

AUDIT COMMITTEE – 23rd June 2009

Position regarding the unachieved budget reduction in Landscape and Leisure.

1. The table below shows the budget reductions made by Landscape and Leisure over the past 5 years. The service has offered a figure of £478 and so far £51k (10%) has not been achieved.

2005/06	Offered	Approved	Achieved
Tourism & Marketing	17,000	17,000	17,622
Community Parks and Open Spaces	26,000	26,000	21,062
2006/07	Offered	Approved	Achieved
Parks/Open spaces	35,500	35,500	24,500 ♦
Tourism and Marketing	10,000	10,000	9,350
2007/08	Offered	Approved	Achieved
Leisure Service (Contract)	111,500	111,500	130,300
Tourism & Marketing	20,000	20,000	45,548
Community Parks and Open Spaces	40,000	40,000	Nil □
One-off income payment of £50k for open space achieved	-	-	59,000
2008/09	Offered	Approved	Achieved
Outdoor Sport & Recreation	17,000	17,000	12,000
Tourism & Marketing	7,000	7,000	7,000
Leisure (Contract)	27,330	27,330	14,100
AONB (projects)	12,000	-	-
Total	323,330	311,330	340,482
2009/10			
Community Parks and Open Spaces	53,900	53,900	-
Outdoor Sport and Recreation	20,100	20,100	-
Tourism & Marketing	20,000	20,000	-
Leisure Contract	61,300	61,300	-
Estimated Total	478,630	466,630	340,482

2. ♦ In 06/07 a sum of £11,000 was not achieved as anticipated from the management of open spaces. This was mainly expected from charges in grass cutting not in Council ownership (i.e. income contributions were not forthcoming).
3. □ In 07/08 a proposal to generate income through sponsorship of open space (30,000) and contribution towards the management of open space / play areas (10,000) not in council ownership was accepted. However, a corporate decision by SMT to extend the sponsorship to other assets, rather than just open space, delayed progress and has ultimately failed to materialise. It was also considered inappropriate to introduce a service charge (10,000) to manage play areas not in council ownership, until Capital investment and improvements were made.

4. The total estimated savings for 2009/10 financial year is £155,300. In addition the following areas where income generation is currently being investigated to achieve the £51k in 09/10 and future years:
- i. Sponsorship – Small in-house scheme (open space only). In taking this forward we intend to follow the Plymouth City Scheme which can be administered in house by existing support staff.
 - ii. Grounds Maintenance – Contract Delivery of Section 106 landscape works (17k achieved in 08/09). While this should be recognised as a non-recurring income for accounting purposes, it can provide valuable source of income, subject to the capacity of GM to deliver the works.
 - iii. Grounds Maintenance – Tree and shrub work (winter planting and maintenance) normally undertaken by contractors.
 - iv. Play Areas – Service Charge for play area inspection/insurance and maintenance, where not in Council ownership could be introduced as part of Play Capital Investment/Asset Management.
 - v. Memorial benches and trees – Service Charge to cover cost and provision of memorial & Trees benches and trees.
 - vi. Grounds Maintenance – Delivery of Open Space Capital L/S works in 09/10
 - vii. Property – Windfall payments from easements etc
– Licensing of events/operations - review
– Rents from open space use - review
 - viii. Recreational facility charges – A review of charging rates is being undertaken to Charges benchmark with other Authorities and partners to be considered by Prosperity PDG.

There is a potential to significantly increase income from s.106 agreements which are established to affect Open Space and Landscape requirements and can be delivered in-house. Current s.106 funding received by the Council for Open Space, Sport and Recreation provision amounts to £129,000.

I hope members now understand the work being undertaken to meet the 51k income generation.

Conclusion

The use of income generation to offset budgets and produce savings has been used but not achieved in past years. Further work is now underway to secure regular sources of income from various headings listed in the report.

Ken Carter
Head of Landscape and Leisure

Audit Committee Note
23rd June 2009