

FOR PUBLICATION

LEISURE, CULTURE AND TOURISM PORTFOLIO REVENUE BUDGETS 2014/15 to 2019/20 (L000)

MEETING:	(1)	CABINET
	(2)	EXECUTIVE MEMBER - LEISURE, CULTURE AND TOURISM
DATE:	(1)	16 DECEMBER 2014
	(2)	9 DECEMBER 2014
REPORT BY:		CHIEF FINANCE OFFICER
WARD:		ALL
COMM ASSEMBLIES:		ALL
KEY DECISION NUMBER:		464

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BACKGROUND PAPERS: Budget Working Papers, Accountancy Section.

1.0 PURPOSE OF REPORT

1.1 To consider the Probable Outturn for the current financial year and the first draft Budget for 2015/16 and future years.

2.0 RECOMMENDATION

2.1 That the probable outturn for the current financial year be considered.

2.2 That the draft estimates for 2015/16 and future years be considered.

3.0 BACKGROUND

3.1 This is the first draft Budget for this portfolio.

3.2 The following information is attached:

- Annexe 1** Budget Summary by Programme Area (A),
'Controllable & Non-Controllable' Analysis (B);
- Annexe 2** Detailed Estimates by Programme Area & Cost Centre;
- Annexe 3** Subjective Analysis;
- Annexe 4** Variances: Original Estimate to Probable 2014/15;
- Annexe 5** Variances: Estimate 2014/15 to Estimate 2015/16.

4.0 PROBABLE 2014/15

4.1 The Probable Outturn for the current financial year is £3,257,160: an increase of £122,810 on the Original Estimate.

4.2 The most significant budget changes are summarised below:

Table 1: Variances, Original to Probable 2014/15

Description	Increase/ (Decrease) £'000s
Leisure Centres Employees	132
Leisure Centres Supplies & Services	25
Leisure Centres Income	(71)
Leisure Legacy Supplies & Services	70
Museum and Visitor Services Employees	49
Venues/Arts/Halls Employees	(27)
Venues/Arts/Halls Supplies & Services	77
Venues/Halls Income	(111)
Markets Employees	(23)
Markets/Market Hall Income	39
Energy/Water/NNDR (across the portfolio)	(27)
Net of other variations	(3)
Changes to Controllable Budgets	130
Changes to Asset Charges	98
Changes in Support Service Recharges	(105)
Overall Increase	123

5.0 DRAFT ESTIMATES 2015/16

5.1 The draft estimates for 2015/16 total £3,084,450: a decrease of £49,900 or 1.6% on the original estimates for 2014/15.

5.2 The most significant budget changes are summarised as follows:

Table 2: Variances, Original 14/15 to Original 15/16

Description	Increase / (Decrease) £'000s
Leisure Centres Employees	172
Leisure Centres Supplies & Services	29
Leisure Centres Income	(138)
Venues/Arts/Halls Employees	43
Venues/Arts/Halls Supplies & Services	151
Venues/Halls Income (before % increase)	(346)
Energy/Water/NNDR (across the portfolio)	43
Contracted Services (across the portfolio)	23
Net of other variations	12
Changes to Controllable Budgets	(11)
Changes to Asset Charges	116
Changes in Support Service Recharges	(155)
Overall Decrease	(50)

For more detailed analyses for both years, see **Annexes 3, 4 and 5**.

5.3 The following inflationary assumptions have been used:

- Pay awards: provision for 1% each year;
- Electricity/Gas: 7.5% and NNDR 3% annually from 2015/16;
- Contract Indexation: 1% annually, except Building Cleaning where 8% has been allowed for in 2015/16, then 1% from 2016/17;
- Retail Price Index 2.5% / Consumer Price Index 2% annually;
- Fees & Charges: only the draft Leisure Centre and Markets increases have been included (Venues increases tbc).

5.4 These draft estimates will need to be refined and updated (such as the Fees & Charges increases, as approved) before the final version is presented to Cabinet in February. Any Growth Requests will be considered at the budget-setting meeting in February.

6.0 MEDIUM TERM BUDGET ISSUES

6.1 Forecast budgets for 2016/17 to 2019/20 have been included in Annexes 1 to 3. Other than provisions for known/assumed inflation, the only change to highlight for this portfolio from the 4th Quarter of 2015/16 onwards is the new Queen's Park Sports Centre.

7.0 RISK MANAGEMENT

7.1 There are a number of significant risks inherent in budget forecasting and the risks increase as the period covered increases. The key budget risks/opportunities for the portfolio are:

- Leisure Centres income, new Queen's Park Sports Centre
- Cultural Venues income
- Markets and Market Hall income

8.0 EQUALITIES IMPACT ASSESSMENT/RESOURCE IMPLICATIONS

8.1 The budget process and forecasts produced do not require an EIA, but any decisions to vary budgets and service provision may require EIAs specific to those options.

8.2 In writing this report, the standard corporate issue of revenue financial implications has been considered in sections 4, 5 and 6.

9.0 RECOMMENDATION

9.1 That the probable outturn for the current financial year be considered.

9.2 That the draft estimates for 2015/16 and future years be considered.

10.0 REASON FOR RECOMMENDATION

10.1 To enable the Council to set a balanced budget for 2015/16.

BARRY DAWSON
CHIEF FINANCE OFFICER

Officer recommendation supported.



Signed

Executive Member

Date 9.12.2014

Assistant/Consultee Executive Member comments (if applicable):