



COUNCIL: 18 July 2018

Report of: Borough Treasurer

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SUBJECT: GENERAL REVENUE ACCOUNT OUTTURN

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To provide a summary of the revenue and capital outturn position on the General Revenue Account (GRA) for the 2017/18 financial year.

2.0 RECOMMENDATION

2.1 That the outturn position be noted and the budget allocations set out in paragraph 4.5 be approved.

3.0 BACKGROUND

3.1 The GRA is facing a challenging financial position primarily as a result of ongoing reductions in government grant funding. To address this position a range of measures were agreed through the Policy Options process to deliver savings and generate additional income of just under £1.2m in 2017-18. The effective implementation of these measures is a key factor in ensuring that the GRA maintains a healthy financial position.

4.0 REVENUE OUTTURN

4.1 The Council set a revenue budget of £12.927m for the financial year. The third quarter monitoring position projected an overall favourable variance of £175,000 or 1.4% against this budget. The final outturn shows an improvement of £43,000 on this position, with a favourable budget variance of £218,000 (1.7%). This continues our strong track record of managing financial performance to ensure

that the outturn position is in line with the budget. Within this total position, each Directorate and Service achieved a favourable budget variance, and a breakdown is provided in Appendix 1.

- 4.2 Employee costs form a significant proportion of the Council's total budget and consequently are very important from a budget management perspective. The budget contains a corporate target for staff efficiency savings of £280,000 per year, and the active management of staffing levels meant that this target was achieved.
- 4.3 The external income that the Council generates can be one of the most volatile areas of the budget, with income going up and down due to factors outside our direct control. This year income levels were generally in line or performed better than the budget targets. In particular there was a high level of Community Infrastructure Levy funding that was generated.
- 4.4 In general good performance was made in delivering Policy Option measures. The most significant measure was the introduction of garden waste charging, and the income performance in this area has exceeded the budget target. To reflect this position the income budget for garden waste charging was increased for 2018-19 when the budget was set.
- 4.5 At its meeting in February 2018, Council agreed to use the projected favourable variance at that time of £175,000 to provide financial support for the budget in 2018-19. It is recommended that the additional favourable variance of £43,000 that has been achieved in the final outturn position is used in the same way to support the budget position in future years.

5.0 CAPITAL PROGRAMME OUTTURN

- 5.1 Expenditure on the GRA Capital Programme in the year was £2.344m against a budget of £3.168m, and a breakdown is provided in the following table:

Budget Area	Expenditure	Budget	Variance	Expenditure
	£000	£000	£000	%
Leisure and Environment	469	576	-107	81%
Housing and Inclusion	1,529	1,695	-166	90%
Development and Regeneration	319	558	-239	57%
Finance and HR	27	339	-312	8%
Total	2,344	3,168	-824	74%

- 5.2 The expenditure level was 74% of the total budget, which is a broadly similar level to that achieved in previous years. In line with our normal practice it is expected that the majority of the budget variance of £824,000 will be slipped into the 2018-19 financial year to enable capital schemes to be completed. A more detailed report will be presented to the September Cabinet and Executive

Overview and Scrutiny Committee meetings that show the revised budget figures for 2018-19 after allowing for slippage.

6.0 SUSTAINABILITY IMPLICATIONS

6.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder.

7.0 RISK ASSESSMENT

7.1 The formal reporting of performance on the General Revenue Account is part of the overall budgetary management and control framework that is designed to minimise the financial risks facing the Council.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

Appendices

Appendix 1 – GRA Revenue Outturn

**APPENDIX 1
GRA REVENUE OUTTURN**

Budget area	Net Budget £000	Variance from Budget £000	Variance %
Leisure and Environment	8,947	-172	-1.9%
Housing and Inclusion	1,797	-43	-2.4%
Development & Regeneration	1,410	-170	-12.1%
Legal and Democracy	1,042	-93	-8.9%
Finance and Human Resources	1,514	-85	-5.6%
Employee Savings target	-280	280	See note
Other Budget Items	-1,503	65	4.3%
TOTAL	12,927	-218	-1.7%

NOTES

The budget figures for each area have been updated to include year-end capital accounting adjustments and the allocation of central budget items to services. These are technical accounting adjustments that do not affect the bottom line resource position.

The employee savings target is a corporate budget heading that is held centrally. The actual savings that are made in relation to this item are contained within services. Consequently savings made elsewhere will offset the apparent variance on this budget item.