

PARKS AND RECREATION COMMITTEE



Agenda Item: Finance Report

Meeting Date: 10 March 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 Friday 7 March 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 2024 to 31 January 2025.

Current Situation

Management accounts

The Council has appointed five standing committees which have delegated powers to make decisions, including financial decisions, regarding the services which are included within their terms of reference, subject to the committee having the necessary budget. The Council's coding system and management accounts reflect the committee structure.

Within each committee, there are individual **cost centres**, comprising three digits, typically representing a discrete service entity, to which income and expenditure is allocated against previously agreed revenue budgets.

The cost centres for which this committee has **responsibility** are:

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 (not used)

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 “3” or “4” are expenditure codes.

The format of this report is as follows:

- (i) Last year 2023-24 - the first two columns relate to the original budget from 2023-24 against the actual figures for last year.
- (ii) Current year 2023-24. (a) Brought forward – sums brought forward from last year against specific codes. (b) Net virement – this represents in year transfers between budget lines. (c) Agreed budget – estimate agreed by the Council in January 2024. (d) EMR – budgeted use of earmarked reserves. (e) Total – this is the total amount approved in the current year budget, the total of columns (a) to (e) inclusive. (f) Actual year to date spend.
- (iii) Next year 2025-26. The three columns show, respectively, the agreed budget to be funded from precept, the contribution to or from earmarked reserves and any sums which are budgeted to be carried forward.

The Omega financial programme has a number of different report formats, and this is the first time that I have chosen to present this one to this Committee. This format has been chosen because it shows much more clearly the use of earmarked reserves by including columns showing the earmarked reserve movements. The downside is that this report format does not show the revised 2024-25 estimates agreed in January 2025 and for these I would refer Members to the report submitted to the meeting of 6 January 2025.

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 emphasising:

1. Current year budget: In terms of the report presented at this meeting, the current year (2024/25) budget is that originally agreed in January 2024 ahead of the 2024/25 year – see comments above.
2. The actual year to date figures are for the period 1 April 2024 to 31 January 2025, subject to the comments in relation to recharges of overheads (point 3, below).
3. The treatment of overheads was previously reported to Members. Central support overheads (nominal ledger codes 4892 and 4893) have been allocated in the current year to 30 November 2024. Works overheads (nominal ledger codes 4888, 4890 and 4899) have been allocated in the current year to 30 September 2024.

During the final stage of the budget process all central support and works overheads were removed from the service cost centres in relation to the revised 2024/25 estimates and the 2025/26 estimates . There was no impact on the Council's overall budget. I have now transferred these overheads back to the individual cost centres based on updated estimates of staff time allocations. Again, there is no impact on the bottom line – as the transfers are agreed the net cost of the cost centres 601,602 and 604 are reduced by the same amount as the increases to the service cost centres.

4. 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 will consolidate budgets from 2025-26 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.
5. 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.

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 31 January 2025.