

PARKS & RECREATION COMMITTEE

Date: Monday, 6 March 2023

Title: Finance Report

Contact Officer: Responsible Financial Officer (RFO) – Nigel Warner

Should Members have any queries about this report advance notice would be appreciated, in writing, by 5pm on the Friday before the meeting to allow for a full response at the meeting.

BACKGROUND

Detailed income and expenditure statements for budgets which are the responsibility of this committee are enclosed. The period to which this report relates is 1 April 2022 to 31 January 2023.

CURRENT SITUATION

A full review of the budgetary position was undertaken during the budget cycle. Most areas of interest were raised at the last meeting of this committee and at the extra-ordinary meeting of the council. The RFO would refer members to the finance/ budget reports of the Town Clerk which were approved at those meetings for further details.

Current year budget: In terms of the report presented at this meeting, the current year (2022/23) budget is that which was projected when the estimates were revised and agreed by the Council at its meeting on 4 January 2023. It should be noted that the revised estimates were produced by your officers in the autumn of 2022. This means that, with the year end (31 March 2023) rapidly approaching, there will be some cases where the actual spend to date exceeds the revised estimates. By way of compensation there will be other lines where actuals will be year-end not reach the revised estimate figure and overall the impact on budget should be broadly when the year-end accounts are produced.

Members are reminded that expenditure is not necessarily incurred evenly over the course of the year. For example the vast majority of expenditure in relation to nominal ledger code 4025 (insurance) is incurred in April each year when the annual premium is paid. There will also be similar patterns on the income side such as grants received.

Estimates for 2023/24: These are shown in the report in the three columns on the right hand side of the page. The report of the Town Clerk to the Extraordinary Council meeting of 4 January 2023 stated that "it should be noted that the revised estimates and the estimates for next year do not include the recharges from these (*works/central support*) cost centres; these will be calculated after the budget has been adopted." This is standard practice and following

agreement of the budget the recharges have been processed and these are reflected in the estimates for 2023/24.

Recharges: With the cessation of the grounds maintenance contract there have been a number of changes to the cost centres (CC) and these are summarised below:

CC 503, Agency services. The cost centre ceased on 30 September 2022, with recharges being made to that date. From 1 October 2022 these costs are accounted through CC 604, Works depot (includes most property, vehicles and equipment) and CC606 Grounds maintenance (mainly staffing costs). Note that at present recharges have not been processed in “actual YTD” column although they are represented in the projected estimates for 2022/23 and the estimates for 2023/24.

CC 601, Works department – cost centre ceased 30 September 2022. These costs are now accounted through CC 604, Works depot (includes most property, vehicles and equipment) and CC605, General maintenance (mainly staffing costs). Recharges for CC605 have been made to 31 January 2023.

CC 602, Central support. This cost centre remains in place and recharges made to 31 January 2023.

YEAR-END AND EARMARKED RESERVES

Overall, the management accounts show the following in relation to the current year:

	2022/23 Year to date	2022/23 Projected estimate
Expenditure	£204,993	£353,784
Less income	(£64,528)	(£64,012)
Net expenditure	£140,465	£289,772

Income to date slightly exceeds projected budget and expenditure to date is significantly below the projected estimates. Therefore, the financial position is favourable with the Committee’s services being delivered within budget. However a portion of the underspend relates to budget lines which the Council has not needed to utilise this year due to careful asset management and also projects which are either in progress or have been delayed.

Ahead of the year end your officers will be thoroughly examining the various budget lines and proposals will come forward to the Policy, Governance and Finance Committee on 27 March 2023 for a number of these overspends to be transferred in to the earmarked reserves to allow projects to continue and to provide for prudential reserves where expenditure has not been required this year but will in future years.

ENVIRONMENTAL IMPACT

The Council declared a Climate Change Emergency at its meeting on 26 June 2019; with this in mind Councillors should have due regard to the environmental impact of any decisions they make with regard to its facilities and services it operates.

Officers are continually assessing the environmental impact of services and assets to ensure where possible measures are taken to support the Council's climate declaration of carbon neutrality by 2028. This extends to the procurement of goods and services.

RISK

In decision making Councillors should give consideration to any risks to the Council and any action it can take to limit or negate its liability.

Members are reminded that collectively they are custodians of the public purse with most of the funding coming from the taxpayers of Witney. Therefore, Officers ensure they get best value, value for money, and comply with the Council's Standing Orders, Financial Regulations, and Procurement Policy.

FINANCIAL IMPLICATIONS

This report forms part of the Council's due diligence and a process in line with its Financial Regulations. The financial implications are detailed above and also in the attached appendices.

RECOMMENDATIONS

Members are invited to note the report.