**LEISURE, WELLBEING AND HEALTH COMMITTEE**

**30 NOVEMBER 2016**

**PART I - NOT DELEGATED**

**8. BUDGET MONITORING – PERIOD 6 (SEPTEMBER)**

(DoF)

1. **Summary**

1.1 The 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 - 2019 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 latest revenue budget for 2016/17 totalling £2,280,750 was approved by Policy and Resources Committee on 6 October 2016 (Minute No. PR53/16) and by Council on 18 October 2016. The forecast outturn is £2,270,750 which gives a favourable variance of £10,000 for this period (end of September).

As at 30 September 2016, the services had spent £693,982 which represents 30.56% of the annual budget.

2.4 The variance has occurred due to an increase of £10,000 in rent income from Watersmeet Theatre.

* 1. Appendix 1 shows the Committee’s medium term revenue budget 2016 – 2019.

2.6 Appendix 2 shows the revenue variances for period 6 (September).

2.7 Appendix 3 shows the revenue variances reported prior to period 6 (September).

**Capital**

2.8 The latest capital budget for 2016/17 totalling £2,455,860 was approved by Policy and Resources Committee on 6 October 2016 (Minute No. PR53/16) and by Council on 18 October 2016. The forecast outturn is £2,176,161 which gives a variance of (£279,699) for this period (end of September).

2.9 The main reasons for the variance are;

* Trucks Replacement - £199,525 - no requirement to spend any further amounts

in 2016/17, request to rephase for acquisition that will become due in 2017/18.

* Cemetery Car Park – rephasing of £95,000 due to an Environmental Agency

report not being issued until 2017/18 when work can commence.

2.10 Appendix 4 shows the Committee’s medium term capital investment programme 2016 -2019 together with comments by Officers on the progress of each scheme.

2.11 Capital spend to 30 September was £381,049 which represents 17.9% of the latest budget (8.9% end of July).

2.12 Appendix 5 shows the capital variances for period 6 (September).

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 variances have been identified for period 6 (September 2016).

|  |  |  |  |
| --- | --- | --- | --- |
| Change to Revenue Surplus / Deficit for Year | 2016/17  £ | 2017/18  £ | 2018/19  £ |
| Overspend/(Underspend) | (10,000) | (10,000) | (10,000) |

6.2 The following capital variations have been identified for period 6 (September 2016).

|  |  |  |  |
| --- | --- | --- | --- |
| Change to Capital Programme | 2016/17  £ | 2017/18  £ | 2018/19  £ |
| Increase/(Decrease) in Expenditure at Period 6 | (279,699) | 309,913 | 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 Committee’s revenue budget variations be approved and incorporated into the three-year medium-term financial plan:-

|  |  |  |  |
| --- | --- | --- | --- |
| Revenue | 2016/17  £ | 2017/18  £ | 2018/19  £ |
| Overspend/(Underspend) | (10,000) | (10,000) | (10,000) |

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

|  |  |  |  |
| --- | --- | --- | --- |
| Change to Capital Programme | 2016/17  £ | 2017/18  £ | 2018/19  £ |
| Increase/(Decrease | (279,699) | 309,913 | 0 |

Report prepared by: Stephen Exton – 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 - 2019

Appendix 2 – Revenue Variances for Period 6 (September)

Appendix 3 – Revenue Variances Reported Prior to Period 6 (September)

Appendix 4 – Medium Term Capital Investment Programme 2016 -2019

Appendix 5 – Capital Variances for Period 6 (September)











