



Tourism, Communities, Culture & Leisure Committee

Wednesday, 16th June 2021

REPORT TITLE:	CAPITAL AND REVENUE BUDGET MONITORING QUARTER 4
REPORT OF:	DIRECTOR OF NEIGHBOURHOODS

REPORT SUMMARY

This report sets out the financial monitoring information for the Tourism, Communities, Culture & Leisure Committee. The report provides Members with an overview of budget performance for this area of activity. The financial information details the year-end revenue and capital outturn position, as reported at quarter 4 (Apr-Mar) 2020/21.

RECOMMENDATION/S

The Tourism, Communities, Culture & Leisure Committee is requested to:

Note the year-end revenue outturn position of £7.256m adverse and the performance of the capital programme, as reported at quarter 4 (Apr-Mar) of 2020/21.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 Regular monitoring and reporting of the Revenue Budgets, savings achievements and Medium-Term Financial Strategy (MTFS) position enables decisions to be taken faster, which may produce revenue benefits and will improve financial control of Wirral Council.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Other reporting frequencies could be considered, but quarterly reporting is standard practice.

3.0 BACKGROUND INFORMATION

- 3.1.1 This report provides a summary of the final year-end revenue outturn position as at the end of 2020/21 financial year.
- 3.1.2 The year-end figure recorded as part of the final revenue outturn position represents an adverse variance from budget of £7.256m for this Committee.

3.2 2020/21 COMMITTEE REVENUE BUDGET

- 3.2.1 The budget for the Tourism, Communities, Culture and Leisure Committee is included within the Neighbourhoods and Regeneration & Place Directorates.
- 3.2.2 The Tourism, Communities, Culture and Leisure Committee is reporting an adverse budget variance of £7.256m at year-end. This is because of income losses within Leisure Centres and Floral Pavilion, due to temporary closures and suspension of these services from the beginning of the year, due to the outbreak of Covid-19. The income generated from services affected by Covid-19 has been minimal for the financial year. Most income losses in this Committee are, in part, mitigated by the Sales, Fees and Compensation scheme, which is recorded as a separate and distinct funding stream.
- 3.2.3 Plans for the phased reopening of Leisure Centres, Libraries and Museums were delayed until the necessary work was carried out to make them Covid-19 secure. The work was completed in some Leisure Centres in September and some sites reopened for a brief period. However subsequent government guidance and restrictions has meant that services were only open for a short period in Quarter 3 and were not permitted to reopen until Quarter 1 of 2021/22. This impacted income generation across the service, as no income was received in Quarter 4.
- 3.2.4 The service partially mitigated the losses earlier in the year by maximising income generation from activities that are permitted and there were plans to continue with this in the final quarter. However, as outdoor activities were not permitted until very late in Quarter 4, income mitigation opportunities have been severely limited. The service has worked to achieve some limited savings relating to utilities and premises costs.
- 3.2.5 Many of the staff have been redeployed onto Covid-19 emergency response functions such as the Food Hub, Personal Protective Equipment (PPE) Distribution and the Covid-19 Helpline, meaning that the costs incurred in Neighbourhoods directorate remain high even though income and core activity has fallen.

TABLE 1 2020/21 –Tourism, Communities, Culture & Leisure Committee Revenue Budget Outturn

	Full Year				
	Budget	Actual	Variance (+ Fav, - Adv)		Adv/Fav
	£000	£000	£000	%	
Community Development	8,269	15,938	-7,669	-93%	Adverse
Promotion of Community Engagement	998	585	414	41%	Favourable
Total Surplus / (Deficit)	9,267	16,523	-7,256	-78%	Adverse

3.2.6 **Neighbourhood Safety & Transport:** A final year-end adverse variance of £0.101m is reported against this area. The adverse position is mainly due to an underachievement of income within Community Patrol following the loss of several contracts in previous years, resulting in an adverse variance.

3.2.7 Employees are also reporting an adverse variance due to the Transport Depot. Adverse Employee variances within Community Patrol and Schools Transport were directly related to Covid-19 Pressures and these were funded from Tranche 4 Covid-19 money. The service has attempted to seek additional income generation opportunities for new clients, however there is an insufficient market for this. Most of the additional costs within Community Patrol have arisen because of increased pressure on the service due to a rise in footfall and anti-social behaviour within the local area directly related to the ongoing pandemic. It is anticipated that this will continue in 2021/22 and additional COVID-19 funding has been secured as part of the Summer Plan 2021.

3.2.8 Management costs in relation to the overall Neighbourhoods Directorate are also incorporated within this area. This area is reporting a favourable variance of £0.425m. This is due to a pension credit which was received corporately equating to £0.365m for this directorate. The remaining favourable variance is due to one employee vacancy.

3.2.9 **Leisure, Libraries and Customer Engagement:** This area covers Leisure Centres, Golf Courses, Libraries, Museums and the Floral Pavilion. All income associated with these services ceased from 23rd March 2020 due to Covid-19 restrictions. Government guidance allowed for these services to recommence from the end of July, however planned reopening was delayed so that work could be carried out to make them COVID secure at significant additional costs. The planned remobilisation of these services has been interrupted by the constant changes in government guidance and restrictions in the form of the Tier System and further national lockdowns. This has severely limited income generation opportunities.

- 3.2.10 As a result of this, the area is reporting an adverse variance of £7.994m. This is predominantly due to loss of income within Leisure Centres (£7.63m) because of their temporary closure. The service has worked to mitigate losses through premises and contracts savings. Work is also being carried out to maximise income generation from Golf, outdoor football, and outdoor exercise classes. These services have now recommenced in accordance with Government guidance. However, this was too late to have any impact on 2020/21 figures.
- 3.2.11 In future the service may be limited further in the amount of income generated from Leisure Centres as several sites are currently being used as vaccination sites. Additional income may be available from partnership agencies to fund part of the additional costs of running these centres.
- 3.2.12 The Floral Pavilion reported an adverse variance due to underachievement of income of £2.161m. The service did not fully reopen for live shows during the financial year and the only income received related to funding from partnership agencies in relation to the time the site was used as a testing facility. The service has partially mitigated the income shortfall through savings against Supplies and Third-Party payments to production companies.
- 3.2.13 A small amount of income was received relating to the catering offer for the months it was permitted to open. There are smaller income losses expected relating to Libraries (£0.177m), One Stop Shops (£0.095m) and Museums (£0.021m), with none of these services projected to achieve any of their income targets this year. Capital projects which were planned to improve income generation in these areas have been delayed due to Covid-19 and did not recommence this financial year. Several new capital projects are underway within this area and will continue in 2021/22.
- 3.2.14 **Tourism and Visitor Economy:** This reflects the Tourism and Visitor Economy area of the budget within Regeneration. This area reported a final favourable variance of £0.414m. £0.289m of this is due to an underspend against employees who were seconded to work on COVID-19 related activities. £0.214m is related to marketing and events expenditure against this area was restricted due to COVID-19. However this area reported a shortfall in income as targets were not achieved due to the cancellation of planned events in 2020/21.

3.3 Capital Outturn

2020-21 PROGRAMME	2020/21 Cabinet Programme £000	2020/21 Revised Programme £000	2020/21 Actual £000	2020/21 Variance £000
Economy, Regeneration and Development	774	1,499	122	1,377

TABLE 2: 2020/21 Tourism, Communities, Culture & Leisure – Capital Outturn

3.3.1 Table 2 provides an update on the 2020/21 capital Programme. A number of significant variations have arisen since the programme was agreed in March 2020. These include the re-profiling of expenditure into and out of the 2020/21 financial year, inclusion of additional grant funded schemes, variations to spend forecasts and the inclusion of potential new capital schemes.

3.3.2 Overall this Committee is reporting actual 2020/21 outturn of £0.122m against a revised programme budget of £1.499m. This represents a favourable variance of £1.377m. This is due to delays in projects commencing because of the COVID-19 pandemic. This expenditure has been re profiled into the 2021/22.

4.0 FINANCIAL IMPLICATIONS

4.1 This is the revenue budget monitoring report that provides information on the forecast outturn for the Neighbourhoods Directorate for 2020/21. The Council has robust methods for reporting and forecasting budgets in place and alongside formal Quarterly reporting to the Policy & Resources Committee, the financial position is routinely reported at Directorate Management Team meetings and corporately at the Strategic Leadership Team (SLT). In the event of any early warning highlighting pressures and potential overspends, the SLT take collective responsibility to identify solutions to resolve these to ensure a balanced budget can be reported at the end of the year.

5.0 LEGAL IMPLICATIONS

5.1 The provisions of section 25, Local Government Act 2003 require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the chief finance (s.151) officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. This is in addition to the personal duty on the Chief Finance (Section 151) Officer to make a report, if it appears to them that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 There are no implications arising directly from this report.

7.0 RELEVANT RISKS

7.1 The possible failure to deliver the Revenue Budget is being mitigated by:

1. Senior Leadership / Directorate Teams regularly reviewing the financial position.
2. Availability of General Fund Balances.
3. Review of existing services and service provision.

8.0 ENGAGEMENT/CONSULTATION

8.1 No consultation has been carried out in relation to this report.

9.0 EQUALITY IMPLICATIONS

9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help Council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.

9.2 There are no equality implications arising specifically from this report.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 The Refreshed Wirral Plan 2021-2026 includes a set of goals and objectives to create a sustainable environment which urgently tackles the environment emergency. These are based on developing and delivering plans that improve the environment for Wirral residents. The performance report will include information on key areas where environment and climate related outcomes are delivered.

10.2 No direct implications. The content and/or recommendations contained within this report are expected to have no impact on emissions of Greenhouse Gases.

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APPENDICES

None

BACKGROUND PAPERS

- 2020/21 Revenue Budget Monitor for Quarter Two (Apr - Sep)
- 2020/21 Revenue Budget Monitor for Quarter Three (Apr- Dec)
- Revenue Budget 2020/21 and Medium-Term Financial Plan (2021/22 to 2024/25)

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Tourism, Communities, Culture and Leisure Committee	26 October 2020
Tourism, Communities, Culture and Leisure Committee	23 November 2020
Tourism, Communities, Culture and Leisure Committee	21 January 2021
Tourism, Communities, Culture and Leisure Committee	3 March 2021