

PARKS & RECREATION COMMITTEE

Date: Monday, 4 September 2023
Title: Finance Report
Contact Officer: Responsible Financial Officer (RFO)

Should Members have any queries about this report advance notice would be appreciated, in writing, by 12noon on the day of 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; these are the management accounts for this committee. The period to which this report relates is 1 April 2023 to 31 July 2023.

For the Parks and Recreation Committee the following cost centres are in place. Cost centres, comprising three digits, typically represent a discrete service entity, to which income and expenditure is allocated against previously agreed revenue budgets.

Cost centre	Service
201	Splash Park at the Leys Recreation Ground
202	The Leys Recreation Ground
203	West Witney Sports Ground
204	Burwell (Queen Elizabeth 2) Sports Ground
205	King George V/ Newland Recreation Ground
207	Moorland Road Play Area
208	Woodgreen/ Play Area
209	Eton Close Play Area
210	Oxlease Play Area
211	Fieldmere Play Area
212	Quarry Road Play Area
213	Raleigh Crescent Play Area
214	Park Road Play Area

Within each cost centre income and expenditure is then allocated to a four-digit nominal ledger code; these codes are common across the cost centres. Nominal ledger codes further define the costs associated with the cost centre and correspond to a specific type of account, such as materials or staffing costs. Codes commencing with "1" are income codes; codes commencing with "4" are expenditure codes.

A report is submitted to every ordinary meeting of the standing committees and previous reports are available on the relevant committee section of the website.

CURRENT SITUATION

Council financial years run from 1 April to 31 March following. Consequently the management accounts to 31 July represent the first four months of the 2023/24 year.

Members may wish to note the following matters in relation to the management accounts:

1. Recharges. The following recharges have been processed for the period 1 April to 30 June:
 - (i) 4896 – Maintenance staff;
 - (ii) 4897 – Maintenance staff overhead;
 - (iii) 4892 – Central support staff;
 - (iv) 4893 – Central support overhead.
2. No recharges have been processed in relation to 4894 – grounds staff, 4895 – grounds staff overhead and 4899 Depot reallocation. It is anticipated that these will be included in the report to the meeting due to take place on 30 October 2023.
3. Income. Invoices were raised in August 2023 in relation to annual rentals/fees/charges in relation to codes 1043/202, 1050/202, 1042/203, 1044/203, 1045/203, 1050/203 and 1060/203. These will be reflected in the report to the meeting due to take place on 30 October 2023.
4. Income - note the seasonal nature of the income in relation to sports facilities, with cricket skewed to the April – September period when income from football is much lower.
5. Code 4110/202 Subsidised lettings the Leys. The expenditure of £4,545 in the year to date is in relation to the use of the Leys in relation to the Witney Pride, Witney Music Festival and Witney Carnival. The income code 1051 – ground hire, is credited with the same amount.
6. Code 4036/203 property maintenance West Witney. Budget £1,500, spend to date £2,881. This is higher than budget due to the installation of the new water pump/ irrigation system for the bowls greens, costing £2,516. This was agreed by the Committee on 6 March 2023 (minute PR118). As with any other codes which are over-budget, the appropriate funding adjustments will be made during the next cycle, which may include use of earmarked reserves or virements (transferring funds from an underspend against another code).
7. Code 4046/203 sports equipment West Witney. Spend £1,354 but no budget. This relates to the purchase of the cricket boundary rope and winder system, as agreed by the Committee at its meeting of 6 March 2023 (minute PR117).
8. All codes 4047 – play equipment maintenance. As previously advised a budget is allocated to each of the play areas on an annual basis. This is not always required and so at the year-end any underspend is transferred to the appropriate earmarked reserve. However when spending is required it will sometimes exceed the annual budget amount allocated to the relevant site for that year and so the difference is funded either through the earmarked reserve or from a virement from underspent budgets on other sites. For the year to date this is the case for Code 4047/205 play equipment maintenance King George V/ Newland where spend of £642 exceeds the £500 budget and Code 4047/212 play equipment maintenance Quarry Road where spend of £1,546 exceeds the £250 budget.

Note also the following comments relating to the management accounts across the Council:

1. There will always be an inevitable “lag” between expenditure being incurred and being shown in the accounts. However the introduction of the computerised purchase order from

September will mean that committed expenditure will be shown on future reports, improving the timeliness of financial information.

2. Expenditure is not necessarily incurred evenly over the course of the year. For example most expenditure in relation to nominal ledger code 4025 (insurance) is incurred when the annual premium is paid in April. There will also be similar patterns on the income as noted for football and cricket fees paid and for some annual charges for rentals etc.
3. Fixed assets. Members will recall that the Council has moved away from the previous method of accounting for fixed assets so that they now reflect the requirements of the Joint Panel on Accountability and Governance Practitioners' Guide (2023) for the size of the Town Council (income 2022/23 £2.3mi; expenditure £2.1mi) rather than the requirements for larger authorities with an annual turnover in excess of £6.5mi. This means that the end of year financial accounts will more clearly reflect the management accounting information received by Members during the course of the year and that codes 5198 – deferred grant released and 5199 – depreciation charge to service, both of which do not feature in the budget or in-year management accounts, will no longer appear on the month 12 management accounts. Appropriate adjustments have been made in the 2022/23 accounts.
4. Members will likewise recall that the Council is now accounting for earmarked reserve movements differently. The previous system, used by this and other councils, was to represent in-year funding from earmarked reserves as negative expenditure (4995 – transfer from earmarked reserves) and transfers to earmarked reserves as expenditure (code 4991). These fund movements will in future be shown in the final accounting column "Transfer to/from EMR" so they do not impact on expenditure but are correctly shown as funding. Appropriate adjustments have been made in the 2022/23 accounts.

Subject to the above there are no matters of significant variance which I would draw to the attention of Members.

REVENUE BUDGET 2024-25 AND CAPITAL & SPECIAL REVENUE PROJECTS 2024-25 AND BEYOND

In line with normal Council procedures, the RFO will shortly be commencing the annual review of all the Committees to prepare the revenue budget for 2024-25.

Draft budgets are prepared based upon current activities and patterns of income and expenditure. Any additional revenue expenditure is considered separately as Revenue Growth Items.

It is also normal practice that during the budget cycle the Council considers the Capital and Special Revenue budget to identify which projects or schemes are to be implemented and undertaken during the next financial year.

Therefore Members are requested to consider items to be included in next year's budget so that Officers can obtain costings accordingly. This will then enable the RFO to draft as accurate budget estimates as possible.

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 regarding the facilities and services it operates.

Officers are continually assessing the environmental impact of services and assets to ensure that 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 consider 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 in the attached appendices.

RECOMMENDATION

Members are invited to note the report and approve the Committee's management accounts for the period 1 April to 31 July 2023.