

Financial Position

The Council has a good record of effective financial management and currently has a healthy financial position. Our latest report from our external auditors identifies that:

“The Council continues to demonstrate good financial performance, despite the financial and demographic pressures facing Local Government. There are good financial planning and review processes in place, and a track record of delivering financial plans and savings.”

“The Executive and Senior Management demonstrate clear leadership and challenge to prioritise the Council’s resources. The Council continues to work well with partners across Local Government to prioritise resources effectively and deliver efficiencies”

This strong financial position can be demonstrated by the fact that:

- The latest budget projections show that we are on course to meet the financial targets for 2015/16 and that the year end accounts will show a favourable budget variance
- There is a detailed programme of efficiencies, income, savings and other measures in place for 2016/17 to deliver the £1.7m required to balance up the budget for the General Revenue Account and the £1.4m required for the Housing Revenue Account

There are a number of developments and initiatives that are currently taking place that demonstrate our innovative and commercially minded approach to services including:

- Creating a Lancashire Business Rates Pool with other local authorities in Lancashire to maximise the business rates income we are able to retain instead of paying it over to Central Government
- Investment of £1.9m in solar PV which will reduce Council House tenants’ electricity bills, address green issues, and generate a financial return for the Council
- Creating a new Strategic Assets Purchase Fund and Committee, which will enable the Council to purchase land and property with an individual value of up to £1m in a short timescale subject to there being a satisfactory business case
- Investment of £1.7m in the Greenshoots project to provide 11 high quality industrial units on Gorseley Place in Skelmersdale
- Creation of a new £2.3m Strategic Investment Reserve that can be used to finance Economic Regeneration Initiatives and the implementation of the Council’s Leisure Strategy

Looking to the future the financial prospects for the General Revenue Account continue to be challenging with additional reductions in government grant funding anticipated up to 2020. Similarly the financial prospects for the Housing Revenue Account will also be more difficult going forward, primarily as a result of a government requirement to reduce rents by 1% per year over a 4 year period, together with other elements of the Welfare Reform agenda.