

**TOURISM COMMUNITIES CULTURE AND LEISURE COMMITTEE****THURSDAY, 22 June 2023**

<b>REPORT TITLE:</b>	<b>2022-23 REVENUE &amp; CAPITAL BUDGET MONITORING FOR QUARTER FOUR (THE PERIOD TO 31 MARCH), 2023 OUTTURN</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF NIGHBOURHOOD SERVICES</b>

**REPORT SUMMARY**

This report provides a summary of the year-end revenue position for the 2022/23 financial year as at the end of March 2023 for the Tourism, Communities, Culture and Leisure Committee. The report provides Members with an overview of budget performance to enable the Committee to take ownership of the budgets and provide robust challenge and scrutiny to Officers on the performance of those budgets.

Managing a budget requires difficult decisions to ensure that a balanced position can be presented. Regular Member engagement, which this report forms part of, is considered essential in delivering effective governance and financial oversight.

The year-end revenue outturn for 2022/23 represents an adverse position of £5.890m on the Committee net revenue budget of £5.359m.

This matter affects all Wards within the Borough and is not a key decision.

The report contributes to the Wirral Plan 2021-2026 in supporting the organisation in meeting all Council priorities.

**RECOMMENDATION/S**

The Tourism, Communities, Culture and Leisure committee is recommended to:

1. Note the draft, unaudited 2022/23 outturn adverse variance of £5.890m.
2. Note the draft, unaudited 2022/23 capital variance.
3. Agree the transfer to and use of earmarked reserves, as detailed in Appendix 2; and
4. Note the progress on delivery of the 2022/23 savings programme.

## **SUPPORTING INFORMATION**

### **1.0 REASONS FOR RECOMMENDATIONS**

- 1.1 It is vitally important that the Council has robust processes in place to manage and monitor the in-year financial position, to ensure it delivers a balanced position at the end of the year.
- 1.2 Regular monitoring and reporting of the revenue budgets and savings achievements enables decisions to be taken in a timely manner, which may produce revenue benefits and will improve financial control of Wirral Council.
- 1.3 This report presents timely information on the year-end financial position for 2022/23.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 The Policy & Resources Committee has previously determined the budget monitoring process to follow and this report details the agreed course of action.
- 2.2 In striving to manage budgets, available options have been evaluated to maintain a balance between service delivery and a balanced budget.

### **3.0 BACKGROUND INFORMATION**

- 3.1 As at the end of the financial year 2022/23 the outturn position for the Tourism, Communities, Culture and Leisure Committee is £5.890m adverse against a budget of £5.359m. The reasons for this are detailed in the table below:

**TABLE 1: Summary of Committee variances**

	<b>£000</b>
<b>Customer Behaviour Changes</b>	
Leisure income shortfall due to reduction in numbers	1,293
<b>Sub-Total</b>	<b>1,293</b>
<b>Macro-Economic Conditions</b>	
Nationally agreed Pay Award	490
Additional unforeseen energy costs due to inflation - £657K relates to Street Lighting	592
Repairs and Maintenance – Leisure	265
Tennis Centre Costs not covered by income	178
Additional employee costs – Leisure	384
<b>Sub-Total</b>	<b>1,909</b>
<b>Ongoing Decisions</b>	
Holding costs relating to C A T of Woodchurch	202
Holding costs relating to C A T of Libraries	372
<b>Sub-Total</b>	<b>574</b>
<b>Other</b>	
Floral Pavilion income shortfall due to coastal works and increased cost pressures	2,054
Mitigated in part through one-off Leisure budget to aid recovery	-500
Community Safety	665
Other smaller favourable variances	-105
<b>Sub-Total</b>	<b>2,114</b>
<b>NET POSITION</b>	<b>5,890</b>

- 3.2 Income remains less than it was in 2019/20 due a reduction in footfall and direct debit numbers. There was some improvement from Quarter 2 onwards due to new pricing structures, and slight increases in footfall now that areas are fully operational. However, income for the year was around 75% of 2019/20 levels.
- 3.3 The 2022/23 budget incorporates £3.517m of savings. Work commenced to achieve these savings following agreement at Budget Council in February 2022. As at Quarter 4, the Committee has achieved £2.303m of these savings. Savings relating to Community Asset Transfer (CAT) of Woodchurch (£0.202m) and Community Asset Transfer of Libraries (£0.380m) were not achieved this year due to holding costs whilst the process took place. In addition to this savings relating to Floral Pavilion (£0.350m) were not achieved due to shortfalls in income generation.
- 3.4 As part of the 2022/23 budget savings, some library assets, two golf courses and Woodchurch Leisure Centre were recommended by Members to be available for CAT as an amendment to the budget. Members agreed that some libraries would remain open until 1 November 2022 to enable a potential CAT. On 25 October 2022, Tourism, Communities, Culture and Leisure Committee agreed to commence

negotiations to transfer the assets of Pensby Library to Pioneer People and Prenton Library to St Stephen's Church. It was also agreed that further negotiations would commence with the other groups until 9 December 2022, with recommendations relating to these being reported at a future Committee. On 9 March 2023 it was agreed to commence negotiations to transfer the assets of Wallasey Village Library and Irby Library. Negotiations relating to the other sites will be reported at a future Committee in 2023/24.

- 3.5 There were some holding costs and decommissioning costs following closure of the libraries on 1 November 22 that have also not been budgeted. These were to be £0.093m are reflected within Regeneration Directorate as they have responsibility for running the assets from November 2022. The total additional costs relating to CAT have been covered from the £3m contingency for non-achieved savings.

**TABLE 2 2022/23 Tourism, Communities, Culture and Leisure Committee – Service Budget & Outturn**

	Budget	Outturn	Variance		Adverse/ Favourable
			( + Fav / - Adv )		
	£000	£000	£000	%	
Public Health Outcomes	-5,958	-5,949	-9	0%	
Leisure Libraries and Theatre	7,611	12,844	-5,233	-69%	Adverse
Neighbourhood Safety	3,363	4,028	-665	-20%	Adverse
Culture and Visitor Economy	344	326	18	5%	Favourable
<b>Total Surplus/ (Deficit)</b>	<b>5,359</b>	<b>11,249</b>	<b>-5,890</b>	<b>-110%</b>	<b>Adverse</b>

- 3.6 **Cross Cutting Funding and Neighbourhoods Management Team:** A broadly balanced position is forecast for 2022/23. This area comprises Neighbourhoods management costs and cross cutting funding.
- 3.7 **Community Safety and Transport:** An adverse variance of £0.665m is reported for 2022/23. £0.223m relates to the adjustment for the national public sector pay award. £0.360m mainly relates to adverse variances within Transport due to increased demand and tender price increases. The remaining adverse variance relates to income shortfalls. During the first part of the year, some team members were engaged in activities associated with the longer-term response to the pandemic in addition to their usual monitoring and response team duties. This resulted in additional pressures within the Community Patrol team which were funded from carried forward planned COVID-19 tranche funding. In addition, some of the teams were engaged in functions associated with the Community Safety Partnership and were being funded from the reserve for these activities. This is temporary funding

utilised in 2022/23 only, which will mitigated lead in pressures associated with the savings.

- 3.8 **Leisure, Libraries and Customer Engagement:** An adverse variance of £5.233m is reported for 2022/23. This is made up of the following individual service impacts.
- £0.267m relates to the adjustment for the proposed pay award. This has resulted in a Council wide financial impact, and as Leisure, Libraries and Customer Engagement has the largest workforce, this area has been impacted the most.
  - £1.293m within Sports and Recreation. Although membership numbers are slowly improving, they have yet to achieve those levels experienced prior to the pandemic. The service has seen the loss of a number of “latent users” (those with rolling memberships who may not have used the services). Utilisation of casual “pay and play” activities has also not recovered and has contributed significantly to income under achievement.
  - £1.554m within Theatre, Hospitality and Catering services. This shortfall is due to underachievement of income across all services. The spend on disposable income has not recovered to pre-pandemic levels and has been compounded by cost of living pressures and macroeconomic factors. This is a problem across the hospitality industry. Rising costs of supplies, goods, services and utilities has significantly impacted the spend attributed to the service. These factors, together with the disruption created by the Sea Wall development at West Kirby have contributed to a £0.149m adverse variance at the Sail Loft. The total variance across the service is £2.054m, however £0.5m of additional pressure was allocated as a one-off budget adjustment in 2022/23. This has been used to mitigate the position in part this year.
  - £0.635m relates to energy pressures due to inflationary increases.
  - £0.202m of this relates to ongoing holding costs for Woodchurch Leisure Centre
  - £0.380m relates to ongoing holding costs for Libraries whilst the Community Asset Transfer process is finalised.
  - £0.178m relates to costs for the Tennis Centre whilst the site was refurbished
  - £0.256m relates to additional maintenance costs
  - £0.386m relates to additional employee costs
  - £0.082m relates to other smaller adverse variances within the remaining areas,
- 3.9 Overall footfall is approximately 75% of 2019/20 levels which has adversely impacted income generation. This level of reduced recovery rate is consistent with national averages. At the start of the year, it was expected that income would not fully recover to pre pandemic levels and as such a £0.5m income contingency budget was set aside. This has been used to mitigate the overall position within Floral Pavilion.
- 3.10 The service has faced pressures associated with energy price increases and a rise in general costs due to increasing inflation. In a response to mitigate and improve footfall, the following initiatives were implemented in 2022/23:
- The reviewed all expenditure with a view to reducing or stopping non-urgent expenditure to mitigate the risk of further lost income. Costs relating to supplies and premises have been reviewed and areas where efficiencies can be achieved have been identified. To seek to compensate for these

challenges, the service is looking to further maximise income generation and the identification of new opportunities as follows:

- Memberships & Income – A drive on usage and memberships including bespoke offers at appropriate sites such as the new Europa Gym, and the introduction of offers for targeted groups.
- Golf – Two council eighteen-hole golf courses are currently not in use (Hoylake and Brackenwood) and two leisure courses are also not in use at Kings Parade (Foot golf and Chip and Put). Together with price and membership remodelling, this has seen the anticipated transition of players to our two remaining sites at Arrowe Park (predominantly) and the Warrens – successfully reducing costs while increasing income.
- Introduction of activities aimed at children and young people such as holiday camps and pool-based inflatables at selected sites to improve income generation. This increased income generation at Guinea Gap during Quarter 2 and 3, which has significantly contributed to the improved position.
- A new marketing campaign was launched in the final month of Quarter 2 to promote the service and the new “Active Wirral” brand, which demonstrates attractive rates and benefits compared to competitor offers.
- Additional income has been generated which is aligned to corporate outcomes to improve health and wellbeing, this includes funding from NHS / Social Care / third sector partner organisations.
- The installation of pool covers at pool sites to improve energy conservation will commence in September 2023.
- Working with national sporting governing bodies such as the Football Association and Lawn Tennis Association to identify and introduce delivery models that generate income and reduce cost for example the new 3G pitch builds / new operating model for tennis at Wirral Tennis & Sports Centre, and the introduction of wider offers for children and young people through soft play and interactive activity. Capital work is currently underway at Wirral Tennis & Sports Centre. However, the impact of this on income generation will not be reflected until next financial year when the work is finalised.

3.11 **Culture and Visitor Economy:** A favourable variance of £0.018m is reported for 2022/23.

#### **Budget Virements**

3.12 There have been no budget virements requiring committee approval in quarter 4.

#### **Progress on delivery of the 2022-23 savings programme.**

3.13 In terms of savings, £2.303m of the £3.517m savings targets are either delivered or on track to be delivered. This represents 65% of the total savings target with a further 35% or £1.214m anticipated to be delivered. The table below summarises this progress:

**TABLE 3: SUMMARY OF PROGRESS ON DELIVERY OF 2022-23 SAVINGS**

Committee	Approved Saving	Delivered	Delivered through mitigation	Delayed/ unachieved in year
Tourism, Communities, Culture and Leisure	£3.517m	£1.959m	£0.344m	£1.214m

3.14 For savings identified as delayed or unachieved, a bid has been made from the £3m contingency fund set up for non-achieved savings at the end of the year.

3.15 Full details on the progress on specific savings can be found in **Appendix 1**.

#### **Earmarked Reserves**

3.16 Earmarked reserves represent money that has been set aside for a clearly defined purpose, and which is available to meet future expenditure in that area. The use of earmarked reserves is only permitted with the approval of the Section 151 officer.

**TABLE 4: SUMMARY OF EARMARKED RESERVES**

Committee	Opening Balance £000	Forecast Use of Reserve £000	Forecast Contribution to Reserve £000	Closing Balance £000
Tourism, Communities, Culture and Leisure	307	-187	0	20

3.17 **Appendix 2** provides the full list of all earmarked reserves.

#### **Capital Monitoring**

3.18 Capital budgets are the monies allocated for spend on providing or improving non-current assets, which include land, buildings and equipment, which will be of use or benefit in providing services for more than one financial year.

**TABLE 5: 2022/23 Tourism, Communities, Culture and Leisure Committee – Capital Budget & Forecast Outturn**

Capital Programme	2022/23				2023/24	2024/25	2025/26
	Budget 01/04/22	Q4 Forecast Budget	Outturn	Variance	Budget	Budget	Budget
	£000	£000	£000	£000	£000	£000	£000
Leisure	7,488	3,365	1,924	1,441	3,963	187	0
Library	1,279	648	134	514	779	0	0
Museum	361	361	17	344	0	0	0
Parks	211	81	80	1	144	0	0
<b>Total</b>	<b>9,339</b>	<b>4,455</b>	<b>2,155</b>	<b>2,300</b>	<b>4,886</b>	<b>187</b>	<b>0</b>

3.19 Table 5 summarises the forecast expenditure against Capital Budgets. A full breakdown of each Capital Scheme with details can be found in Appendix 3. The favourable variance of £2.300m relates to slippage of schemes within Libraries, Museums and Leisure which have been reprofiled into 2023/24.

#### **4.0 FINANCIAL IMPLICATIONS**

4.1 This is the Quarter 3 budget monitoring report that provides information on the forecast outturn for the Council for 2022/23. The Council has robust methods for reporting and forecasting budgets in place and alongside formal Quarterly reporting to Policy & Resources and Service Committees, 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 Council must set the budget in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility of the Council. Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget. These provisions require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.

5.2 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.

5.3 It is essential, as a matter of prudence that the financial position continues to be closely monitored. In particular, Members must satisfy themselves that sufficient

mechanisms are in place to ensure both that savings are delivered and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings.

## **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

6.1 At this time, there are no additional resource implications as these have already been identified for the proposals agreed and submitted. However, where the budget is unbalanced and further proposals are required, then there will be resource implications, and these will be addressed within the relevant business cases presented to the Committee.

## **7.0 RELEVANT RISKS**

7.1 The Council's ability to maintain a balanced budget for 2022/23 is dependent on a static financial position. This is an impossible scenario due to estimated figures being provided in the calculation for the 2022/23 budget, albeit the best estimates that were available at the time, plus any amount of internal and external factors that could impact on the budget position in year. Examples of which are the significant emerging inflationary and cost of living pressures, new legislation, increased demand, loss of income, increased funding, decreased funding, inability to recruit to posts, ongoing impact of the pandemic etc

7.2 A robust monitoring and management process for the 2022/23 budget is in place. If at any time during the year an adverse position is forecast, remedial action must be agreed and implemented immediately to ensure the budget can be brought back to balanced position.

7.3 The risk of this not being able to be achieved could mean that the Council does not have enough funding to offset its expenditure commitments for the year and therefore not be able report a balanced budget at the end of the year. This could result in the Section 151 Officer issuing a Section 114 notice.

7.4 A key risk to the Council's financial plans is that funding and demand assumptions in particular can change as more information becomes available. Significant inflation and cost of living pressures have already impacted the quarter 1 forecast position. and the impact of these pressures will be reviewed and considered in the MTFP as part of routine financial management.

## **8.0 ENGAGEMENT/CONSULTATION**

8.1 Consultation has been carried out with the Senior Leadership Team (SLT) in arriving at the governance process for the 2022/23 budget monitoring process and the 2022/23 budget setting process. This report will also be shared and reviewed by the Independent Panel.

8.2 Since the budget was agreed at Full Council on 28 February, some proposals may have been the subject of further consultation with Members, Customer and Residents. The details of these are included within the individual business cases or are the subject of separate reports to the Committee

## **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 At this time, there are no further equality implications as these have already been identified for the proposals agreed and submitted. However, where the budget is unbalanced and further proposals are required, then there may be equality implications associated with these, and these will be addressed within the relevant business cases presented to the Committee.

## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

10.1 This report has no direct environmental implications, however due regard is given as appropriate in respect of procurement and expenditure decision-making processes that contribute to the outturn position.

## **11.0 COMMUNITY WEALTH IMPLICATIONS**

11.1 In year activity will have incorporated community wealth implications. Consideration would have taken account of related matters across headings such as the following:

- **Progressive Procurement and Social Value**  
How we commission and procure goods and services. Encouraging contractors to deliver more benefits for the local area, such as good jobs, apprenticeship, training & skills opportunities, real living wage, minimising their environmental impact, and greater wellbeing.
- **More local & community ownership of the economy**  
Supporting more cooperatives and community businesses.  
Enabling greater opportunities for local businesses.  
Building on the experience of partnership working with voluntary, community and faith groups during the pandemic to further develop this sector.
- **Decent and Fair Employment**  
Paying all employees a fair and reasonable wage.
- **Making wealth work for local places**

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#### **APPENDICES**

APPENDIX 1 – Progress on the delivery of the 2022-23 Saving Programme

APPENDIX 2 – Earmarked Reserves

APPENDIX 3 – Breakdown of Capital Spend

APPENDIX 4 – Breakdown of Revenue Spend

#### **BACKGROUND PAPERS**

Bank of England – Monetary Policy Report – August 2022

DLUHC External Assurance Reports

CIPFA's Financial Management Code

#### **TERMS OF REFERENCE**

This report is being considered by the Tourism, Communities, Culture and Leisure Committee in accordance with Section (k) of its Terms of Reference, in providing a view of performance, budget monitoring and risk management in relation to the Committee's functions;

#### **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Policy and Resources Committee</b>	<b>14 June 2023</b>
<b>Policy and Resources Committee</b>	<b>15 February 2023</b>
<b>Policy and Resources Committee</b>	<b>18 January 2023</b>
<b>Policy and Resources Committee</b>	<b>09 November 2022</b>
<b>Policy and Resources Committee</b>	<b>13 July 2022</b>
<b>Council</b>	<b>28 February 2022</b>
<b>Policy and Resources Committee</b>	<b>15 February 2022</b>
<b>Tourism, Communities, Culture and Leisure Committee</b>	<b>26 October 2020</b>
<b>Tourism, Communities, Culture and Leisure Committee</b>	<b>23 November 2020</b>

<b>Tourism, Communities, Culture and Leisure Committee</b>	<b>21 January 2021</b>
<b>Tourism, Communities, Culture and Leisure Committee</b>	<b>3 March 2021</b>
<b>Tourism, Communities, Culture and Leisure Committee</b>	<b>16 June 2021</b>
<b>Tourism, Communities, Culture and Leisure Committee</b>	<b>2 September 2021</b>
<b>Tourism, Communities, Culture and Leisure Committee</b>	<b>17 September 2021</b>
<b>Tourism, Communities, Culture and Leisure Committee</b>	<b>18 January 2022</b>
<b>Tourism, Communities, Culture and Leisure Committee</b>	<b>8 March 2022</b>
<b>Tourism, Communities, Culture and Leisure Committee</b>	<b>16 June 2022</b>
<b>Tourism, Communities, Culture and Leisure Committee</b>	<b>25 October 2022</b>
<b>Tourism, Communities, Culture and Leisure Committee</b>	<b>01 December 2022</b>
<b>Tourism, Communities, Culture and Leisure Committee</b>	<b>02 February 2023</b>
<b>Tourism, Communities, Culture and Leisure Committee</b>	<b>09 March 2023</b>

## APPENDIX 1

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/unachieved in year	Comment
<b>Neighbourhood Services</b>					
Closure of Europa Fun/Leisure Pool & Enhanced Gym Offer	£0.266m	£0.266m	£0.000m	£0.000m	Fun Pool has remained closed since March 2020, therefore this saving is expected to be fully achieved. A new staffing structure was put in place last financial year to reflect the reduced costs associated with running a gym in place of the fun pool.
Catering Pod at Leasowe Leisure Centre for Football Traffic	£0.021m	£0.015m	£0.000m	£0.006m	Catering pod has been purchased and located at Leasowe. Trading commenced mid September to coincide with the football season when income generation opportunities are greatest. Since commencing trading, £0.015m of income has been achieved in 2022/23. However this was only implemented mid year and income should be fully achieved in line with the saving in future years.

<b>Saving Proposal</b>	<b>Approved Saving</b>	<b>Delivered</b>	<b>Delivered through mitigation</b>	<b>Delayed/ unachieved in year</b>	<b>Comment</b>
Deletion of Vacant Posts	£0.302m	£0.302m	£0.000m	£0.000m	Saving is fully achieved.
Reduction in budget for office related expenditure	£0.023m	£0.023m	£0.000m	£0.000m	Saving is fully achieved.
Review of Leisure service	£0.178m	£0.130m	£0.048m	£0.000m	This has been fully achieved from EVR/VS requests within the service.
Increase catering across all Leisure Sites	£0.060m	£0.000m	£0.000m	£0.060m	This saving has not been achieved this year, as catering income across leisure has only achieved £35K against an existing income target of £104K.
Outdoor Water Sports Offer at West Kirby Marine Lake	£0.015m	£0.000m	£0.000m	£0.015m	This saving has not been achieved this year, as income generated by West Kirby Marine Lake is only £0.162m against a target of £0.266m

<b>Saving Proposal</b>	<b>Approved Saving</b>	<b>Delivered</b>	<b>Delivered through mitigation</b>	<b>Delayed/ unachieved in year</b>	<b>Comment</b>
Temporary Closure and Remodelling of Bidston Tennis Centre	£0.114m	£0.000m	£0.000m	£0.114m	The tennis centre closed for refurbishment works from April 2022. However ongoing costs were incurred through premises costs, some of these have been recovered through charges to the LTA & Elections for occupying the site. Additional costs of £0.178m will need to be recovered through the contingency fund
Review of Golf Offer	£0.328m	£0.328m	£0.000m	£0.000m	Prices have been increased from April 2022 and sites linked to this saving have closed. Savings have been achieved through deleting posts relating to employees who have now left the Authority and through additional income from the revised price offer. Approximately £0.100m additional income has been achieved due to retention rates with customers transferring to Arrowe Park and Warrens.
Exercise referral programme	£0.100m	£0.013m	£0.000m	£0.087m	Only £0.013m of additional exercise on referral income has been achieved this year. This shortfall is due to the discontinuation of grants announced in Q1 of 2022/23

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/unachieved in year	Comment
Floral pavilion - plans to reduce subsidy	£0.350m	£0.000m	£0.000m	£0.350m	This saving has not been achieved this year due to shortfalls in income generation because of cost of living pressures & delays in implementing new business models. There is a legacy saving of £0.5m within the Floral pavilion budget that was left in its accounts following the unsuccessful attempt to outsource the venue in 2018/19. The Theatre has continuously struggled to mitigate the effect of this saving being left in the budget. Income wise, the Theatre had a record breaking pantomime year and is continuing with a third party options appraisal to identify opportunities to redevelop the non-profitable areas of the site, in particular the conferencing centre as part of the New Brighton Masterplan.
Cessation of Constituency Team and Remodelling of Section	£0.346m	£0.300m	£0.046m	£0.000m	The restructure of this area is now complete and employees have moved to new roles from Q2 onwards. Due to these delays, mitigation is being achieved through the Community Safety Grant
Review of Neighbourhoods Service Directorate	£0.360m	£0.110m	£0.250m	£0.000m	Savings were delayed due to lead in pressures due to employees working notice periods. This saving will be fully achieved this year through mitigation.

<b>Saving Proposal</b>	<b>Approved Saving</b>	<b>Delivered</b>	<b>Delivered through mitigation</b>	<b>Delayed/unachieved in year</b>	<b>Comment</b>
Permanent Closure and Demolition of Woodchurch Leisure Centre	£0.402m	£0.200m	£0.000m	£0.202m	Only £0.200m of this saving was achieved this year, leaving a shortfall of £0.202m. The adverse variance against Woodchurch for 2022/23 is £0.202m, which is in line with what was projected. This was due to holding costs whilst the CAT process was completed and was projected at the beginning of the year. The shortfall is mitigated from contingency this year.
Reprovision of the Library Service	£0.652m	£0.272m	£0.000m	£0.380m	Only £0.272m of this saving was expected to be achieved from Nov-Mar whilst the CAT process was completed. The remaining £0.380m of this relates to costs from April to October whilst the libraries were still operational. The actual adverse variance against Libraries for the year was £0.372m, which will be mitigated from Contingency this year.
<b>Total Committee</b>	<b>£3.517m</b>	<b>£1.959m</b>	<b>£0.344m</b>	<b>£1.214m</b>	

## Appendix 2 – Earmarked Reserves

<b>Reserve</b>	<b>Opening Balance £000</b>	<b>Use of Reserve £000</b>	<b>Contribution to Reserve £000</b>	<b>Closing Balance £000</b>
Community Safety Initiatives	195	-152	0	43
Les Mills Classes	89	-35	0	54
Sports Development Reserve	22	0	0	22
Library Donations	1	0	0	1
<b>Total</b>	<b>307</b>	<b>-187</b>	<b>0</b>	<b>120</b>

### Appendix 3 – Breakdown of Capital Programme

Area	Scheme	2022/23				2023/24	2024/25	2025/26
		Budget 01/04/22	Q4 Forecast Budget	Out- turn	Varia nce	Budget	Budget	Budget
Leisure	Arrowe Park Sports Village Redevelopment Feasibility Study	1	0	0	0	0	0	0
	Bebington Oval Facility Upgrade	690	8	8	0	527	0	0
	Beechwood Recreation Centre	0	1	1	0	0	0	
	Catering Provision	0	0	0	0	0	0	0
	Defibrillators	67	67	54	13	0	0	0
	Fitness Equipment	4	4	0	4	0	0	0
	Floral Pavilion	155	25	0	25	75	0	0
	Future Golf - Project 1.1	420	46	45	1	187	187	0
	Girtrell Court Demolition	0	0	0	0	0	0	
	Hoylake Golf works depot demolish and replace	83	13	12	1	0	0	0
	Leasowe 3G Pitches	0	1	1	0	0	0	
	Library Radio Frequency Identification Kiosks	0	40	40	0	80	0	0
	New Brighton Gym Equipment	59	3	0	3	0	0	0
	People's Pool Feasibility Study	52	0	0	0	0	0	0
	Pool Covers	72	252	0	252	0	0	0
	Soft Play Areas Leisure Centres	410	410	0	410	0	0	0
	Solar Campus 3G	30	30	0	30	0	0	0
	Studio refurbishment Les Mills classes	138	43	28	15	0	0	0
	Studio refurbishment Les Mills classes new bid	30	0	0	0	0	0	0
	West Kirby Concourse/Guinea Gap Reception upgrade / improve	351	0	0	0	351	0	0

	<b>West Kirby Marine Lake/Sailing Centre – accommodation</b>	197	74	74	0	93	0	0
	<b>Wirral Tennis &amp; Sports Centre</b>	1,364	0	0	0	0	0	0
	<b>Wirral Tennis Centre - 3G Pitch</b>	1,000	187	22	165	900	0	0
	<b>Wirral Tennis Centre - Facility Upgrade</b>	765	2,129	1,614	515	0	0	0
	<b>Woodchurch Sports Pavillion</b>	1,600	32	26	6	1,750	0	0
<b>Library</b>	<b>Arts Council Capital LIF</b>	0	141	120	21	0	0	
	<b>Consolidated Library Works Fund</b>	279	0	0	0	279	0	0
	<b>Moreton Youth Club &amp; Library</b>	1,000	507	14	493	500	0	0
<b>Museum</b>	<b>Williamson Art Gallery Catalogue</b>	73	73	17	56	0	0	0
	<b>Williamson Art Gallery Ventilation 21-22</b>	288	288	0	288	0	0	0
<b>Parks</b>	<b>Ashton Park Lake</b>	147	3	3	0	144	0	0
	<b>Essential H&amp;S Access Improvements @ Wirral Country Park</b>	64	78	77	1	0	0	0
<b>Total</b>		<b>9,339</b>	<b>4,455</b>	<b>2,155</b>	<b>2,300</b>	<b>4,886</b>	<b>187</b>	<b>0</b>

#### Appendix 4 – Breakdown of Revenue Budget Monitoring

	Budget	Outturn	Variance (+ Fav / - Adv)		Adv/ Fav
	£000	£000	£000	%	
<b>Public Health Outcomes</b>					
Public Health Outcomes	-5,958	-5,949	-9	0%	
<b>Neighbourhood Safety</b>					
Assisted Travel and Transport	2,153	2,513	-360	-17%	Adverse
Neighbourhood Safety – Operations	1,210	1,515	-305	-25%	Adverse
<b>Leisure, Libraries and Theatre</b>					
Customer Contact Centre	848	686	162	19%	Favourable
Estate and Facilities	0	0	0	0%	
Management – Neighbourhoods					
Libraries	2,934	3,509	-575	-20%	Adverse
Museums	530	700	-170	-32%	Adverse
One Stop Shops	909	767	142	16%	Favourable
Theatre	-527	1,027	-1,554	295%	Adverse
Golf	-8	-34	26	-322%	Favourable
Europa Pools	488	1,030	-541	-111%	Adverse
Guinea Gap	119	491	-372	-313%	Adverse
Leasowe Recreation Centre	167	592	-424	-254%	Adverse
Oval Sports Centre	373	1,047	-674	-181%	Adverse
West Kirby Concourse	189	332	-143	-75%	Adverse
Tennis Centre	132	310	-178	-135%	Adverse
Woodchurch Leisure Centre	82	284	-203	-248%	Adverse
West Kirby Marine Lake	-44	177	-221	500%	Adverse
Aquatics Management	398	461	-62	-16%	Adverse
Leisure Call Centre	94	92	2	2%	Favourable
Leisure Management	761	1,116	-355	-47%	Adverse
Sales and Retention	100	96	3	3%	Favourable
Sports Development	66	161	-95	-145%	Adverse
<b>Tourism and Visitor Economy</b>					
Culture and Visitor Economy	344	326	18	5%	Favourable
<b>Surplus / (Deficit)</b>	<b>5,359</b>	<b>11,249</b>	<b>-5,890</b>	<b>-110%</b>	<b>Adverse</b>