

**REPORT OF** Finance Manager and S.151 Officer  
**To:** Community and Resources  
**Subject:** Budget Surplus - Recommendation from Internal O&S Committee  
**Date:** 9 August 2021 **Reference:**

**PURPOSE OF REPORT:**

For Members to confirm the recommendation from Internal Overview and Scrutiny that the 2020/21 surplus be set aside to a leisure reserve

**1. INTRODUCTION**

At the close of each financial year, the utilisation of any surpluses generated is required to be confirmed by members of Community and Resources.

**2. REPORT**

The surplus for the financial year 2020/21 as per the draft Statement of Accounts published on the 30<sup>th</sup> June 2021 was £771k. At the time of writing this report the Council's draft statement of accounts for 2020/21 are being audited by Grant Thornton.

To date the audit has not identified any issues which would alter the projected surplus; however the audit has yet to be formally concluded.

The Council has identified a substantial backlog of maintenance within the Council's leisure facilities, estimated in the region of £750k.

Furthermore with the end of the current outsourced leisure contract in March 2022, the Council will incur significant mobilisation costs should it decide to

- Run leisure via a wholly owned local authority company or
- Bring the operation of leisure in-house.

Consequently it is proposed to set aside the whole of the 2020/21 surplus to a dedicated leisure reserve in anticipation of these significant costs.

**3. IMPLICATIONS**

Legal Implications

No specific legal implications

Financial Implications

As outlined in the report

Human Resources Implications

None

Sustainability/Biodiversity Implications

None



Equality/Diversity

Not applicable

Risk Management

Not applicable

Compliance with Policies and Strategies

This report is in compliance with the Council's Constitution

Data Protection (GDPR) Implications

Not applicable

Climate Change

Not applicable

Lead Member View

Councillor Ken James

Members will be more than aware of the significant challenges facing the Council with regards to the future delivery of leisure services.

The Council has been fortunate, in a testing financial year, to be forecasting a surplus of £771k. Given the scale of the funding pressures arising from the future provision of leisure services, it would be prudent to set aside this surplus to a leisure reserve.

**4. RECOMMENDATIONS**

That Members:

1. Approve setting aside the surplus from 2020/21 into a leisure reserve

Contact Officer:

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