

PARKS AND RECREATION COMMITTEE

Date:	Monday 30 October 2023
Title:	Finance Report: Revised Revenue Budget 2023/24 and Draft Base Revenue Budget 2024/25
Contact Officer:	Responsible Financial Officer

Background

Financial Regulation 3.2 requires *each committee through the actions of the Policy, Governance & Finance Committee, to review its three-year forecast of revenue and capital receipts and payments. Having regard to the forecast, it shall thereafter formulate and submit proposals for the following financial year to the Council not later than the end of November each year including any proposal for revising the forecast.*

The purpose of this report is to present to Members the revised budget for 2023/24 and the first draft revenue budget for 2024/25 – in the attached documents.

The budget process is ongoing and there is further work to do. Therefore an updated report on all cost centres which are the responsibility of this committee will be presented later in the budget cycle. This will include a fuller explanation of variances. For now this report covers only the major matters of note.

Recharges from Works Department and Central Support

In order to get a true cost of its services, the Council recharges the total cost of its Works Departments (Cost Centres 604, 605 and 606) and Central Support (Cost Centre 602) across it. For the Works Department this is done based on the weekly time sheets, and for the Central Support is based on the apportionment of responsibilities of the Officers.

The budget holding committee for the Works Department and Central Support is the Policy, Governance and Finance Committee and the revised estimates for 2023-24 and the proposed budget for 2024-25 will be brought to the next meeting of that Committee. This will have followed completion of the report in relation to the operation of the in-house grounds maintenance operation for the year to 30 September 2023. In the meantime the revised estimates for 2023-24 are the same as the original estimates and the budget proposal is for a 6.7% increase. Note that public sector wage inflation is currently 6.8% (August 2023), CPI is 6.3% and RPI is 8.9% (the latter two as at September 2023).

Format of the Council's Base Revenue Budget

With regard to the Parks & Recreation budget, the Committee's services are divided into 13 base revenue cost centres, responsibilities as follows:

<u>Cost Centre</u>	<u>Area</u>	<u>Description</u>
201	Splashpark	This shows the expenditure relating to the Splashpark at the Leys Recreation Ground
202	The Leys Recreation Ground	This includes all income from sports/ground hire and expenditure relating to the management of the Leys including the adventure play area
203	West Witney Sports Ground	This includes all income from sports, and the various tenants, as well as the expenditure relating to the management of the site, including the Clubhouse
204	Burwell (QE2) Sports Ground	This includes all income from football and the cost of maintaining the recreation ground including the play area/MUGA
205	King George V/Newland	This includes income from football and the cost of maintaining the recreation ground including the play area
207	Moorland Rd Play Area	Cost of maintaining the play area
208	Wood Green Play Area	Cost of maintaining the play area
209	Eton Close Play Area	Cost of maintaining the play area and the Tiny Forest

210	Oxlease Play Area	Cost of maintaining the play area
211	Fieldmere Play Area	Cost of maintaining the play area
212	Quarry Rd Play Area	Cost of maintaining the play area
213	Ralegh Cres Play Area	Cost of maintaining the play area – in the ownership of WODC but currently negotiating the freehold
214	Park Road Play Area	Cost of maintaining the newly refurbished play area – on a 15 year lease from Cottsway Housing

Budget Parameters – Draft Estimates 2023-24

Draft budgets are prepared on current activities and patterns of income and expenditure. At this stage most of the budget lines have been kept as previously agreed unless there are known variations.

The format of this report is straightforward; the first two columns relate to the original budget from 2022/23 against the actual figures for last year. The middle section of three columns relate to the current year's original budget, actual expenditure year to date, the projected budget to 31st March 2024. The remaining section of the report relates to the draft budget for 2024/25.

The Committee's revenue budget growth items for 2023/24, and its capital/special revenue projects programme for 2023/24 and beyond are dealt with as a separate budget item.

Revenue Budget Summary

The Base Revenue Budget for this Committee is summarised on page one of the attached schedules.

At this stage it is pointless summarising the end result due to the above as we are not comparing like for like, as well as several unknowns. The reports give the detail and Members will be able to ask questions either ahead or at the meeting.

Members may wish to note the following matters:

1. Recharges. The following recharges have been processed for the period 1 April to 31 August:
 - (i) 4894 – grounds staff;
 - (ii) 4895 – grounds staff overhead;
 - (iii) 4896 – Maintenance staff;
 - (iv) 4897 – Maintenance staff overhead;
 - (v) 4892 – Central support staff;
 - (vi) 4893 – Central support overhead.
2. No recharges have been processed in relation to 4899 Depot reallocation. It is anticipated that these will be included in the report to the next meeting of the Policy, Governance and Finance Committee.
3. 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. However it is clear that the football pitches are much in demand and this is reflected in the increased estimated income in 2023-24 and 2024-25.

4. 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 has been anticipated (£31,900 compared with £12,000). The additional cost will be met from the earmarked reserves. For 2024/24 the charge will reduce back to previous levels assuming that the major planned works are undertaken.
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 £2,997. 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.

Overall the budget estimates show:

Original 2023-24 budget: £284,537

Revised 2023-24 budget: £299,217 (+5.2%)

Proposed 2024-25 budget: £298,267 (+4.3%)

Note the above figures will likely change when the works/ central budgets and earmarked reserve movements considered by the Policy, Governance and Finance Committee.

Note also that there will be proposals at this meeting for increased expenditure on play areas, which may be both revenue and capital.

Environmental impact

Having declared a Climate Change Emergency at its Council 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.

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.

All the Council's Committees receive financial reports in order to carry out its checks and

balances. The RFO has approached the budget with prudence so as accurate budget as possible can be set at this early stage, although there may be some opportunities to make savings if required to balance the budget.

Financial implications

This report forms part of the Council's mechanisms for budgetary control, as it enables income and expenditure incurred to be reviewed and to be compared with the Council's budgets.

Recommendations

Members are invited to note the report and consider the revised base revenue budget for 2023/24 and the estimated base revenue budgets for 2024/25, as detailed in the draft estimates.