

2021/22 DRAFT RECREATION BUDGETS

AGENDA ITEM NO. 10

MEETING: RECREATION COMMITTEE

DATE: 25TH NOVEMBER 2020

REPORT BY: FINANCE MANAGER

1.0 Purpose of the Report

1.1 The purpose of this report is to present for Members' consideration, comments and approval the draft 2021/22 Revenue and Capital Budgets for the Recreation Committee.

2.0 Background to the Report

2.1 Members approved the Budget Framework and Timetable for the setting of the Council's 2021/22 Revenue and Capital Budgets at the meeting of the Policy and Resources Committee on 21st October 2020.

2.2 This report provided details of the background to the budget setting process, highlighting the challenges and uncertainty created by the Coronavirus pandemic, setting out the key principles and methodology that would be used for the setting of the 2021/22 Revenue and Capital Budgets, and the timetable that would be followed.

2.3 It was agreed that the 2021/22 Revenue and Capital Budget would be developed in accordance with the key principles set out in the current Medium-Term Financial Plan, which are:-

1. Continuing to provide all Council services, facilities and events and maintaining current standards of service.
2. Ensuring continued delivery of the Asset Management Plan via the Capital Programme Budgets.
3. Safeguarding a prudent level of balances and reserves.
4. Keeping any increase in council tax as low as possible.

2.4 However it was highlighted that there were a number of potential budget issues that are currently subject to a lot of uncertainty, but which could make the budget setting process challenging. These issues include:-

- the ongoing Coronavirus pandemic and the risk of the second wave of infection leading to extended local or national lockdown measures, causing further financial losses into next year;
- the Government's forthcoming Comprehensive Spending Review and the potential for cuts to local government funding, and the subsequent impact on the future payment of the Council Tax Support Grant;
- further expected reductions in the Council Tax Base as a result of increasing unemployment and claims for council tax support; and
- the possibility of council tax referendum principles being extended to large town and parish councils.

- 2.5 It was therefore acknowledged that the 2021/22 budget setting process and timetable would need to be adapted to account for these unprecedented and uncertain times.
- 2.6 It was agreed that an initial draft 2021/22 Revenue Budget would be prepared on the basis of 'business as usual', based the latest information available in relation to the Council Tax Support Grant and Council Tax Base. and the assumption that the worst of the Coronavirus pandemic will be over by next April.
- 2.7 This means that if and when the pandemic is over, or at least under control, the Council will still have a budget in place to facilitate the continuation of all current services, facilities and events.
- 2.8 The draft Revenue Budget has been prepared, initially at least, on the basis of a freeze in the Council Tax.
- 2.9 This is in recognition of the financial difficulties being faced by local taxpayers during the Coronavirus pandemic, and also offers the option, prior to setting the Precept in January, of offsetting any further budget pressures, via a small Council Tax increase, if this is necessary.
- 2.10 The draft Revenue Budget will then be updated later in the year as more information is made available in relation to the aforementioned issues.
- 2.11 In relation to the 2021/22 Capital Programme Budget, the Medium-Term Financial Plan highlights a risk that the Council faces some potentially significant capital investment commitments in relation to its assets over the coming years, linked to the delivery of the Asset Management Plan, and that the funding of this investment will see a deterioration in the level of the Council's balances and reserves.
- 2.12 In light of this, the Council has agreed that future capital investment will continue to be closely monitored and controlled in order to protect and preserve Council balances, and the 2021/22 Capital Programme Budget has been prepared on the basis of essential investment only, mainly linked to the delivery of the Asset Management Plan.
- 2.13 Officers have subsequently been working on the development of the draft 2021/22 Revenue and Capital budgets for each Committee and the draft budgets have now been agreed with senior officers and also distributed to all Council Members for consideration and comment.
- 2.14 The draft 2021/22 Revenue and Capital Budgets for the Recreation Committee are set out in this report and the attached appendices for Members' consideration.

3.0 Draft 2021/22 Recreation Revenue Budgets

- 3.1 The detailed draft 2021/22 Recreation Revenue Budgets are attached at **Appendix 1** for Members' consideration.
- 3.2 Members will note that the attached draft budget figures include the actual outturn figures for the last two financial years; 2018/19 and 2019/20.
- 3.3 The prior year income and expenditure figures are included in order to enable Members to take actual spending and income figures into account, in their consideration of the draft 2021/22 budget proposals.
- 3.4 The latest expected outturn figures for the current financial year; 2020/21, have *not* been included as the impact of the Coronavirus pandemic makes comparison with a 'normal' year very difficult.
- 3.5 Members should be aware that the budgets incorporate a number of savings, which have been included with a view to delivering a council tax freeze in the draft budget as previously indicated.
- 3.6 A summary of the draft Recreation Revenue Budgets is shown below:-

Budget 2020/21 £	Recreation Revenue Budget	Inflation and Committed Growth £	Investment in Service £	Savings and Increased Income £	Budget 2021/22 £
206,200	Community Events	2,000	-	-	208,200
316,650	Sports Complex	29,300	-	(20,950)	325,000
16,150	Sports Pitches	50	-	(450)	15,750
79,650	Golf Course	8,100	-	(10,500)	77,250
24,950	Driving Range	8,650	-	(16,500)	17,100
205,850	Parks and Play Areas	200	-	(1,800)	204,250
849,450	Total Budget	48,300	-	(50,200)	847,550

- 3.7 The draft 2021/22 Recreation Committee Revenue Budget has fallen marginally by £1,900 or 0.2% to £847,550.
- 3.8 Pay awards, inflation, unavoidable increases in costs, and falls in income have added £48,300 or 5.7% to the budget. This includes provision for a forecast 2.75% staff pay award, inflation on running costs, and falls in a number of areas of sports complex income.
- 3.9 However, efficiency savings, budget reductions and increased income totalling £50,200 or 5.9% have been identified which has more than offset this additional budget provision and allowed the overall small reduction to the Recreation Revenue Budget to be made.

- 3.10 Savings include the bar on the vacant sports complex manager post, reduced gas, electricity and water costs as a result of energy efficiency measures, efficiency savings on running costs and the reduction of under-utilised budgets, and a substantial increase in golf green fee income, driving range takings and golf shop sales.
- 3.11 No discretionary additional or new investment in services in the Recreation Budgets has been provided for in light of the current financial situation of the Council and the possibility that further savings may be required, later in the year, to balance the 2021/22 Revenue Budget.
- 3.12 A summary of the main changes in respect of each individual budget is detailed below.

3.13 Events

The Coronavirus pandemic situation has created a lot of uncertainty in relation to whether the Council will be able to hold its community events programme next year.

For the purposes of the 2021/22 budget setting, it has been assumed that next year will be a 'normal' year and budget provision has therefore been retained for the provision of *all* community events.

The Events Budget has been increased by £2,000 per year to £208,200.

This provides for the expected local government pay award as well as the doubling of the budget provision for the community enhancement awards from £500 to £1,000 to provide for increased categories, prizes and presentation evenings in line with changes implemented during the current year.

All other events budgets have been frozen at existing levels as the current budget provision is considered to be sufficient.

3.14 Sports Complex

As with the Events Budget, the Coronavirus pandemic situation has created a lot of uncertainty in relation to the Sports Complex Budget, and whether there will be any ongoing negative impact on usage and income levels at the facility going into next year.

For the purposes of the 2021/22 budget setting, it has been assumed that budget provision for next year will be based on a return to 'business as usual'.

In overall terms, the Sports Complex Budget has increased by £8,350 per year to a net running cost of £325,000 a year.

Additional budget provision has been for increases in staffing costs from the forecast local government pay award, and unavoidable inflationary increases in some running costs.

The income targets for the facility have also been reduced by £12,200 per year in line with trends seen in the months and years prior to the Coronavirus pandemic. This includes reductions to the income targets for five a side football, bowls and bar and catering takings.

However, the overall increase in the net running cost of the facility has been limited by the identification of a number of savings, including the bar placed on the vacant complex manager post, reduced gas, electricity and water costs as a result of energy efficiency measures, reduced maintenance budgets, and various savings on supplies and services.

This has limited the overall increase in the net running cost of the facility.

3.15 Sports Pitches

This budget has fallen marginally by £400 per year to a net running cost of £15,750.

This is as a result of savings in electricity costs and the impact of last years' increase in football pitch hire costs.

3.16 Golf Course

This budget has fallen by £2,400 per year to a net running cost of £77,250.

Whilst additional budget provision has been required for increases in staffing costs from the expected local pay government pay award, inflation on running costs and reduced buggy hire and equipment hire income as a result of Coronavirus restrictions, this has been more than offset by significantly increased green fee income.

There has been a resurgence in golf usage during the current year, helped by the fact that golf was one of the few outdoor sports that could still be played over the spring and summer months without being impacted too greatly by the Government Coronavirus restrictions.

This has been one of the few positive outcomes during the pandemic.

3.17 Driving Range and Golf Shop

This budget has fallen by £7,850 per year to a net running cost of £17,100.

This is largely as a result of a substantial increase in driving range income, partly as a consequence of the 50p increase in prices in the current year and partly due to increased usage of the facility. There has also been a significant increase in income from sales of golf equipment in the golf shop.

This increased income, taken alongside some small savings on gas, electricity and running costs, has more than offset inflationary increases in running costs, and has resulted in the large reduction in the net cost of the facility.

This is a very positive achievement during these unprecedented times.

3.18 Parks and Play Areas

This budget has reduced by £1,600 to a total running cost of £204,250 per year, largely as a result of a reduction to the play equipment maintenance budget in line with actual spending in recent years.

3.19 Recreation Fees and Charges

The Recreation Revenue Budget does not, as yet, provide for any changes to the fees and charges for the sports complex, sports pitches, golf course and driving range in 2021/22.

Fees and charges will be considered by the Council's Charges Working Group, and, if any increases are agreed, then this would generate additional resources which could then be added to the income budgets, if required later in the year, to help balance the Revenue Budget.

4.0 2021/22 Draft Recreation Capital Programme Budgets

4.1 As Members are aware, the Council's the Medium-Term Financial Plan highlights that the Council continues to face some significant capital investment commitments in relation to its assets over the coming years, linked to the delivery of the Asset Management Plan, and that the funding of this investment will see a deterioration in the level of the Council's balances and reserves over the longer term.

4.2 In light of this, it has been recommended that capital investment continues to be closely monitored and controlled in order to protect and preserve Council balances, and that the 2021/22 Capital Programme Budget is focussed on essential investment only, mainly on capital projects already identified in the Asset Management Plan.

4.3 To be clear, it is *not* being recommended that *all* capital investment is restricted, more that investment should be focussed on those projects that contribute towards the delivery of the Asset Management Plan, such as essential building works and play area safety surfacing replacement.

4.4 The proposed 2021/22 Recreation Capital Programme Budget is attached at **Appendix 2** and currently stands at **£82,500**.

4.5 The budget includes provision for the following projects:-

Replacement Festive Lighting	£2,500
Play Area Surfacing Replacement	£25,000
Skate Park Routine Maintenance	£2,500
Golf Shop Alarm System and Carpets	£5,000
Sports Complex Main Roof Replacement	£30,000
Drainage Repairs at the Sports Complex	£5,000
External Decoration at the Sports Complex	£10,000
Sports Complex Function Room Carpet Cleaning	£2,500
Total 2021/22 Recreation Capital Programme	£82,500

4.6 Further details of the above projects are set out below:

Replacement Festive Lighting

This is an annual budget provision which provides for the replacement of the Council's festive lighting on a rolling programme over the coming years.

Play Area Surfacing Replacement

This is an annual budget provision which provides for a rolling programme of replacement of safety surfacing across all of the Council's play areas.

Skate Park Maintenance

This budget provides for the routine maintenance of the skate park which is undertaken every two years to ensure that the equipment remains fit for purpose. This is included as a capital item due to the cost involved.

Golf Complex Building Works

This budget provides for the upgrade of the alarm system, which is due next year, replacement of the golf shop carpet which is showing signs of wear and tear in high volume areas, and the purchase of a launch monitor to improve the custom fitting service offered in the golf shop and increase income from this service (invest to save).

Sports Complex Roofing Works

This budget is a provisional sum for the replacement of the bowls hall flat roof at the sports complex which is highlighted in the roofing surveys as being due next year.

Sports Complex Drainage Repairs

This annual budget provides resources to deal with ongoing repairs and works relating the drainage system at the sports complex, if required.

Sports Complex External Decoration

This annual budget provides for the repainting of the exterior of the sports complex building which is highlighted as being due.

Sports Complex Function Room Carpet

This budget provides for the deep cleaning of the function room carpet at the sports complex.

4.7 Members are asked to consider the proposed 2021/22 Recreation Capital Programme Budget and forward any comments, suggestions for additional projects, or proposed amendments to the Chairman or Vice Chairman of the Committee as soon as possible.

5.0 Budget Timetable

5.1 The remaining timetable for the setting of the 2021/22 Budgets is summarised below:-

- **2nd December:** The overall draft 2021/22 Revenue and Capital Budget to be considered by Policy and Resources Committee and the 2021/22 Precept and Council Tax agreed in principle;
- **During December:** Budget consultation to be undertaken via an online budget survey;
- **During December:** Officers to review and implement any feedback and amendments from Members and consider any further developments in relation to the 2021/22 budget setting, including any required savings;
- **20th January:** The final 2021/22 Revenue and Capital Budget proposals, incorporating any new developments, required amendments and the feedback from the budget consultation to be reported to Policy and Resources Committee;
- **27th January:** Revenue and Capital Budgets to be approved by Full Council and the 2021/22 Precept and Council Tax increase to be declared.

6.0 Policy Implications

6.1 The consideration of the 2021/22 draft Recreation Revenue and Capital Budgets contributes towards the achievement of Strategic Aim 2 in the Council's Service Delivery Plan:

"To manage the Council's finances and assets in a responsible manner".

7.0 Staffing Implications

7.1 The draft budget proposals set out in this report were prepared in consultation with and agreed by the relevant service managers.

8.0 Financial Implications

8.1 The financial implications for the Council are fully set out in the report.

9.0 Crime and Disorder Implications

9.1 None.

10.0 Equal Opportunities Implications

10.1 None.

11.0 Environmental Implications

11.1 None.

12.0 Risk Assessment

12.1 A full risk assessment will be included in respect of the setting of the Council's 2021/22 Revenue and Capital Budget, at the final stage of the budget setting process, when the Council determines and approves the 2021/22 Precept in January 2021.

13.0 General Data Protection Regulations (GDPR)

13.1 There is no personal or sensitive data required for this proposal which may have any implications for GDPR.

14.0 Recommendations

14.1 It is recommended that Members consider and approve the attached draft 2021/22 Recreation Revenue and Capital Budgets and provide any comments, feedback or proposed amendments to the Chairman or Vice Chairman of the Committee as soon as possible.