

PARKS & RECREATION COMMITTEE

Date: Monday, 4 March 2024
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 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 2023 to 31 December 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 which were approved at those meetings for further details.

Current year budget: In terms of the report presented at this meeting, the current year (2023/24) budget is now the "Projected" column (fifth column from the right). This was agreed by the Council at its meeting on 8 January 2024. However, it should be noted that the revised estimates were produced by your officers in the autumn of 2023 and so with the year-end (31 March 2024) rapidly approaching, there will be some cases where the actual spend to date exceeds the revised estimates. Conversely there will be other lines where actuals will at year-end will not now reach the revised estimate figure. Overall, the impact on budget should be broadly neutral 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 football and cricket pitch hires.

Estimates for 2024/25: These are shown in the report in the columns on the right-hand side of the page.

201 – SPLASHPARK

This shows the expenditure relating to the Splashpark at the Leys Recreation Ground.

Code 4012/201 – Splashpark water rates. Members will be aware of the significant challenges in operating the Splashpark this year. The facility was open during the summer season but the problems with the plant resulted in a much higher water rates charge than had been anticipated (£35,996 compared with £12,000 original and £31,900 revised). Note that the difference between revised budget and the actual year to date is that although very little water is now being used the practice is that the water supplier (Castle Water) invoice on an estimated usage to 31 March 2024; it is likely that when the adjustment invoice is issued there will be a credit back to the account.

Note also that the general fund position is such that it is not now proposed that this be funded from the earmarked reserve.

For the 2024/25 season the water charge should reduce back to previous levels or reduce to less than previous levels, depending on the direction of travel for the project in relation to the Splashpark.

203- WEST WITNEY SPORTS GROUND

Code 4036/203 property maintenance West Witney. The original budget of £1,500 was revised to £3,643 in the budget cycle; spend to date is £3,522. The budget was revised upwards 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 at year end, which may include use of earmarked reserves or virements (transferring funds from an underspend against another code).

204- BURWELL (QE2) SPORTS GROUND

Code 4037 – Ground maintenance. This relates to the costs of seeding the football pitches. This would previously have been costed to the ground's maintenance cost centre (606) and then reallocated via overhead charges (4895).

Now that the 2024/25 budget has been agreed and the Council has revised its grounds maintenance arrangements, the intention is now to consider the way in which these and similar expenditures are allocated with a view more expenditure being directly charged to the relevant cost centre. Necessary adjustments to cost centre budgets would then be made.

216 – UNTERHACHING PLAY AREA

Code 1201 – Commuted sums. This shows the £30,000 commuted sum received from West Oxfordshire District Council in relation to the transfer of this service to the Town Council.

Code 4056 – Legal expenses. This shows the legal costs charged to the Town Council by the District Council in relation to the transfer.

SUMMARY FOR 2023/24

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

| | 2023/24 Original budget- Jan. 23 | 2023/24 Projected estimate- Nov.23 | 2023/24 Year to date (Month 9) |
|-----------------|--|--|--------------------------------------|
| Expenditure | £365,008 | £340,629 | £215,740 |
| Less income | (£80,471) | (£79,772) | (£90,033) |
| Net expenditure | £284,537 | £260,857 | £125,707 |

The projected estimate for the current financial year is 8% below original net expenditure and therefore the financial position is favourable with the Committee's services being delivered within budget.

Expenditure to date is below the projected estimates. 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 following the financial year end (31 March 2024) for a number of these overspends to be transferred into 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.

In relation to the year-to-date figure, the net expenditure is £125,707 (i.e. 44%) of the original estimate (£284,537). However, the year-to-date figure includes the £30,000 commuted sum in relation to the Unterhaching Play Area, which will be transferred to earmarked reserves at year end. If this transfer is accounted for then the net expenditure rises to £155,707 which is 60% of the revised annual net expenditure of £260,857.

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 approve the report and the management accounts of the Committee's services to 31 December 2023.