



Executive Overview & Scrutiny Committee:
14 September 2023

CABINET: 26 September 2023

Report of: Head of Finance, Procurement and Commercial Services

Relevant Portfolio Holder: Councillor Rob Molloy

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SUBJECT: 2023/24 GRA REVENUE Q1 MONITORING

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

- 1.1 To provide a summary of the General Revenue Account (GRA) position for the 2023/24 financial year at quarter 1.

2.0 RECOMMENDATIONS

TO OVERVIEW & SCRUTINY

- 2.1 That the 2023/24 GRA Q1 financial position be noted and agreed comments be forwarded to Cabinet for consideration.

TO CABINET

- 2.2 That, subject to consideration of any agreed comments from the Executive Overview & Scrutiny Committee, the 2023/24 GRA quarter 1 position be noted.

3.0 BACKGROUND

- 3.1 In February 2023, Council agreed the 2023/24 GRA Net Budget of £16.327m.
- 3.2 May 2023 consumer price index (cpi) remains high, at 8.7% This means there is likely to be ongoing contract inflation pressures to fund or manage in year and

beyond. In addition, the 2023/24 pay offer has been made at £1,925 per full time employee. Although no agreement has been reached on this yet, this is in excess of the 3% budgeted and will therefore be a pressure in the current year of approximately £500k.

4.0 GENERAL REVENUE ACCOUNT: QUARTER 1 POSITION

4.1 The table below provides quarter 1 forecast outturn estimates against the revised budget. The Q1 net forecast position is a shortfall of £583K. Further details are provided below.

	FY Bud £000's	FY Var £000's	Commentary
Corporate & Customer Services	5,890	-400	Mainly telephony & software licences
Environmental Services	6,658	587	Staff & agency costs, pay settlement partially offset by fuel costs below budget
Finance Procurement & Commercial Services	1,376	50	
Housing Services (incl. Estates)	-923	0	
Legal & Democratic Services	1,128	50	
Planning & Regulatory Services	1,845	100	Staff & agency costs, pay settlement
Wellbeing & Place Services	1,457	408	Leisure Contract. Staff costs, pay settlement. Parking income down
Other Corporate Budgets	501	0	
Total Net Service Budgets	17,932	795	
Interest Receivable (net)	-225	-212	Rising interest rates.
Minimum Revenue Position	400	0	
Contribution to/from reserves	-1,780	0	
Total Net Budget	16,327	583	Estimated pay settlement shortfall £535k
GRA Net Funding	-16,327	0	

4.2 Overall budget pressure primarily relates to the provisional pay settlement of £1,925 per full time employee. Budgets were set assuming a 3% increase, the current offer is closer to 6% on average. Negotiations are ongoing so it is possible that the settlement may increase further.

4.3 At service level there are various additional service-specific pressures as identified in the table above, these are largely offset by service-specific budget savings plus treasury interest income being better than budget due to rising interest rates.

4.4 It should be noted that the 2023/24 staff vacancy factor of around 6% has been moved from the central corporate pot where it was held for many years, and is now split proportionally between each service. This is expected to support closer operational monitoring and control of both Service staff costs and Service vacancies.

- 4.5 It was reported in 2022/23 that agency staff were being used to help fill vacant posts, so maintaining service delivery. The use of agency staff is being closely monitored in 2023/24 with the intention of reducing reliance on this type of staff.
- 4.6 Savings proposals are currently being drafted in order to address the budget gap within the Medium-Term Financial forecast. These will be built into budgets for 204/25 and will comprise a combination of one -off and recurring measures to reduce expenditure and increase income where possible.

5.0 SUSTAINABILITY IMPLICATIONS

- 5.1 Careful monitoring of the budget position helps ensure that the GRA remains able to deliver services and is financially sustainable in the medium term.

6.0 RISK ASSESSMENT

- 6.1 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. This process is resource intensive for both Members and Officers but ensures that a robust and achievable budget is set.

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.