

# LICHFIELD CITY COUNCIL FINANCIAL OUT-TURN REPORT 2016/17

## AUDIT COMMITTEE 9 June 2017 APPENDIX 1

On the accounts summary table the figures in red represent income.

The following notes explain the variations between the original budget and the actual year-end out-turn.

Note	Details
1	<b>Guildhall.</b> Out turn figure is broadly in line with 2015/16. This necessitated a review of recommended budget apportionment for 2017/18 as approved by Council at its meeting of 31 January 2017.
2	<b>Markets.</b> Reduced rental charges for January to March, and a number of cancelled markets due to inclement weather have impacted upon income during the year; and significant staffing changes in the service during the year incurred additional costs. A general decline in stall occupancy levels (as has been noted in markets nationally) during 2016/17 has also contributed to the discrepancy. Various measures have been put in place, including additional advertising, in an effort to reverse the trend. The introduction of Wednesday trading on a trial basis will also generate additional income.
3	<b>Civic.</b> Additional costs are those associated with special one-off events.
4	<b>Democratic Services.</b> Invoices relating to election charges incurred during 2015/16 were received in 2016/17. The underspend on this item was added to general reserves for the 2016/17 financial year, with payment now made. This budget line also includes the necessary installation of a new computer server not originally included in the 2016/17 budget.
5	<b>Capital Projects – Market Square Paving Scheme</b> The cost of this work totalling £49,400 was significantly less than the original budget. Several sections of the Square were completed during 2015/16 but work was halted in January 2016 to allow the County Council road repaving scheme to be carried out. The underspend on this item from 2015/16 (estimated at circa £25,000) was carried forward to 2016/17. The repaving work was completed during the Summer of 2016 and the final invoice subsequently paid.

### **Employee costs.**

The overall employee costs totalling £416,549 (recharged across all the budget heads in the table below) is 5.8% over the original budget estimate. This is due to a number of reasons such as long term sick leave, additional hours, maternity cover and increases in the hourly rate of lower paid staff.

### **RECOMMENDATION TO COUNCIL:**

- 1 ***The Report and Out-Turn Statement 2016/17 be received.***
- 2 ***The Council as Trustee of the Johnson Birthplace Charitable Trust make a payment of £11,006 from the Trust Funds to the City Council as the contribution to the expenditure incurred by the City Council in operating the Museum during the 2016/17 financial year.***
- 3 ***In respect of the External Auditor Annual Return for the year ending 31 March 2017:***
  - a. ***The Council approve the Annual Governance Statement (Section 1 of the Annual Return) and that this be signed by the Mayor and Town Clerk on behalf of the Council***
  - b. ***The Council approve the Accounting statements (Section 2 of the Annual Return) and this be signed by the Mayor on behalf of the Council***
  - c. ***The Council note the Annual Internal Audit Report section of the Annual Return.***

<b><i>Net Expenditure</i></b>	<b>BUDGET</b>	<b>ACTUAL 2016/17</b>	<b>VARIANCE</b>	<b>BUDGET</b>	<b>Note</b>
<b>SERVICE AREAS</b>	<b>2016/17</b>	<b>AT YEAR END</b>	<b>2016/17</b>	<b>2017/18</b>	
	<b>£</b>	<b>£</b>	<b>%</b>	<b>£</b>	
<i>Parks and Footpaths</i>	175,000	174,722	0	208,166	
<i>Guildhall</i>	50,000	69,547	39	62,530	1
<i>Community Centres</i>	15,000	14,173	-5	12,182	
<i>Markets</i>	-50,000	-28,148	-44	-29,885	2
<i>Civic</i>	70,000	81,099	16	81,684	3
<i>Grant Aid/Partnerships</i>	50,000	46,723	-7	50,006	
<i>Arts/Tourism/Twinning</i>	65,000	59,662	-8	59,989	
<i>Johnson Birthplace Museum</i>	75,000	78,810	6	80,704	
<i>Democratic Services</i>	110,000*	130,491	18	88,794	4
<i>Investment Interest</i>	-1,400	-1,293	-7	-110	
<i>Loan Charges</i>	0	0		0	
<i>Agency</i>	-12,000	-18,443	54	-18,615	
<i>Repairs and Renewals</i>	130,000	121,988	-6	129,463	
<i>Capital Projects</i>	25,000*	28,229	13	0	5
<b>SUB TOTALS</b>	<b>701,600*</b>	<b>757,560</b>	<b>8%</b>	<b>724,910</b>	
<b>PRECEPT + LTCSG</b>	<b>674,763</b>	<b>674,763</b>	<b>-</b>	<b>700,701</b>	
<b>TOTAL (To)/From balances</b>	<b>26,837*</b>	<b>82,797</b>	<b>-</b>	<b>(24,209)</b>	

\* These headline figures include;

- £25,000 added to the Democratic Services budget line to cover electoral costs from the 2015 election (this amount having been committed to general reserves following the City Council's meeting of 22 June 2016), but added to this reporting line for budgetary purposes. The final invoice totalled £37,389, some £12,389 above the figure set aside to cover the expenses.
- The underspend on the capital works to the Market Square of £25,000 carried forward to 2016/17 and added to the budget as programmed works on-going, following the meeting of the City Council on 22 June 2016.