

PARKS AND RECREATION COMMITTEE



Agenda Item: Finance Report

Meeting Date: 13 January 2025

Contact Officer: Responsible Financial Officer

Should Members have any queries about this report advance notice would be appreciated, in writing, by 12 noon on Monday 13 January 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 to 30 November 2024.

Current Situation

For the Parks and Recreation Committee the following cost centres are in place and these are shown in the report. 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
215	Cedar Drive Play Area
216	Unterhaching Play Area
217	Waterford Lane Play Area
218	Windrush Place
219	Deer Park Sports Pitches
299	P & R Unallocated Works Overhead

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.

The Council agreed both the revised estimates for 2024-25 and the estimates for 2025-26 at its meeting of 6 January 2025. These are shown in the report.

The format of this report is as follows: the first two columns relate to the original budget from 2023/24 against the actual figures for last year. The middle columns relate to the current year’s original budget, actual expenditure year to date, the projected budget to 31st March 2025. The right-hand columns relate to the draft budget for 2025/26.

REVENUE BUDGET SUMMARY

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 the subsequent Policy Governance and Finance Committee and full Council meetings. The RFO would refer members to the finance/ budget reports which were approved at those meetings for further details.

However, there are a number of points it is worth making:

1. Current year budget: In terms of the report presented at this meeting, the current year (2024/25) budget is that which was projected when the estimates were revised and agreed by the Council at its meeting on 6 January 2025. It should be noted that the revised estimates were produced by your officers in the autumn of 2024. This means that, with the year end (31 March 2025) approaching, there will be some cases where the actual spend to date exceeds the revised estimates. Conversely there will be other lines where actuals at year-end will not reach the revised estimate figure: overall the impact on the budget should be broadly neutral when the year-end accounts are produced.
2. The actual year to date figures are for the period April to November 2024, subject to the comments below in relation to central recharges.
3. 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. To address this issue the RFO is looking to consolidate budgets

under a “holding” cost centre from which allocations are then made to individual play areas when expenditure is incurred; this will be a feature of future reports.

4. Grounds maintenance costs are where possible directly allocated to service codes such as cost centre 202 (the Leys) rather than being apportioned from cost centre 604 (depot). As part of the budget process the corresponding budgets were transferred to the relevant cost centres. This increases direct cost centre expenditure but decreases the recharge from 604. The net impact varies from cost centre to cost centre but all things being equal there is no overall impact on the bottom line. Note though that there is significant inflationary pressure on grounds maintenance with overall costs rising above headline inflation.
5. The treatment of overheads was previously reported to Members. During the final stage of the budget process the all central support and works overheads were removed from the service cost centres. There was no impact on the Council’s overall budget. As part of the post-budget work:
 - i. Central support overheads (nominal ledger codes 4892 and 4893) have been allocated in the current year to 30 November 2024. Estimates are now shown for the revised 2024-25 budget and the 2025-26 budget.
 - ii. Works overheads (nominal ledger codes 4888, 4890 and 4899) have been allocated in the current year to 30 September 2024. Estimates are now shown for the revised 2024-25 budget and the 2025-26 budget in a new cost centre 299 – unallocated works overheads. The intention is that this will subsequently be allocated to service cost centres to reflect more accurately where the overhead is being incurred based on the current year. As usual there is no impact on the Council’s overall budget – the size of the overhead remains the same, it is simply how it is allocated.
6. The commuted sum in relation to Raleigh Crescent Play Area, amounting to £74,999 was received in November 2024 and was immediately transferred to the earmarked reserves, as is usual practice for such sums which are intended to assist in meeting expenditure, usually for capital expenditure, in future years.

Impact Assessments

The Town Council has a duty to consider the effects of its decisions, functions and activities on equality, biodiversity, and crime & disorder. Consideration should also be given to effects on the environment, given the Council’s Climate Emergency declaration in 2019.

- a) Equality – no implications directly resulting from this report.
- b) Biodiversity - no implications directly resulting from this report.
- c) Crime & Disorder - no implications directly resulting from this report.
- d) Environment & Climate Emergency - no implications directly resulting from this report.

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.

The provision of regular financial reports is part of the Council's risk management system.

Social Value

Social value is the positive change the Council creates in the local community within which it operates. Social value is not quantified in the financial reports but clearly the creation of social value is dependent on setting adequate budgets to meet the Council's objectives.

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.

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 approve the report and the management accounts of the Committee's services to 30 November 2024.