



Title of Report:	Management Accounts Period 9
Committee Report Submitted To:	Finance Committee
Date of Meeting:	14 March 2024
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 9 (up to and including 31 December 2023):

Council is showing a favourable variance against budget at period 9 amounting to £1,673,734 which is an encouraging position to be in as we approach the final quarter of the financial year. It should be noted that this however is not a surplus but rather a positive variance against budget, Council set a deficit budget for 2023/24 of £2.612m therefore if this position was maintained until the end of the year Council would still be in deficit by £0.938m, reducing reserves by this amount.

Directorate	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
Leisure & Development	6,618,974.61	7,187,668.85	568,694.24	11,896,425.31	5,277,450.70
Environmental Services	19,983,369.39	20,857,363.69	873,994.30	28,731,095.78	8,747,726.39
Corporate Services	4,016,639.57	4,275,795.51	259,155.94	5,869,506.04	1,852,866.47
Chief Executive	3,095,558.46	3,202,479.96	106,921.50	3,709,262.00	613,703.54
Planning	1,033,078.34	1,087,973.30	54,894.96	1,468,846.00	435,767.66
Finance	1,271,597.51	1,250,293.92	(21,303.59)	1,676,169.00	404,571.49
Other Operating Expenditure	0.00		0.00		0.00
Financing & Investment Expenditure	6,443,690.56	6,439,571.49	(4,119.07)	9,212,124.82	2,768,434.26
Financing & Investment Income	(856,385.75)	(732,732.85)	123,652.90	(898,215.89)	(41,830.14)
Taxation & Non-Specific Grant Income	(44,732,047.10)	(45,020,204.15)	(288,157.05)	(59,053,213.06)	(14,321,165.96)
Grand Total	(3,125,524.41)	(1,451,790.28)	1,673,734.13	2,612,000.00	5,737,524.41

1.3 Income and Expenditure Analysis

The overall position with regards staffing costs is shown in the table below by Directorate:

Directorate	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
Leisure & Development	8,926,151.59	8,570,183.71	(355,967.88)	11,559,550.00	2,633,398.41
Environmental Services	13,710,275.25	13,692,888.63	(17,386.62)	18,259,861.00	4,549,585.75
Corporate Services	2,802,069.45	2,625,828.90	(176,240.55)	3,522,963.00	720,893.55
Chief Executive	1,032,992.82	951,905.37	(81,087.45)	1,269,595.00	236,602.18
Planning	2,023,897.49	1,921,386.57	(102,510.92)	2,563,120.00	539,222.51
Finance	968,853.90	969,294.30	440.40	1,292,799.00	323,945.10
Financing & Investment Income	31.00		(31.00)		(31.00)
Grand Total	29,464,271.50	28,731,487.48	(732,784.02)	38,467,888.00	9,003,616.50

Council is currently adverse against budget in terms of staffing, and this is expected to be the case as the current pay award offered to employees exceeds the budgetary provision included by Council in the rates estimates. The variance has reduced slightly from P8, most likely due to the accrual for the pay award in previous months being slightly overestimated plus an element of seasonality.

The table below sets out the budgetary position of all other areas of expenditure against budget by Directorate:

Directorate	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
Leisure & Development	6,202,013.21	6,195,074.64	(6,938.57)	9,450,950.52	3,248,937.31
Environmental Services	11,325,478.15	11,380,600.50	55,122.35	15,968,893.98	4,643,415.83
Corporate Services	1,982,550.58	1,805,637.92	(176,912.66)	2,552,491.04	569,940.46
Chief Executive	2,118,747.30	2,309,030.60	190,283.30	2,561,412.00	442,664.70
Planning	112,221.85	156,661.73	44,439.88	225,826.00	113,604.15
Finance	335,834.82	277,624.62	(58,210.20)	378,870.00	43,035.18
Financing & Investment Expenditure	6,443,690.56	6,439,571.49	(4,119.07)	9,212,124.82	2,768,434.26
Financing & Investment Income	10,368.80	15,048.70	4,679.90	6,519.00	(3,849.80)
Grand Total	28,530,905.27	28,579,250.20	48,344.93	40,357,087.36	11,826,182.09

At period 9 this is £48k favourable (Period 8 - £327k adverse) however it should be noted that this includes £139k relating to insurance costs for which the full charge for the year has already been included in the accounts thereby generating the adverse variance against the annual budget. Maintenance and materials are the other areas which are showing adverse at this stage across Council's entire estate. Other significant factors include waste where increased tonnages at our landfill site have led to increased landfill tax (this is offset by landfill tax income and increased dumping fees), the cost of the election being in excess of the Election reserve that had been previously set aside and extra ordinary audit costs. The main reason for the shift in this period was recycling contracts.

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

Directorate	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
Leisure & Development	(8,509,190.19)	(7,577,589.50)	931,600.69	(9,114,075.21)	(604,885.02)
Environmental Services	(5,052,384.01)	(4,216,125.44)	836,258.57	(5,497,659.20)	(445,275.19)
Corporate Services	(767,980.46)	(155,671.31)	612,309.15	(205,948.00)	562,032.46
Chief Executive	(56,181.66)	(58,456.01)	(2,274.35)	(121,745.00)	(65,563.34)
Planning	(1,103,041.00)	(990,075.00)	112,966.00	(1,320,100.00)	(217,059.00)
Finance	(33,091.21)	3,375.00	36,466.21	4,500.00	37,591.21
Financing & Investment Income	(866,785.55)	(747,781.55)	119,004.00	(904,734.89)	(37,949.34)
Taxation & Non-Specific Grant Income	(44,732,047.10)	(45,020,204.15)	(288,157.05)	(59,053,213.06)	(14,321,165.96)
Grand Total	(61,120,701.18)	(58,762,527.96)	2,358,173.22	(76,212,975.36)	(15,092,274.18)

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 the majority of the overspend on the expenditure side.

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 P9 Net Position of £6,618,975, which is favourable by £568,694.

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

2.2 Service Area Budgets

Table 1

Head of Service	Actual Net Expenditure	Budgeted Net	Net Expenditure	Budgeted Net	Annual Net Expenditure
		Expenditure ex 62997	Variance ex 62997	Expenditure ex 62997	Remaining ex 62997
Community and Culture	1,118,101.27	1,240,773.59	122,672.32	1,914,428.00	796,326.73
Prosperity and Place	790,406.91	814,187.37	23,780.46	1,510,520.90	720,113.99
Leisure and Development Management	374,522.66	419,656.41	45,133.75	559,742.00	185,219.34
Sport and Wellbeing	3,574,611.98	3,760,447.50	185,835.52	5,382,908.00	1,808,296.02
Tourism and Recreation	465,281.99	626,511.81	161,229.82	2,093,943.41	1,628,661.42
Funding Unit	167,585.18	198,592.17	31,006.99	264,883.00	97,297.82
Strategic Projects	128,464.62	127,500.00	(964.62)	170,000.00	41,535.38
	6,618,974.61	7,187,668.85	568,694.24	11,896,425.31	5,277,450.70

2.3 Income and Expenditure

Generally, the budgetary performance of Leisure and Development at Period 8 is performing well and as estimated at the start of the calendar year 2023, main areas to highlight are:

- Salaries and Wages.

The table below shows the position regarding staffing costs across the Directorate, currently adverse by £356k, mainly due to the expected overspend as a result of the anticipated pay award.

Head of Service	Actual Net Expenditure	Budgeted Net	Net Expenditure	Budgeted Net	Annual Net Expenditure
		Expenditure ex 62997	Variance ex 62997	Expenditure ex 62997	Remaining ex 62997
Community and Culture	1,112,470.38	1,169,029.53	56,559.15	1,657,630.00	545,159.62
Prosperity and Place	656,051.74	731,685.78	75,634.04	964,732.00	308,680.26
Leisure and Development Management	404,000.90	412,916.58	8,915.68	550,752.00	146,751.10
Sport and Wellbeing	4,488,849.31	3,989,894.64	(498,954.67)	5,444,498.00	955,648.69
Tourism and Recreation	1,977,297.72	1,961,995.18	(15,302.54)	2,535,640.00	558,342.28
Funding Unit	159,358.17	177,162.00	17,803.83	236,298.00	76,939.83
Strategic Projects	128,123.37	127,500.00	(623.37)	170,000.00	41,876.63
	8,926,151.59	8,570,183.71	(355,967.88)	11,559,550.00	2,633,398.41

This has decreased from P8 (601k) mostly due to the accrual included in previous periods for the impending pay award being slightly over estimated.

Energy and Utilities.

At Period 9, energy costs and utilities have a favourable variance of £279k, this is likely due to continued more improved pricing than 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.

Head of Service	Actual Net Expenditure	Budgeted Net	Net Expenditure	Annual	Net Expenditure
		Expenditure ex 62997	Variance ex 62997	Budgeted Net Expenditure ex 62997	Budget Remaining ex 62997
Community and Culture	45,821.11	53,693.78	7,872.67	80,273.00	34,451.89
Prosperity and Place	578.10	1,622.18	1,044.08	2,484.50	1,906.40
Sport and Wellbeing	944,775.99	1,209,702.86	264,926.87	1,786,619.00	841,843.01
Tourism and Recreation	280,276.19	285,751.86	5,475.67	427,686.58	147,410.39
	1,271,451.39	1,550,770.68	279,319.29	2,297,063.08	1,025,611.69

- Repairs and Maintenance.

At Period 9, scheduled and reactive repairs / maintenance are adverse by £5k, this will be impacted by the withdrawal of estates transfer.

Head of Service	Actual Net Expenditure	Budgeted Net	Net Expenditure	Annual	Net Expenditure
		Expenditure ex 62997	Variance ex 62997	Budgeted Net Expenditure ex 62997	Budget Remaining ex 62997
Community and Culture	33,644.36	50,724.52	17,080.16	119,734.00	86,089.64
Prosperity and Place	6,834.89	241.00	(6,593.89)	1,700.00	(5,134.89)
Sport and Wellbeing	471,244.08	489,959.18	18,715.10	683,678.00	212,433.92
Tourism and Recreation	332,221.39	297,718.36	(34,503.03)	406,202.44	73,981.05
	843,944.72	838,643.06	(5,301.66)	1,211,314.44	367,369.72

- Supplies and Services

At period 9 Supplies and Services are currently showing an adverse variance of £178k.

Customer & Client Receipts

Is currently showing a favourable variance of £551k mainly in Sport & wellbeing (£492k).

Head of Service	Actual Net Expenditure	Budgeted Net	Net Expenditure	Annual	Net Expenditure
		Expenditure ex 62997	Variance ex 62997	Budgeted Net Expenditure ex 62997	Budget Remaining ex 62997
Community and Culture	(155,681.92)	(128,433.92)	27,248.00	(169,834.00)	(14,152.08)
Prosperity and Place	(91,906.37)	(78,109.00)	13,797.37	(100,412.00)	(8,505.63)
Sport and Wellbeing	(2,674,851.81)	(2,182,736.50)	492,115.31	(2,876,311.00)	(201,459.19)
Tourism and Recreation	(3,798,767.65)	(3,781,337.72)	17,429.93	(3,985,712.33)	(186,944.68)
	(6,721,207.75)	(6,170,617.14)	550,590.61	(7,132,269.33)	(411,061.58)

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.
- 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 9 shows a **£873,994.30 positive variance**. This includes predicted increases in employee costs based on the now implemented National Pay Award which is greater than the predicted budget increase.

The main costs and income attributing to the ES P9 position are summarised as follows as variances against budget.

Head of Service	Actual Net Expenditure	Budgeted Net	Net Expenditure	Annual	Net Expenditure
		Expenditure ex 62997	Variance ex 62997	Budgeted Net Expenditure ex 62997	Budget Remaining ex 62997
Estates	3,823,679.91	4,605,501.66	781,821.75	6,160,075.00	2,336,395.09
Health and Built Environment	1,637,385.20	1,772,806.03	135,420.83	2,422,277.12	784,891.92
Infrastructure	(417,177.75)	(52,122.38)	365,055.37	112,563.66	529,741.41
Operations	14,344,524.48	13,950,555.23	(393,969.25)	19,254,231.00	4,909,706.52
ES Business Support	501,314.63	479,573.31	(21,741.32)	639,662.00	138,347.37
Environmental Services Centrally Managed	93,642.92	101,049.84	7,406.92	142,287.00	48,644.08
	19,983,369.39	20,857,363.69	873,994.30	28,731,095.78	8,747,726.39

Estates.

P9 Actual Expenditure	P9 Budget Expenditure	P9 Actual Income	P9 Budget Income	Net Expenditure Variance
4,089,898.53	4,767,016.35	(266,218.62)	(161,514.69)	781,821.75

£781k favourable mainly due to Employee costs which are £505k 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 £100k.

Health and Built Environment.

P9 Actual Expenditure	P9 Budget Expenditure	P9 Actual Income	P9 Budget Income	Net Expenditure Variance
2,926,785.26	2,875,124.95	(1,289,400.06)	(1,102,318.92)	135,420.83

£135k positive. Employee costs are £89k favourable. Fee Income is favourable by £187k including £89k from Building Control and £47k grant from Consumer Protection at P9.

Infrastructure.

P9 Actual Expenditure	P9 Budget Expenditure	P9 Actual Income	P9 Budget Income	Net Expenditure Variance
1,340,941.55	1,581,435.51	(1,758,079.30)	(1,633,557.89)	365,055.37

£365k favourable mainly due to income favourable by £125k. Car Park income is favourable by £75k and Harbour and Marina income is favourable by £49k. Employee costs are £115k favourable mainly due to the Asset Realisation Officer post not having been filled and Harbour and Marina structure not permanently filled.

Operations.

P9 Actual Expenditure	P9 Budget Expenditure	P9 Actual Income	P9 Budget Income	Net Expenditure Variance
16,083,210.51	15,269,289.17	(1738,686.03)	(1,318,733.94)	(393,969.25)

£394k adverse variance in Period 9. Employee costs are adverse by £693k, this includes the agreed pay award which was underprovided for in the budget estimates agreed by Members. Seasonal profiling has not been completed. A breakdown of the variances are as follows

Function	Variance	Comments
Waste Collection & Street Cleansing	£342k Favourable	Employee cost pay award increase and profiling not complete.
Landfill & Compost Site	£455k Adverse	Increased 3 rd party waste and Council waste being landfilled so increased HMRC costs. 3 rd party income for Letterloan did not materialise. (£100k)
HRC's	£407k Adverse	Employee cost pay award increase and profiling not complete.
Waste Disposal Contracts	£380k Favourable <ul style="list-style-type: none"> ○ Black Bin Contract - £193k (fav) ○ Blue Bin Contract - £43k (fav) ○ Brown Bin Contract £48k (adv) ○ Other Waste Contracts - £192k (fav) 	On target Variations on predicted tonnages and price increases due to energy costs.
Transfer Stations	£20k Adverse	On target
Depots	£17k Favourable	On target

Public Conveniences	£128k Adverse	Employee cost pay award increase and profiling not complete.
Ops Management	£121k Adverse	Employee cost pay award increase.

ES Business Support.

£22k adverse due to increased employee costs.

ES Centrally Managed.

£7k positive variance.

3.0 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

- 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 9 ES financial position has a positive variance of **£873,994.30**

4.0 Corporate Services

4.1 The table below demonstrates the financial position for Corporate Services at period 9:

Head of Service	Actual Net Expenditure	Budgeted Net	Net Expenditure	Budgeted Net	Net Expenditure
		Expenditure ex 62997	Variance ex 62997	Expenditure ex 62997	Remaining ex 62997
⊕ Democratic Services	1,157,033.91	1,215,267.32	58,233.41	1,658,336.91	501,303.00
⊕ Land and Property	157,293.53	193,436.50	36,142.97	259,811.00	102,517.47
⊕ ICT and Business Continui	1,335,974.84	1,246,952.36	(89,022.48)	1,674,235.13	338,260.29
⊕ Human Resources	821,678.99	912,511.13	90,832.14	1,251,330.00	429,651.01
⊕ Contributions to Other Bc	56,222.60	50,936.00	(5,286.60)	149,703.00	93,480.40
⊕ Policy & Community Plan	297,338.36	328,752.45	31,414.09	438,662.00	141,323.64
⊕ Centrally Managed	191,097.34	327,939.75	136,842.41	437,428.00	246,330.66
	4,016,639.57	4,275,795.51	259,155.94	5,869,506.04	1,852,866.47
⊕ Planning	1,033,078.34	1,087,973.30	54,894.96	1,468,846.00	435,767.66
	1,033,078.34	1,087,973.30	54,894.96	1,468,846.00	435,767.66
	5,049,717.91	5,363,768.81	314,050.90	7,338,352.04	2,288,634.13

4.2 Planning

Planning is showing a variance of over £55k favourable position at end of Period 9 based on the Management Accounts.

The gross income received as of the end of Period 9 was £1,103,041.00 including Property Certificate income, sitting in a favourable position at £112,966.00 at end of Period 9 (Budget £990,075.00 v Actual £1,103,041.00).

In terms of expenditure, Salaries and Wages (including Agency staff) are showing an overspend of over £102,511 due to increased staff costs.

The increase in income continues to offset the deficit in salaries and wages. The favourable position in other expenditure codes will be reduced throughout the year as some payments are made on an annual basis and legal challenges to planning decisions continue.

5.0 Chief Executive

5.1 The table below demonstrates the financial position for areas reporting directly to the Chief Executive at period 9:

Head of Service	Actual Net Expenditure	Budgeted Net	Net Expenditure	Budgeted Net	Annual Net Expenditure
		Expenditure ex	Variance ex	Expenditure ex	Budget Remaining ex
		62997	62997	62997	62997
Legal Services	116,262.40	133,683.60	17,421.20	179,065.00	62,802.60
Performance	2,979,296.06	3,068,796.36	89,500.30	3,530,197.00	550,900.94
Total	3,095,558.46	3,202,479.96	106,921.50	3,709,262.00	613,703.54

The variance under Performance includes 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 9:

Directorate	Head of Service	Actual Net Expenditure	Budgeted Net	Net Expenditure	Budgeted Net	Annual Net Expenditure
			Expenditure ex	Variance ex	Expenditure ex	Budget Remaining ex
			62997	62997	62997	62997
Finance		1,271,597.51	1,250,293.92	(21,303.59)	1,676,169.00	404,571.49
Financing & Investment Expenditure	Interest Payable and Simi	1,264,784.56	1,260,665.49	(4,119.07)	2,304,157.82	1,039,373.26
	Minimum Revenue Provis	5,178,906.00	5,178,906.00	0.00	6,907,967.00	1,729,061.00
Financing & Investment Expenditure Total		6,443,690.56	6,439,571.49	(4,119.07)	9,212,124.82	2,768,434.26
Financing & Investment Income		(856,385.75)	(732,732.85)	123,652.90	(898,215.89)	(41,830.14)
Taxation & Non-Specific Grant Income		(44,732,047.10)	(45,020,204.15)	(288,157.05)	(59,053,213.06)	(14,321,165.96)
Grand Total		(37,873,144.78)	(38,063,071.59)	(189,926.81)	(49,063,135.13)	(11,189,990.35)

Whilst the figures in this table are dominated by the adverse position regarding Rates Support Grant it should be noted that Investment Income is £124k favourable and this position will improve as the year progresses. In December an additional £132k investment income will be received with a further £26k in

January and £40k in February bringing the confirmed total for the year to £379k against a budget of £225k.

7.0 Cashflow

7.0 Summary

7.1 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 £0.938 million. All expenditure and income streams require continued management and scrutiny in order to reduce that deficit and help protect Council's Reserves.