



Title of Report:	Management Accounts Period 4
Committee Report Submitted To:	Finance Committee
Date of Meeting:	14 September 2023
For Decision or For Information	For information
To be discussed In Committee YES/NO	No

Linkage to Council Strategy (2021-25)	
Strategic Theme	Cohesive Leadership
Outcome	Council has agreed policies and procedures and decision making is consistent with them.
Lead Officer	Chief Finance Officer

Budgetary Considerations	
Cost of Proposal	
Included in Current Year Estimates	YES/NO
Capital/Revenue	Revenue
Code	
Staffing Costs	

Legal Considerations	
Input of Legal Services Required	YES/NO
Legal Opinion Obtained	YES/NO

Screening Requirements	Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals.		
Section 75 Screening	Screening Completed:	Yes/No	Date:
	EQIA Required and Completed:	Yes/No	Date:
Rural Needs Assessment (RNA)	Screening Completed	Yes/No	Date:
	RNA Required and Completed:	Yes/No	Date:
Data Protection Impact Assessment (DPIA)	Screening Completed:	Yes/No	Date:
	DPIA Required and Completed:	Yes/No	Date:

1.1 Background

Causeway Coast and Glens Borough Council (CC&GBC) consists of 4 legacy councils that merged on 1 April 2015 into 1 council. The council is currently made up of 3 directorates (Leisure and Development, Environmental Services, Corporate Policy and Resources) and includes a Planning, Finance and Legal department, that are reported separately in this report. The Annual Budgeted Spend for 2023/24 controlled by the Directorates is £78.818m (excludes depreciation, actuarial adjustments, provisions, accumulated absences, and it is these figures that change the figures in the Audited Accounts). Gross Income is budgeted at £76.206m the difference being a budgeted applied balance of £2.612m for the year.

1.2 Financial Overview by Directorate

The table below details a summary of the financial position at period 4 (up to and including 31 July 2023):

FullDescription	Actual Net Expenditure	Budgeted Net		Annual Net Expenditure	
		Expenditure ex 62997	Net Expenditure Variance ex 62997	Budgeted Net Expenditure ex 62997	Remaining ex 62997
Leisure & Development	1,989,507.60	2,380,580.38	391,072.78	13,570,660.44	11,581,152.84
Environmental Services	8,199,664.09	8,671,620.70	471,956.61	28,731,095.78	20,531,431.69
Corporate Services	1,539,035.20	1,886,836.36	347,801.16	5,664,116.91	4,125,081.71
Chief Executive	2,013,583.24	1,914,829.32	(98,753.92)	3,709,262.00	1,695,678.76
Finance	609,806.66	553,879.70	(55,926.96)	1,676,169.00	1,066,362.34
Financing & Investment Expenditure	2,385,777.10	2,385,777.10	(0.00)	9,212,124.82	6,826,347.72
Financing & Investment Income	(319,959.91)	(239,913.62)	80,046.29	(898,215.89)	(578,255.98)
Taxation & Non-Specific Grant Income	(20,014,176.00)	(20,311,827.90)	(297,651.90)	(59,053,213.06)	(39,039,037.06)
Grand Total	(3,596,762.02)	(2,758,217.96)	838,544.06	2,612,000.00	6,208,762.02

Council is showing a favourable variance against budget at period 4 amounting to £838,544 however this figure requires adjustment for the accrual of the current year pay award, which has not yet been agreed, this adjustment will reduce the favourable position by approximately £250k therefore the "true" position will be favourable to the value of approximately £589k. The agency figure has not been included as a suitably accurate allocation of this figure across the various services was not available in time for these accounts. A charge has been made to these accounts based on the current National Joint Council pay offer of £1,925 per full-time employee for the current year pay award. This is a significant figure since Council at rate setting time agreed to budget on the basis of £1,200 per full-time employee therefore assuming the current offer is accepted there will be a shortfall in budgetary terms with regards staffing.

1.3 Income and Expenditure Analysis

Taking into account the adjustments detailed in 1.2 above the overall position with regards staffing costs is shown in the table below by Directorate:

FullDescription	Y	Actual Net Expenditure	Budgeted Net		Annual	Net Expenditure
			Expenditure ex 62997	Net Expenditure Variance ex 62997	Budgeted Net Expenditure ex 62997	Budget Remaining ex 62997
Leisure & Development		4,211,124.21	4,145,560.96	(65,563.25)	12,381,186.00	8,170,061.79
Environmental Services		5,874,955.42	6,011,546.17	136,590.75	18,259,861.00	12,384,905.58
Corporate Services		1,923,432.09	1,756,901.63	(166,530.46)	5,305,497.00	3,382,064.91
Chief Executive		448,038.76	421,138.75	(26,900.01)	1,269,595.00	821,556.24
Finance		430,941.52	429,019.93	(1,921.59)	1,292,799.00	861,857.48
Financing & Investment Income		62.00		(62.00)		(62.00)
Grand Total		12,888,554.00	12,764,167.44	(124,386.56)	38,508,938.00	25,620,384.00

Adjusting for the £250k relating to agency staff means that at period 4 employee costs are £374k adverse.

Income levels are currently reporting favourable against budget as detailed in the table below by Directorate:

FullDescription	Y	Actual Net Expenditure	Budgeted Net		Annual	Net Expenditure
			Expenditure ex 62997	Net Expenditure Variance ex 62997	Budgeted Net Expenditure ex 62997	Budget Remaining ex 62997
Leisure & Development		(5,337,306.76)	(4,931,225.22)	406,081.54	(9,106,875.21)	(3,769,568.45)
Environmental Services		(2,669,222.38)	(2,187,539.18)	481,683.20	(5,497,659.20)	(2,828,436.82)
Corporate Services		(1,095,291.20)	(499,698.82)	595,592.38	(1,526,048.00)	(430,756.80)
Chief Executive		(24,437.72)	(31,851.71)	(7,413.99)	(121,745.00)	(97,307.28)
Finance		(15,600.54)	1,471.05	17,071.59	4,500.00	20,100.54
Financing & Investment Income		(323,930.99)	(241,336.13)	82,594.86	(904,734.89)	(580,803.90)
Taxation & Non-Specific Grant Income		(20,014,176.00)	(20,311,827.90)	(297,651.90)	(59,053,213.06)	(39,039,037.06)
Grand Total		(29,479,965.59)	(28,202,007.91)	1,277,957.68	(76,205,775.36)	(46,725,809.77)

At this stage we already know Rates Support Grant to be received by Council will be under budget by £273k therefore we have taken account of this in these accounts. The figure for Corporate Services includes release from the Election Reserve to meet the costs of the recent Election thereby offsetting what appears to be an overspend on the expenditure side.

In terms of expenditure Insurance for the year is £139k adverse and this has been included in full in these accounts.

2.0 Leisure And Development Directorate

2.1 Background

Council has approved the annual budget for Leisure and Development and delegated authority to officers to utilise this budget in the provision of services to the rate payers. The L&D budget for 2023/24 is £13,248,062 (*this includes estates transfer of £1,351,637 not included below). The net budget is a calculation of the forecast:

- Gross Expenditure of £22.301m.
- Gross Income of £9.053m.

Table 1, Illustrates a P4 Net Position of £1,310,088, which is favourable by £568,436.

The service area financial positions are also shown in Table 1.

2.2 Service Area Budgets

Table 1

Head of Service	Budget Annual	Budget YTD	Actual Spend	Variance
Community & Culture	£1,914,428	£524,588	£506,788	£17,800
Prosperity & Place	£1,510,520	£479,504	£397,453	£82,051
Central Costs	£729,742	£241,706	£249,748	(£8,042)
Sport & Wellbeing	£5,382,908	£1,692,150	£1,391,440	£300,710
Tourism & Recreation	£2,093,943	(£1,150,818)	(£1,322,808)	£171,990
Funding Unit	£264,883	£91,394	£87,467	£3,927
	£11,896,424	£1,878,524	£1,310,088	£568,436

2.3 Income and Expenditure

Generally, the budgetary performance of Leisure and Development at Period 4 is performing well and as estimated at the start of the calendar year 2023, main areas to highlight are:

- Salaries and Wages.

Employee costs are £65K Adverse. Salaries & wages is currently £69k favourable with agency costs being £126k adverse. It is anticipated that part of this is due to the budget profile where currently salaries wages and agency are profiled monthly (one twelfth per month). Where in reality L&D would have several service areas with seasonal staff such as HALP, Coast & countryside and the leisure centres. Finance staff are to work with heads of service to profile budgets going forward to

reflect a more accurate picture. In addition, an accrual has been made at month 4 for the 23/24 pay award which equates to £614K overall for Council.

- Energy and Utilities.

At Period 4, energy costs and utilities have a favourable variance of £140k, this is likely due to improved pricing than those anticipated. There are also invoices outstanding as not all utilities are monthly, generally water bills are bi annually and the budget may need profiled accordingly.

- Repairs and Maintenance.

At Period 4, scheduled and reactive repairs / maintenance are adverse by £32k, this will be impacted by the withdrawal of estates transfer.

- Supplies and Services

At period 4 Supplies and Services are currently showing a favourable variance of £180k, one reason being that funded project spend is slow in the first quarter as projects are only getting started, this will increase accordingly but there may also be some apprehension regarding funding cuts and therefore managers are exercising caution at this time in relation to spend.

Customer & Client Receipts

Is currently showing a favourable variance of £523k mainly in HALP income (150K) and Sport & wellbeing (£381k).

2.4 Income Opportunities / Cost Reduction Measures

Whether inflation remains high and / or increases further, officers will reduce expenditure and increase income, through both immediate cost mitigation and the continuation of ongoing initiatives:

- Essential maintenance only throughout the Estate.
- 'Gapping' vacant posts.
- Reducing the use of agency staff.
- The continual drive to increase income at Council facilities, including the leisure centres and HALPs.
- The critical 'belt-tightening' exercise to minimise expenditure wherever possible.

3.0 Environmental Services Directorate

3.1 Background

Council has approved the annual budget for Environmental Service and delegated authority to officers to utilise this budget in the provision of services to the rate payers. ES budget for 2023/24 is **£ 28,731,095.78**. This is based on expenditure budget of **£34,228,754.98** and income budget of **£5,497,659.20**

The Environmental Services position at Period 4 shows a **£471,956.61 positive variance**. This includes predicted increases in employee costs based on the proposed National Pay Award which is greater than the predicted budget increase. Agency staff pay increases have not been accrued in Period 4.

The main costs and income attributing to the ES P4 position are summarised as follows as variances against budget.

Head of Service Description	Actual Net Spend 2024	2024 Budget YTD	2024 Budget Variance	Sum of Annual Budget 2024
Estates	1,606,361.69	2,012,618.26	406,256.57	6,160,075.00
Health and Built Environment	642,367.84	826,037.40	183,669.56	2,422,277.12
Infrastructure	(489,461.46)	(290,262.87)	199,198.59	112,563.66
Operations	6,155,662.57	5,865,574.00	(290,088.57)	19,254,231.00
ES Business Support	244,047.73	212,743.23	(31,304.50)	639,662.00
Environmental Services Centrally Managed	40,685.72	44,910.68	4,224.96	142,287.00
	8,199,664.09	8,671,620.70	471,956.61	28,731,095.78

Estates.

P4 Actual Expenditure	P4 Budget Expenditure	P4 Actual Income	P4 Budget Income	Net Expenditure Variance
1,690,435.04	2,082,808.35	(84,073.35)	(70,190.09)	406,256.57

£406k favourable mainly due to Employee costs which are £308k favourable. This is a result of difficulty in recruiting the number of seasonal grounds maintenance staff. A number of vacant posts within the Estates section remain unfilled. Income is positive by £14k.

Health and Built Environment.

P4 Actual Expenditure	P4 Budget Expenditure	P4 Actual Income	P4 Budget Income	Net Expenditure Variance
1,198,173.69	1,277,990.06	(555,805.85)	(451,952.66)	183,669.56

£184k positive. Employee costs are £81k positive. Fee Income is favourable by £115k including £44k from Building Control and £55k grant from Consumer Protection at P4.

Infrastructure.

P4 Actual Expenditure	P4 Budget Expenditure	P4 Actual Income	P4 Budget Income	Net Expenditure Variance
496,594.65	592,652.33	(986,056.11)	(882,915.20)	199,198.59

£199k favourable mainly due income favourable by £103k which includes trading concession income. Premises costs are favourable by £24k. Employee costs are £33k favourable mainly due to the Asset Realisation post not having been filled and Harbour and Marina structure not permanently filled.

Operations.

P4 Actual Expenditure	P4 Budget Expenditure	P4 Actual Income	P4 Budget Income	Net Expenditure Variance
7,198,949.64	6,648,055.23	(1,043,287.07)	(782,481.23)	(290,088.57)

£290k adverse variance in Period 4. Employee costs are adverse £257k. However, this includes an accrued pay award which was underprovided for in the budget. A breakdown of the Variances are as follows

Function	Variance	Comments
Waste Collection & Street Cleansing	£158k Adverse	Employee cost increase.
Landfill & Compost Site	£35k Adverse	On Target
HRC's	£29k Adverse	On target
Waste Disposal Contracts	£80k Adverse ○ Black Bin Contract - £87k (adv) ○ Blue Bin Contract - £25k (fav) ○ Brown Bin Contract £12k (adv) ○ Other Waste Contracts - £7k (adv)	Variations on predicted tonnages and price increases due to energy costs.
Public Conveniences	£23k Favourable	On target
Ops Management	£22k Adverse	On target

ES Business Support.

£31k adverse due to increased employee costs.

ES Centrally Managed.

£4k positive variance.

3.2 In-year Savings

Officers have and will continue to manage and scrutinise the budget to identify opportunities for reducing expenditure and increasing income. This includes

- not filling vacant posts,
- reducing season staff durations,
- not filling staff on sick leave in all non-essential service areas.
- completing only essential maintenance on ES properties.

Therefore, at Period 4 ES financial position has a positive variance of **£471,956.61.**

4.0 Corporate Service

4.1 The table below demonstrates the financial position for Corporate Services at period 4:

FullDescription	FullDescription	Actual Net Expenditure	Budgeted Net Expenditure ex 62997	Net Expenditure Variance ex 62997	Annual Budgeted Net Expenditure ex 62997	Net Expenditure Budget Remaining ex 62997
Corporate Services	Democratic Services	444,675.42	542,144.34	97,468.92	1,658,336.91	1,213,661.49
	Land and Property	69,627.50	86,565.74	16,938.24	259,811.00	190,183.50
	Human Resources	383,190.59	403,832.58	20,641.99	1,251,330.00	868,139.41
	Contributions to Other Bodies	49,936.00	71,555.08	21,619.08	149,703.00	99,767.00
	Policy & Community Planning	127,348.47	146,162.20	18,813.73	438,662.00	311,313.53
	Centrally Managed	70,157.69	90,458.48	20,300.79	271,484.00	201,326.31
	Corporate Services DIR	33,541.88	55,292.52	21,750.64	165,944.00	132,402.12
	Planning	360,557.65	490,825.42	130,267.77	1,468,846.00	1,108,288.35
Corporate Services Total		1,539,035.20	1,886,836.36	347,801.16	5,664,116.91	4,125,081.71
Grand Total		1,539,035.20	1,886,836.36	347,801.16	5,664,116.91	4,125,081.71

4.2 Planning

Planning is showing a variance of over £130k favourable position at end of Period 4 based on draft Management Accounts.

The favourable position at the end of Period 4 is due to increased income from planning applications and property certificates resulting in an increase in income of under £109k from that predicted for this period.

The favourable position in income from that predicted for this business year is just under £109k. The gross income received as of the end of Period 4 was £540,426.56 including Property Certificate income, sitting in a favourable position at £108,918.56.11 at end of Period 4 (Budget £431,508 v Actual £540,426.56).

In terms of expenditure, Salaries and Wages (including Agency staff) are showing an overspend of over £32,547.86 due to increased staff costs.

Savings in other expenditure codes will be reduced throughout the year as some payments are made on an annual basis and as current legal cases conclude.

Legal cases are ongoing with Mr Duff appealing 1 JR decision to the Court of Appeal and the other has been returned to the High court following Court of Appeal granting Mr Duff standing. Mr McLaughlin's judicial review in the High Court is awaiting decision.

The adverse position in salaries and wages (£33k) and favourable position in income (£109k) and favourable position in other expenditure codes (£54k) results in an overall favourable position of £130,267,77 at end of Period 4.

5.0 Chief Executive

5.1 The table below demonstrates the financial position for areas reporting directly to the Chief Executive at period 4:

FullDescription	FullDescription	Actual Net Expenditure	Budgeted Net Expenditure ex 62997	Net Expenditure Variance ex 62997	Annual Budgeted Net Expenditure ex 62997	Net Expenditure Budget Remaining ex 62997
≡ Chief Executive	⊕ Legal Services	43,239.69	59,398.85	16,159.16	179,065.00	135,825.31
	⊕ Performance	1,970,343.55	1,855,430.47	(114,913.08)	3,530,197.00	1,559,853.45
Chief Executive Total		2,013,583.24	1,914,829.32	(98,753.92)	3,709,262.00	1,695,678.76
Grand Total		2,013,583.24	1,914,829.32	(98,753.92)	3,709,262.00	1,695,678.76

The adverse variance under Performance is mainly due to Insurance costs for the year being adverse by £139k.

6.0 Finance, Investment Income, Interest and Rates

6.1 The table below demonstrates the financial position relating to Finance, Investment Income, Interest payments, Central Government Support and Rates as at the end of period 4:

FullDescription	FullDescription	Actual Net Expenditure	Budgeted Net Expenditure ex 62997	Net Expenditure Variance ex 62997	Annual Budgeted Net Expenditure ex 62997	Net Expenditure Budget Remaining ex 62997
≡ Finance		609,806.66	553,879.70	(55,926.96)	1,676,169.00	1,066,362.34
≡ Financing & Investment Expenditure	⊕ Interest Payable and Similar Charges	84,041.10	84,041.10	0.00	2,304,157.82	2,220,116.72
	⊕ Minimum Revenue Provision	2,301,736.00	2,301,736.00	0.00	6,907,967.00	4,606,231.00
Financing & Investment Expenditure Total		2,385,777.10	2,385,777.10	(0.00)	9,212,124.82	6,826,347.72
≡ Financing & Investment Income	⊕ Investment Income	(319,959.91)	(239,913.62)	80,046.29	(898,215.89)	(578,255.98)
Financing & Investment Income Total		(319,959.91)	(239,913.62)	80,046.29	(898,215.89)	(578,255.98)
≡ Taxation & Non-Specific Grant Income	⊕ Rates Income	(18,688,252.00)	(18,680,777.40)	7,474.60	(56,064,758.06)	(37,376,506.06)
	⊕ General Grant	(1,325,924.00)	(1,631,050.50)	(305,126.50)	(2,988,455.00)	(1,662,531.00)
Taxation & Non-Specific Grant Income Total		(20,014,176.00)	(20,311,827.90)	(297,651.90)	(59,053,213.06)	(39,039,037.06)
Grand Total		(17,338,552.15)	(17,612,084.72)	(273,532.57)	(49,063,135.13)	(31,724,582.98)

Whilst the figures in this table are dominated by the adverse position regarding Rates Support Grant it should be noted that Investment Income is £80k favourable and this position should improve as the year progresses.

7.0 Cashflow

7.1 The table below sets out a projected cashflow for the next three months.

Projected Cashflow Forecast for 3 Months to 30th November 2023			
	September	October	November
Closing Bank Balance at 31st August 2023	13,667,835.00	11,056,831.00	9,025,043.00
Estimates payment runs	7,418,505.00	5,934,804.00	6,184,804.00
Estimated Weekly Wages	409,230.00	327,384.00	327,384.00
Estimated Weekly specials	287,975.00	230,380.00	230,380.00
Estimated monthly salaries	936,237.00	936,237.00	936,237.00
Estimates monthly specials	732,163.00	732,163.00	732,163.00
Estimated councillors	47,355.00	47,355.00	47,355.00
Estimated councillors specials	26,851.00	26,851.00	26,851.00
Estimated DD payments	42,000.00	45,000.00	45,000.00
Loan repayment (Govt)			
Loan Repayments (Commercial)			49,364.38
Total Expenditure	9,900,316.00	8,280,174.00	8,579,538.38
Rates Income	4,672,063.00	4,672,063.00	4,995,912.00
Rates support income		84,189.00	
Derating Grant		405,495.00	
Transferring functions		86,639.00	
Vat refund	1,417,249.00		1,200,000.00
General Income	1,200,000.00	1,000,000.00	1,000,000.00
Loan Draw down			
Total Income	7,289,312.00	6,248,386.00	7,195,912.00
Closing Bank Balance	11,056,831.00	9,025,043.00	7,641,416.62

8.0 Summary

8.1 Whilst this report does present a welcome and healthy position for Council it must be noted that Council did approve a budget with a £2.612m deficit therefore if this position remained until the end of the year Council would still reduce reserves by just over £2 million. All expenditure and income streams require continued management and scrutiny in order to reduce that deficit and help protect Council's Reserves.