

Report of the Director of Learning, Culture and Children's Services and the Director of Resources

LEISURE & HERITAGE DRAFT REVENUE OUTTURN - 2005/06

Summary

- 1 The purpose of this report is to set out the draft outturn figures for the financial year 2005/06. The individual variations are detailed in full at Annex 1, but in summary the draft outturn for 2005/06 is £10,619k. This compares with a current approved budget of £10,772k, a net underspend of £153k or 1.4%. It must be noted that the figures are provisional and may be adjusted. However, significant changes are not expected to be made.

Background

- 2 The original Leisure & Heritage revenue budget, approved at Council on 22 February 2005, was £10,526k. Since then amendments have been made resulting in a current approved budget of £10,772k. These amendments are summarised in the following table:

<u>Amendments to the Leisure & Heritage Budget During 2005/06</u>	£000
Original Estimate 2005/06	10,526
Approved Changes:	
Budgets carried forward from 2004/05 - Approved at the Executive on 28/06/05 (NR)	138
Corporate Asset Rental Adjustment	12
Neighbourhood Pride Unit set up - DRR transfer - Approved at the Executive on 20/07/04	(3)
Corporate Business Rate revaluation adjustments	(56)
Corporate Pension Budget Adjustment (FRS17)	117
Barbican Delayed Handover - Approved at Executive 25/10/06 (NR)	30
PFI Revenue Budget (re Fulford Library) transferred from Education	1
Director's Delegated Virements:	
Millennium Bridge Asset Rental Transfer from NPU	6
Insurance budget transferred from Property Services	1
Current Approved Budget 2005/06	<u><u>10,772</u></u>

- 3 The Executive Member has also received monitoring reports and has been kept informed on expenditure and income trends during the year. The latest report was presented on 12 December 2005.

Consultation

4 Not applicable

Options and Analysis

2005/06 Outturn

5 At the time of the 2nd monitoring report in December an overspend of £30k was projected. The final outturn now shows an underspend of £153k. The full details of all the variations that make up the £153k underspend are shown at Annex 1. The major changes from the 2nd monitoring report are set out briefly below:

- Significant underspends within Parks and Open Spaces totalling £60k as a result of a more proactive approach to income generation and the ceasing of non-essential maintenance work.
- Savings in the Sports Facilities Management budgets on staffing, training and publicity totalling £43k.
- A reduction in the underspend at Monks Cross of £29k because the budget for work to the running track that was not expected to be completed by the end of the financial year was redirected to equipment purchase as part of a larger lottery funded scheme.
- £18k more income at Oaklands as the capital refurbishment programme started later than expected.
- Additional net savings of £16k within the Youth Service due mainly to staff vacancies.
- Additional savings totalling £18k in overall departmental management budgets, again due to some posts being kept deliberately vacant for longer periods.

6 Many of the underspends have been achieved by initiating specific management action to cease spending in a number of non-essential areas. This was in response to the difficult overall council budget position being projected at the time of the last monitoring reports. Inevitably these savings are only sustainable in the short term and cannot be repeated in 2006/07 without impacting seriously on the levels of service provided.

7 Although many of the underlying variations have already been accounted for when the 2006/07 budgets were set, there are still some significant items that are expected to have an impact in 2006/07. Initial estimates of the 2006/07 impact are also shown in Annex 1.

Proposals to Carry Forward Unspent Budgets

8 In order to promote good management and allow planned 2005/06 projects to proceed, it is proposed to continue the arrangements of previous years and permit underspendings to be carried forward in certain circumstances. Rather than being a general provision, it is suggested that carry forward proposals should only be allowed where the portfolio area actually underspends due to a genuine slippage.

9 As the Leisure & Heritage portfolio has underspent in 2005/06 there are a number of essential areas of carry forward that Members are asked to consider that total £153k:

- The additional post of Project Archivist to implement new partnership arrangements for the archive service was only recruited to in November 2004 resulting in a £14k underspend in 2004/05 which was carried forward into 2005/06. As the post is intended for 2 years there has been a similar underspend this year. The £14k of unspent funding will again need to be carried forward into 2006/07 to complete the project.. Carry forward request £14k
- Sports Facilities budget pressures. A report to the Executive on 2 May 2006 set out details of additional unbudgeted expenditure to support the temporary fitness gym at Edmund Wilson Pool and essential maintenance work at Yearsley Pool totalling £184k in 2006/07. In addition, until the permanent handover of the Barbican Centre can be concluded with Absolute Leisure, the council is still responsible for business rates at the centre which amount to about £8k per month in 2006/07. Carry forward request £139k (i.e. the remaining balance of the 2005/06 underspend).

Corporate Objectives

10 The budgets covered in this report reflected the council's corporate objectives for 2005/06.

Implications

- **Financial:** contained in the main body of the report
- **Human Resources:** not applicable
- **Equalities:** not applicable
- **Legal:** not applicable
- **Crime and Disorder:** not applicable
- **Information Technology (IT):** not applicable

Risk Management

11 Contained in the main body of the report.

Recommendations

12 That the Advisory Panel advise the Executive Member to:

- approve the draft revenue outturn for 2005/06 and note that the underspend will be transferred to the council's reserves.
- agree the carry forwards set out in paragraph 9 totalling £153k, subject to the approval of the Executive.

Reason: To manage the budget effectively.

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Wards Affected:

All

For further information please contact the author of the report

Annex 1 – Detailed variation analysis

Background Papers

2005/06 Budget Files

2005/06 Closedown Files

Revenue Estimate 2005/06 reported to Council on 22 February 2005

Budget monitoring reports presented to the Executive Member during 2005/06