**LEISURE, WELLBEING AND HEALTH COMMITTEE**

**22 MARCH 2017**

**PART I - NOT DELEGATED**

**7. BUDGET MONITORING – PERIOD 10 (JANUARY)**

(DoF)

1. **Summary**

1.1 Budget monitoring report is a key tool in scrutinising the Council’s financial performance. It is designed to provide an overview to all relevant stakeholders. It is essential that the Council monitors its budgets throughout the year to ensure that it is meeting its strategic objectives and that corrective action is taken where necessary.

1.2 This report seeks approval to a change in the Committee’s 2016 - 2020 medium-term financial plan.

1. **Details**

2.1 Service Heads must provide a valid reason for any growth, and in the first instance, try to mitigate any overspend by identifying compensatory savings in their service area. An overall increase in the Council’s budgets requiring the use of balances must be approved by Council. Virements between cost centres within each service are approved by each committee. Virements between Service Committees must be approved by Council along with proposals for the use of ‘windfall’ income.

**Revenue**

2.3 The revised revenue budget for 2016/17 totalling £2,218,760 was approved by Policy and Resources Committee on 23 January 2017 (Minute No. PR89/16) and by Council on 21 February 2017. The forecast outturn is £2,216,760 which gives a favourable variance of £2,000 for this period (end of January).

As at 31 January 2017, the services had spent £1,385,894 which represents 62.46% of the annual budget.

2.4 The variance has occurred due to a shortfall of £10,000 in Licensing income, an underspend of £10,000 in Environmental Health consultancy and a £2,000 increase from Sports Development programmes.

* 1. Appendix 1 shows the Committees’ medium term revenue budget 2016 – 2020.

2.6 Appendix 2 shows the revenue variances for period 10 (January).

**Capital**

2.7 The latest capital budget for 2016/17 totalling £2,156,161 was approved by Policy and Resources Committee on 23 January 2017 (Minute No. PR90/16) and by Council on 21 February 2017. The forecast outturn is £1,166,091 which gives a variance of (£990,070) for this period (end of January).

2.8 The main reasons for the variance are:

Rephasing to 2017/18

* Bury Lake Young Mariners - £250,000
* Leavesden Management Plan - £200,000
* Improve Play Areas (2 schemes at Bedmond & Manor House) - £169,000
* Capital Grants & Loans - £71,680
* Scotsbridge Hockey pitch - £50,000
* Access Improvements - £19,200
* South Oxhey Leisure Centre - £10,000

Savings & Underspends

* Leavesden Management Plan: saving in the Council’s contribution - £202,950
* Allotments: underspend because no further work is required- £7,300

2.8 Appendix 3 shows the Committees’ medium term capital investment programme 2016 -2020 together with comments by Officers on the progress of each scheme.

2.10 Capital spend to 31 January was £755,676.

2.11 Appendix 4 shows the capital variances for period 10 (January).

3. **Options/Reasons for Recommendation**

3.1 The recommendations below enable the Committee to make recommendations to Council concerning their budget.

4. **Policy / Budget Reference and Implications**

4.1 In accordance with the Council’s financial procedure rules, if the recommendation is accepted, this will amend the Council’s capital budget.

4.2 There are no substantial changes to Council policy resulting from this report.

5. **Legal, Equal Opportunities, Staffing, Environmental, Community Safety, Public Health, Customer Services Centre, Communications & Website, and Health & Safety Implications**

5.1 None specific.

6. **Financial Implications**

6.1 The following revenue and variances have been identified for period 10 (January 2017).

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Change to Revenue Surplus / Deficit for Year | 2016/17  £ | 2017/18  £ | 2018/19  £ | 2019/20  £ |
| Revenue | (2,000) | 0 | 0 | 0 |
| Capital | (990,070) | 778,420 | 0 | 0 |

7. **Risk Management and Health and Safety Implications**

7.1 There are no risks to the Council in agreeing the recommendations.

7.2 The following table gives the risks if the recommendations are rejected, together with a scored assessment of their impact and likelihood:

|  |  |  |  |
| --- | --- | --- | --- |
| Description of Risk | | Impact | Likelihood |
| 1 | The Council’s Medium-Term Financial Plan would be out of date and officers would not have accurate budgets to work to. | III | A |

7.3 The Council has determined its aversion to risk and is prepared to tolerate risks where the combination of impact and likelihood are plotted in the shaded area of the matrix. The remaining risks require a treatment plan. The risk is managed within the Finance service plan.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Likelihood** | A |  |  | 1 |  |  | Impact | Likelihood |
| B |  |  |  |  |  | V= Catastrophic | A = >98% |
| C |  |  |  |  |  | IV = Critical | B = 75% - 97% |
| D |  |  |  |  |  | III = Significant | C = 50% - 74% |
| E |  |  |  |  |  | II = Marginal | D = 25% - 49% |
| F |  |  |  |  |  | I = Negligible | E = 3% - 24% |
|  | I | II | III | IV | V |  | F = <2% |
| **Impact** | | | | | |  |  |

8. **Recommendation**

To Council:

8.1 That the following Leisure, Wellbeing and Health Committees’ revenue and capital budget variations be approved and incorporated into the three-year medium-term financial plan:-

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Revenue | 2016/17  £ | 2017/18  £ | 2018/19  £ | 2019/20  £ |
| Revenue | (2,000) | 0 | 0 | 0 |
| Capital | (990,070) | 778,420 | 0 | 0 |

Report prepared by: Bryan Collett – Assistant Finance Manager

**Data Quality**

Data sources:

Financial Information System

Data checked by: Nigel Pollard – Section Head – Accountancy

Data rating:

|  |  |  |
| --- | --- | --- |
| 1 | Poor |  |
| 2 | Sufficient |  |
| 3 | High | 🗸 |

**Background Papers**

None

**APPENDICES / ATTACHMENTS**

Appendix 1 – Medium Term Revenue Budget 2016 - 2020

Appendix 2 – Revenue Variances for Period 10 (January)

Appendix 3 – Medium Term Capital Investment Programme 2016 -2020

Appendix 4 – Capital Variances for Period 10 (January)

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**APPENDIX 1**

**Medium Term Revenue Budget**



**APPENDIX 2**

**Explanation of Variances Reported this Period - Revenue**



**APPENDIX 3**

**Medium Term Capital Investment Programme**





**APPENDIX 4**

**Explanation of Variances Reported this Period - Capital**

