**SUSTAINABLE DEVELOPMENT, PLANNING AND TRANSPORT COMMITTEE**

**6 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 £1,716,300 was approved by Policy and Resources on 18th July 2016 (Minute PR24/16). The forecast outturn is £1,711,300 and therefore a favourable variance of £5,000 is reported for this period.

2.4 The favourable variance relates to a £5,000 increase in pre-application advice enquiries.

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

***Capital***

2.6 The latest capital budget for 2016/17 totalling £ 2,317,949 was approved by Policy and Resources Council on 18th July 2016 (Minute PR24/16 refers). The forecast outturn shows no change to this and therefore no variance is reported for this period.

2.7 Appendix 2 shows the Committees’ medium term capital investment programme 2016 -2019.

2.8 It should be noted that only 9% of the capital budget has been spent to date. Officers have confirmed that all budgets will be spent by the end of the financial year. Progress on the larger schemes is shown below;

* South Oxhey Initiative – on-going which will continue to incur consultant’s fees as the project develops regarding the Compulsory Purchase Order process and site management.
* Temporary Accommodation – awaiting completion of a property purchase.
* Disabled Facility Grants – lower referrals for grants have been made to date, however it is expected that demand will increase and the budget will be spent.
* Parking Bays –The schemes that have identified are currently subject to planning approval.
* Controlled Parking – 19 schemes identified which are subject to public consultation. There will be a report to this Committee in September with an update on these.
* Cycle Schemes – commitment to deliver the Grand Union towpath scheme has now been undertaken.

3. **Options/Reasons for Recommendation**

3.1 The recommendation below enables 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 revenue 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**

6.1The following revenue variances have been identified for period 4 (July 2016).

|  |  |  |  |
| --- | --- | --- | --- |
| Change to Revenue Surplus / Deficit for Year | 2016/17  £ | 2017/18  £ | 2018/19  £ |
| Overspend/(Underspend) | (5,000) | 0 | 0 |

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

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

7.2 The following table gives the risks if the recommendation is 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.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 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 Sustainable Development, Planning and Transport Committees’ revenue budget variation be approved and incorporated into the three-year medium-term financial plan:-

|  |  |  |  |
| --- | --- | --- | --- |
| **Revenue** | 2016/17  £ | 2017/18  £ | 2018/19  £ |
| Overspend/(Underspend) | (5,000) | 0 | 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**

Period 4 budget returns from Service Heads

**APPENDICES**

Appendix 1 – Medium Term Revenue Budget 2016 - 2019

Appendix 2 –Capital Investment Programme 2016-19



