**LEISURE, WELLBEING AND HEALTH COMMITTEE**

**14 SEPTEMBER 2016**

**PART I - NOT DELEGATED**

**6. BUDGET MONITORING – MONTH 4 (JULY)**

(DF)

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 - 2019 medium-term financial plan.

1. **Details**

2.1 In compiling this report, the Finance section sends a pro-forma to each service head to confirm that their latest approved budgets either need changing and therefore a variance is reported or to confirm that there is no change. 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.

2.2 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 £2,281,070 was approved by Policy and Resources Committee on 18 July 2016 (Minute PR24/16 refers). The forecast outturn is £2,281,070 and therefore no variance is reported for this period.

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

**Capital**

2.5 The latest capital budget for 2016/17 totalling £3,223,180 was approved by Policy and Resources Committee on 18 July 2016 (Minute PR24/16 refers). The forecast outturn is £2,455,860 and therefore a variance of £767,320 reported for this period.

2.6 The main reason for the variance is the rephasing of £750,000 to 2017/18 for the Bury Lake Young Mariners new facility at the Aquadrome. This is due as the commencement of the scheme will not start until October 2016 at the earliest with majority of the building works completing in the next financial year.

2.7 Appendix 2 shows the Committee’s medium term capital investment programme 2016 -2019 together with comments by Officers on the progress of each scheme.

2.8 Capital spend to 31 July was £285,862 which represents 9% of the latest budget.

2.9 Appendix 3 shows the variances over the medium term reported this time.

2.10 Members will note that the capital programme has increased by £314,000 over the 3 years 2016/17 to 2018/19. This is due to the refurbishment of play and leisure areas in the district. These consist of:

* Eastbury Tennis Courts, Ebury and Skidmore Way Play Areas (£63,500), funded by Section 106.
* Manor House and Bedmond Play Areas (£135,500), funded by Abbots Langley Parish Council.
* Croxley Green Skate Park (£115,000), subject to external funding.

Further details on these schemes are shown in a separate report elsewhere on this agenda.

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 capital variations have been identified for period 4 (July 2016).

|  |  |  |  |
| --- | --- | --- | --- |
| Change to Capital Programme | 2016/17  £ | 2017/18  £ | 2018/19  £ |
| Increase/(Decrease) in Expenditure at Period 4 | (£767,320) | £764,000 | 317,320 |

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 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 | (£767,320) | £764,000 | 317,320 |

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 – Medium Term Capital Investment Programme

Appendix 3 - Capital Investment Programme – Variance reported this Period



**APPENDIX 2**





**APPENDIX 3**

