

## **SPORT AND PLAY COMMITTEE**

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**Date:** Monday 2 November 2020

**Title:** Financial Report: (a) Revised Budget 2020/21 and Proposed Budget 2021/22

**Contact Officer:** Town Clerk/RFO – Sharon Groth

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### **Background**

The purpose of this report is to present to Members the revised budget for 2020/21 and the first draft revenue budget for 2021/22 – in the attached document. Additionally, the Town Clerk/RFO will try to explain the key variances in the various budget lines within each cost centre for information so that members can try to understand how the accounts are formed, and why she has taken the action she has.

### **Recharge 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 Department (Cost Centre 601) 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.

It should be noted when reviewing the accounts that the recharge from the Works Department and Central Support are yet to be made in this financial year and therefore these accounts have been excluded from this summary. Only when the budget for both these departments have been agreed by the Policy, Governance & Finance Committee will the Town Clerk/RFO be in the position to calculate the revised recharges and the estimates for 2021/22.

Similarly with regard to the Grounds Maintenance Contract – [show as 4891- Agency Services Recharge] – Members will note that the present contract comes to an end 30 September 2021 and the Policy, Governance & Finance Committee have requested a root and branch review of this contract- so for the purposes of this report the current years figures have been retained in order to be able to make comparison on a like for like basis across the two years.

Members should also remember that with regard to patterns of income and expenditure, there will always be some variations over the course of the year and for that reason the Council works to annual budgets rather than monthly or quarterly.

### **Format of the Council's Base Revenue Budget**

With regard to the Sport & Play budget, the Committee's services are divided into 12 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 also the newly created 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	Raleigh Cres Play Area	Cost of maintaining the play area – in the ownership of WODC but currently negotiating the previously agreed 25-year lease

### **Budget Parameters – Draft Estimates 2021-22**

Draft budgets are prepared on current activities and patterns of income and expenditure – in a normal year! Obviously COVID-19-19 has impacted on the generation of income from the Council's facilities significantly due to the lockdown earlier in the financial year, and continues to be affected due to government guidelines operating within COVID-19 safe measures. In some areas additional expenditure has also been incurred.

The format of this report is quite straightforward; the first two columns relate to the original budget from 2019/20 against the actual figures for last year. The middle section of three columns relate to the current years original budget, actual expenditure year to date, the projected budget to 31st of March 2021. The remaining section of the report relates to the draft budget for 2021/22.

The Committee's revenue budget growth items for 2021/22, and its capital/special revenue projects programme for 2021/22 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.

In summary, income over expenditure has increased by £13600 if comparing the original estimate for 2020/21 with the draft budget for 2021/22.

As to be expected – income in the current year has been reduced by nearly 50% of that originally budget for, from £64031 to £32835 – a £31196 shortfall. Additionally, the estimates for next year in respect of income is £10605 less than the original budget for the current year.

In respect of expenditure, the Town Clerk has identified £22277 of savings in the revised budget for 2020/21, and has restricted increases in expenditure budgets by £2995 in 2021/22.

### **Cost Centre 201 The Splash Park**

4012 – Water Rates. As would be expected the biggest running cost of the splashpad is the water rates. Obviously due to COVID-19 the splash pad has not been operational this year because of the government restrictions, however Castle Water the Council's water supplier submitted an estimated bill earlier in the year based on previous expenditure, before Officers could establish what the impact of the virus would be on this facility. Because utilities are paid by Direct Debit this invoice was paid accordingly.

Officers have submitted a metre reading and are waiting for a revised bill - any overpayment of water rates will therefore be carried forward and put against next year's usage.

The Compliance and Environmental Officer is currently looking into alternative water suppliers, and along with the Operations & Estates Officer is also looking into alternative uses for the wastewater – as mentioned in an earlier agenda item relating to the watering of the cricket wicket. This will be covered further under the capital and special revenue projects report at a later agenda item. For the time being the projected budget for the water rates for the current year is based on the actual expenditure. Next year's budget has been estimated at £12,000 but hopefully the Council may be able to make savings elsewhere by utilising the wastewater or looking into operating the splash pad via recycle system.

4036 – Property Maintenance. This budget line includes the cost payable to the Council's contractors for setting up the splash pad and decommissioning it at the end of the season. Prior to lockdown the splash pad was commissioned for use therefore the actual expenditure shows these costs. The Town Clerk has not reduced this budget in the current year and it is suggested that any underspend is utilised against greener measures of operating this facility in future in order to meet the Council's climate emergency objectives. Next year's budget has slightly been reduced based on previous years expenditure.

4037 – Ground Maintenance. This budget line was a revenue growth item agreed during last year's budget setting cycle in order to address the areas at the splash pad which become muddy and worn due to overuse. Obviously, this year has given the facility the opportunity to rest and grassed areas to become stronger. However, officers request that the £9000 is kept in the budget and ring fenced for grey water recycling or greener operating measures.

4491 – Transfer to earmark reserves. Current Council policy is to set aside 10% of the capital cost of the Leys Splashpad and Adventure Play Area over 10 years for its eventual replacement. The current earmarked reserve balance stands at £115,000. Given the significant cost of this facility officers suggest that this procedure continues in 2021/22.

202 – The Leys recreation ground.

Sports Income codes 1020 – Football and 1021 – Cricket. Income from sports is down due to COVID-19 as both football and cricket we're restricted during their respective seasons. The projected budget lines for the current year have been amended accordingly.

1043 – Green Fees – WTBC. With regard to the Councils tenants' Members will be aware several of the sports clubs requested discounts or their fees being waived due to the fact they were unable to open during the lockdown. The Town Clerk has retained the full fees in the current year's budget, any discounts or dispensation's given to the club will be reflected in a separate part of the Council's accounts so that the community support can be recorded accordingly.

1051 – Ground Hire. The original budget set at £18,520 included the charge for the hire of the Leys Recreation ground for Witney Feast as well as Hatwell's May Fair, Witney Music Festival and Libfest. Due to COVID none of these events were able to take place due to the government restrictions, strict safety measures, and the risk associated with mass gatherings and the transmission of the virus. As none of these events took place the Council has lost this income. With regard to the Music Festival and Libfest the ground rent is shown in the accounts but is subsidised under 4110/202 as a cost to the Council. The true loss of physical income is £8,520.

4017- Contract Clean Waste. This budget line has been increased to include the new contract for cleaning the public toilets on the Leys recreation ground as previously agreed by full Council. This is also included in next year's budget there is a substantial increase to this budget line.

4036 – Property Maintenance. This budget line has been reduced by £5000 in order to try to make some savings in the current year.

4037 – Grounds Maintenance. This budget line was agreed as a Revenue Growth item last year to make provision for Groundworks following the decompaction of the ground though its alternative use. This was agreed by full Council when designating the football side of the Leys Recreation Ground as an events field.

4110 – Subsidised Letting. As previously explained under 1051 – Ground Hire, this budget line relates to the subsidy given two Witney Music festival and Libfest and is to cover the income which should be payable. As previously explained due to COVID-19 both events did not take place and therefore the budget line is not necessary in the current year. Provision has been made in next year's budget for the same amount in case these two events are able to take place and if the Council is so minded to subsidise them again then provision is there. Members may wish to consider whether this is necessary.

4215 – Thames and Chilterns In-bloom. Members may recall that the Stronger Communities Committee agreed that following a successful entry last year, the Leys be entered in 2021 if the competition runs. The Officers have therefore set aside £1000 - this will enable some changes to the site in order to refresh the Council's entry.

### **Cost Centre 203 West Witney Sports Ground**

Income. As explained under cost centre 202 the same applies to the income relating to the sports facilities at West Witney Sports Ground.

With regard to expenditure – members should consider the contents of the Operations & Estates confidential report at the later agenda item regarding West Witney Sports Ground. Members may wish to set aside a bigger budget for property maintenance – because at this stage any incidental expenditure beyond this minimal budget comes from the Council's Earmarked Reserve for sports.

### **Cost centre 204 – Burwell QE 2 Sports Ground**

Income. As previously reported income derived from football has significantly been reduced due to COVID-19.

4036 – Property Maintenance. This budget has been used to mend the floodlights at the MUGA. Members may wish to consider whether it is sufficient.

4047 – Play Equipment Maintenance. The original budget has been overspent due to various repairs needed to the play equipment the revised budget has therefore been increased. As this is a well utilised play area with some significant pieces of equipment next year's budget has been increased as well.

### **Cost Centre 205 – King George V/Newland**

4100 – Grant to Witney Mills Cricket Club. The Town Council has supported Witney Mills Cricket Club by way of a grant for many years, as a contribution towards the upkeep of the grounds (previously it was maintained by the Council). Members originally agreed, under the powers of section 19 of the Local Government (Miscellaneous Provisions) Act 1976 that financial support should be given to this club year on year.

Although no formal application for the current year has been received from the club to date, it is assumed that it will be forthcoming in due course, and that Members would be happy to continue to provide support in this way at the same level.

### **Cost Centres - Various Play Areas**

4048 – Play Equipment - Engineering Inspection budget line. The original budget was included in cost centre 202 amounting to £5000 however Zurich, the Council's insurance company, have been able to break this down across or play areas so that it is accounted for correctly. This did result in a slight underspend against the original budget.

### **Cost centre 209 Eaton Close play area**

4222 – Tiny Forest Expenses. This is a new budget line in the current year offsetting a small amount of expenditure, a similar amount has been included for next year as a contingency.

### **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.

Fitting a grey water irrigation system to the cricket square using the Splash Park grey water would reduce the environmental impact of the Splash Park on water wastage. By reviewing the grounds maintenance contract this is enable the Council to take into consideration greener measurers in order to work towards it objective for carbon neutrality by 2028.

### **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 Town Clerk has approached the budget with prudence so as accurate budget as possible can be set.

The Council Officers continue to keep under review the guidance and regulations relating to COVID-19-19 in order to safeguard staff and the public from contracting the virus – this may result in additional unplanned expenditure.

### **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 following:

1. if it is still the wish of Members for a grant to be paid to Witney Mills Cricket Club in the current financial year, and in 2021 – that formal approval is given;
2. and that the revised base revenue budget for 2020/21 and the estimated base revenue budgets for 2021/22, as detailed in the draft estimates be approved – subject to any further adjustments necessary.