of lost income on football pitch hire over the year, £6,000 of reduced contribution to Highway Grass Cutting and £4,000 of reduced income from Lancashire County Council as well as £10,000 less income from tree work, along with £5,000 of additional miscellaneous costs. Our Cemetery Service is predicting a net increase of income this year of £29,000 and £19,000 of savings on miscellaneous costs, less £6,000 of increased salary costs.
- 3.7.** The Town Centre & Market Budget shows an overall adverse variance of almost £105,000. This is attributable to the continuing economic pressures limiting the generation of funds from the Market Hall in Accrington by £110,000 compared to Budget and other income down £6,000, offset by £11,000 of salary savings.

### **Culture & Leisure Services**

- 3.8.** Culture and Leisure Services are predicting an adverse variance of £11,000 due to the costs associated with the continuing ownership of Clayton Civic Hall of £19,000 per year, less £7,000 of miscellaneous savings on leisure budgets and savings on salaries at the Haworth Art Gallery of £5,000, reduced by £2,000 of increased cost and income from weddings predicted to be £2,000 lower than budget.

### **Planning & Transportation**

- 3.9.** Planning & Transportation are predicting an adverse variance for the year of £29,000. This is due to a predicted shortfall in income compared to budget on Building Control of £50,000, additional staff cost in this area of £11,000 and £2,000 of additional

miscellaneous cost. Elsewhere on the Budget there are £36,000 of staff saving and £30,000 of additional income less £34,000 of miscellaneous additional expenditure.

### **Regeneration & Property Services**

- 3.10. Regeneration & Property Services are predicting a small negative variance position for the year of £5,000, with income up by £176,000, offset by an additional £80,000 of salary costs and £101,000 of miscellaneous costs.

### **Policy & Corporate Governance**

- 3.11. Policy & Corporate Governance are predicting an adverse variance of £18,000 for the year. This is due to a predicted increase in costs associated with Housing Benefit Payments to customers of £200,000 and a predicted decline in income from the recovery of overpayments of £90,000. The overall expenditure in this area is around £25m per year and therefore small predicted variances can have a large impact on our overall budget position –this adverse variance is a less than 2% variance from budget. Elsewhere on the Budget there are savings on salary costs of £285,000 less the Corporate Vacancy Savings Target of £107,000, there is £194,000 of additional income forecast by the end of the year, £76,000 of savings on our pension costs less £176,000 of miscellaneous additional costs.

### **Non Service Items**

- 3.12. The current estimate for the year is a positive variance of £284,000.

## **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**

<b>Financial implications (including any future financial commitments for the Council)</b>	As outlined in the report.
<b>Legal and human rights implications</b>	Not applicable
<b>Assessment of risk</b>	Not applicable

<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>	Not applicable
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## 7. Local Government (Access to Information) Act 1985: List of Background Papers

Council Meeting 22<sup>nd</sup> February 2018

General Revenue Budget 2018/19

The report can be found by clicking on this link

[Budget 2018/19](#)

And downloading the relevant PDF from that page.

**Budget Monitoring 2018/19**

**Period 9 Summary - GF Revenue**

Description	Y-T-D Period 9			Month 9			Year			
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	
	£	£	£	£	£	£	£	£	£	
<b>Environmental Services</b>										
Food Safety	305,355	244,424	60,931	39,409	35,928	3,481	436,084	377,648	58,436	
Waste Services	2,373,908	2,354,626	19,282	309,832	305,598	4,234	3,525,009	3,504,406	20,603	
Parks & Cemeteries	791,833	818,684	-26,851	171,980	164,549	7,431	1,017,601	1,034,649	-17,048	
Town Centre & Markets	147,353	226,045	-78,692	16,373	25,094	-8,721	196,471	301,304	-104,833	
<b>Sub-Total Environmental Services</b>	<b>3,618,449</b>	<b>3,643,779</b>	<b>-25,330</b>	<b>537,594</b>	<b>531,169</b>	<b>6,425</b>	<b>5,175,165</b>	<b>5,218,007</b>	<b>-42,842</b>	
<b>Culture &amp; Leisure</b>	<b>686,628</b>	<b>685,583</b>	<b>1,045</b>	<b>134,025</b>	<b>132,697</b>	<b>1,328</b>	<b>887,665</b>	<b>898,822</b>	<b>-11,157</b>	
<b>Planning &amp; Transportation</b>	<b>602,143</b>	<b>624,382</b>	<b>-22,239</b>	<b>66,904</b>	<b>72,253</b>	<b>-5,349</b>	<b>802,858</b>	<b>832,741</b>	<b>-29,883</b>	
<b>Regeneration &amp; Property Services</b>	<b>1,277,197</b>	<b>1,306,120</b>	<b>-28,923</b>	<b>141,902</b>	<b>125,790</b>	<b>16,112</b>	<b>1,702,929</b>	<b>1,708,588</b>	<b>-5,659</b>	
<b>Policy &amp; Corporate Governance</b>	<b>2,406,828</b>	<b>2,422,204</b>	<b>-15,376</b>	<b>267,426</b>	<b>207,603</b>	<b>59,823</b>	<b>3,209,103</b>	<b>3,227,719</b>	<b>-18,616</b>	
<b>TOTAL General Fund Services</b>	<b>8,591,245</b>	<b>8,682,068</b>	<b>-90,823</b>	<b>1,147,851</b>	<b>1,069,512</b>	<b>78,339</b>	<b>11,777,720</b>	<b>11,885,877</b>	<b>-108,157</b>	
<b>Non Service Items</b>	<b>-452,386</b>	<b>-659,415</b>	<b>207,029</b>	<b>-50,263</b>	<b>-77,100</b>	<b>26,837</b>	<b>-603,183</b>	<b>-887,521</b>	<b>284,338</b>	
<b>TOTAL Net Expenditure</b>	<b>8,138,859</b>	<b>8,022,653</b>	<b>116,206</b>	<b>1,097,588</b>	<b>992,412</b>	<b>105,176</b>	<b>11,174,537</b>	<b>10,998,356</b>	<b>176,181</b>	
Contribution (from) / to GF Reserves							-100,000	76,181		
<b>TOTAL Net Requirement</b>							<b>11,074,537</b>	<b>11,074,537</b>	<b>0</b>	