

**LICHFIELD CITY COUNCIL  
FINANCIAL OUT-TURN REPORT 2015/16**

**AUDIT COMMITTEE 10 June 2016 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.

<u>Note</u>	<u>Details</u>
1	<b>Parks and paths.</b> Certain projects such as replacing the gravel pathways around the Clock Tower are in the process of being prepared, but commencement on site will be during the current year. In addition a Heritage Lottery Fund grant of £38,500 not included in the original budget has been received and committed.
2	<b>Guildhall.</b> The budget estimate for lettings for 2015/16 was overly optimistic (as it had also been in 2014/15). Ultimately lettings income was 16% lower in 2015/16 than for 2014/15; and expenses 5% higher. In addition, at the 9 month report, when we thought we had approximately 75% of the year's income and expenditure, the energy expenses were underestimated by £5,000, and the likely income overestimated by approximately £11,000; giving an overall discrepancy of £16,000.
3	<b>Community Centres.</b> The 2015/16 budget included a figure of £20,000 for connection of the Darwin Hall to the mains sewer. This funding was subsequently not required in 2015/16.
4	<b>Markets.</b> Reduced rental charges for January to March, and a number of cancelled markets due to inclement weather, together with difficulties of relocating traders during the road repaving works have all impacted upon income in the last quarter of the year.
5	<b>Democratic Services.</b> Invoices relating to election charges incurred during the year are yet to be received. <b><i>The underspend on this item from 2015/16 (estimated at £25,000) will be added to general reserves.</i></b>
6	<b>Investment Interest.</b> Anticipated investment interest income has been reduced due to lower interest rates and reduced balances following large purchases such as Donegal House.
7	<b>Agency.</b> Monies for verge maintenance works have been received for work carried out on behalf of the County Council – this relates to income only since the costs associated with this maintenance are included within the District Council open spaces maintenance contract.
8	<b>Repairs and Renewals.</b> Some refurbishment work originally programmed for 2015/16 including improvements to Donegal House reception and new kitchen and toilet facilities totalling an estimated £60,000 were reprogrammed to take place in 2016/17 and included as part of a new Repair and Renewal programme.
9	<b>Capital works – 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 the year but work was halted in January to allow the County Council road repaving scheme to be carried out. <b><i>The underspend on this item from 2015/16 (£25,000) therefore needs to be carried forward to 2016/17 (work should be completed by early July 2016).</i></b>

**Employee costs.**

The overall employee costs total £361,705 (recharged across all the budget heads in the table below) is **6.2% BELOW** the budget estimate for the year of £385,700. This is due to staff salary savings as a result of significant staff changes during the year and the appointment of new staff at the first point on the relevant salary scale.

<b><u>Net Expenditure</u></b>	<b>BUDGET</b>	<b>ACTUAL 2015/16</b>	<b>VARIANCE</b>	<b>BUDGET</b>	<b>Note</b>
<b>SERVICE AREAS</b>	<b>2015/16</b>	<b>AT YEAR END</b>	<b>2015/16</b>	<b>2016/17</b>	
	<b>£</b>	<b>£</b>	<b>%</b>	<b>£</b>	
<i>Parks and Footpaths</i>	170,785	133,251	-22	175,000	1
<i>Guildhall</i>	49,110	65,943	34	50,000	2
<i>Community Centres</i>	30,064	10,081	-66	15,000	3
<i>Markets</i>	-45,545	-38,166	-16	-50,000	4
<i>Civic</i>	67,862	67,407	-1	70,000	
<i>Grant Aid/Partnerships</i>	51,058	46,388	-9	50,000	
<i>Arts/Tourism/Twinning</i>	64,338	56,788	-12	65,000	
<i>Johnson Birthplace Museum</i>	75,415	72,844	-3	75,000	
<i>Democratic Services</i>	120,616	91,228	-24	85,000	5
<i>Investment Interest</i>	-2,600	-1,448	-44	-1400	6
<i>Loan Charges</i>	0	0		0	
<i>Agency</i>	-12,410	-18,780	51	-12,000	7
<i>Repairs and Renewals</i>	190,109	129,206	-32	130,000	8
<i>Capital Projects</i>	91,000	23,931	-74	0	9
<b>SUB TOTALS</b>	<b>849,802</b>	<b>638,674</b>	<b>-25</b>	<b>651,600</b>	
<b>PRECEPT + LTCSG</b>	<b>648,350</b>	<b>648,350</b>	<b>-</b>	<b>674,763</b>	
<b>TOTAL (To)/From balances</b>	<b>201,452</b>	<b>-9,676</b>	<b>-</b>	<b>(23,163)</b>	

**RECOMMENDATION TO COUNCIL:**

- 1 ***The Report and Out-Turn Statement 2015/16 be received.***
- 2 ***That the underspend on the capital works to the Market Square of £25,000 be carried forward to 2016/17 and added to the budget as programmed works on-going.***
- 3 ***That the underspend on the election expenses estimated at £25,000 be added to general reserves.***
- 4 ***The Council as Trustee of the Johnson Birthplace Charitable Trust make a payment of £9,859 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 2015/16 financial year.***
- 5 ***In respect of the External Auditor Annual Return for the year ending 31 March 2016:***
  - 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.***