

# Public Document Pack

SOLIHULL METROPOLITAN BOROUGH COUNCIL

## CPH LEISURE TOURISM AND SPORT DECISION SESSION

**TUESDAY 15 DECEMBER 2020 at 6pm**

### ARRANGEMENTS FOR PUBLIC ACCESS TO REMOTE MEETINGS

During the Covid 19 pandemic virtual meetings are taking place.

**PLEASE NOTE** that any member of the press and public may listen to proceedings at this virtual meeting via a weblink which will be publicised on the Council website at least 24hrs before the meeting.

To view live paste this link into your browser:

<https://www.youtube.com/channel/UC7DDSVoAlgTnwgp0Ku8iFLQ>

Members of the press and public may tweet, blog etc. during the live broadcast, as they would be able to during a regular Committee meeting in the Council Offices. It is important, however, that Councillors can discuss and take decisions without disruption, so the only participants in this virtual meeting will be the Councillors concerned and the officers advising the Committee.

## Disclosing Pecuniary Interests - What Must You Do?

(a) You must complete a declaration of your disclosable pecuniary interests, including those of your spouse/civil partner (or someone with whom you are living as such) and send it to the Monitoring Officer within 28 days of your election or appointment to the Council.

(b) When you attend a meeting of the Council, Cabinet, Scrutiny Board, Committee, Sub-Committee or Joint Committee etc, and a matter arises in which you have a disclosable pecuniary interest, unless you have been granted a dispensation, **you must:**

- Declare the interest if you have not already registered it
- Not participate in any discussion or vote
- Leave the meeting room until the matter has been dealt with
- Give written notice of any unregistered interest to the Monitoring Officer within 28 days of the meeting

(c) If you are the Leader or a Cabinet Portfolio Holder you may not exercise any of your delegated powers as a single member in relation to a matter in which you have a disclosable pecuniary interest or take any other step except to give written notice of any unregistered interest to the Monitoring Officer within 28 days of your becoming aware of the interest, or arrange for another person or body to deal with the matter.

Disclosable Interest	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain by you or your partner.
Sponsorship	Any payment or provision of any other financial benefit (other than from the Council) made or provided within 12 months of your declaration of interests in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses.
Contracts	Any contract between you or your partner (or a firm or body corporate in which you or your partner is a partner or a director, or in the securities of which you or your partner has a beneficial interest) <b>and</b> the Council (a) under which goods or services are to be provided or works are to be executed; <b>and</b> (b) which has not been fully discharged.
Land	Any beneficial interest in land which is within the area of the Council and which gives you or your partner a right to occupy the land or receive income.
Licences	Any licence held by you or your partner (alone or jointly with others) to occupy land in the area of the Council for a month or longer.
Corporate tenancies	Any tenancy where (to your knowledge)— (a) the landlord is the Council; <b>and</b> (b) the tenant is a body in which you or your partner has a beneficial interest i.e. a firm or body corporate in which you or your partner is a partner or a director, or in the securities of which you or your partner has a beneficial interest.
Securities	Any beneficial interest held by you or your partner in securities of a body where—  (a) that body (to your knowledge) has a place of business or land in the area of the Council; <b>and</b> (b) either— (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; <b>or</b>  (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you or your partner has a beneficial interest exceeds one hundredth of the total issued share capital of that class.  “securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

SOLIHULL METROPOLITAN  
BOROUGH COUNCIL

To:  
Councillors J Fairburn, F Nash, J Tildesley  
and M Wilson

NICK PAGE  
CHIEF EXECUTIVE

Council House, Manor Square  
Solihull, West Midlands. B91 3QB  
Tel. 0121-704 6000

David Acton  
Tel: 0121 704 6156  
Email: dacton@solihull.gov.uk

Date 8 December 2020

**CPH LEISURE, TOURISM & SPORT DECISION SESSION**

**TUESDAY 15 DECEMBER 2020**

**AGENDA**

**Mayor/Chairman of the meeting to announce:**

**'May I remind everyone present that this meeting will be broadcast live via the internet.'**

1. **APOLOGIES FOR ABSENCE**
2. **DECLARATION OF INTEREST**  
To receive declarations of members disclosable pecuniary interests and conflicts of interest.
3. **QUESTIONS AND DEPUTATIONS**
4. **REVENUE AND CAPITAL MONITORING 2020/21 AS AT 30TH SEPTEMBER 2020** (Pages 5 - 16)  
To inform the Cabinet Member of the Portfolio's latest forecast financial position as at 30th September 2020 against Revenue and Capital budgets as summarised below and detailed in the attached Appendix A

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**Meeting date:** 15<sup>th</sup> December 2020

**Report to:** Cabinet Member for Leisure, Tourism and Sport



**Subject/report title:** **REVENUE AND CAPITAL MONITORING 2020/21 AS AT 30<sup>th</sup> SEPTEMBER 2020**

**Report from:** Director of Public Health and Director of Resources and Deputy Chief Executive

**Report author/lead contact officer:** Lauren Beach – Finance Manager  
[lbeach@solihull.gov.uk](mailto:lbeach@solihull.gov.uk)

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## Wards affected:

- All Wards |  Bickenhill |  Blythe |  Castle Bromwich |  Chelmsley Wood |  
 Dorridge/Hockley Heath |  Elmdon |  Kingshurst/Fordbridge |  Knowle |  
 Lyndon |  Meriden |  Olton |  Shirley East |  Shirley South |  
 Shirley West |  Silhill |  Smith's Wood |  St Alphege

**Public/private report:** Public

**Exempt by virtue of paragraph:** N/A

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## 1. Purpose of Report

- 1.1 To inform the Cabinet Member of the Portfolio's latest forecast financial position as at 30<sup>th</sup> September 2020 against Revenue and Capital budgets as summarised below and detailed in the attached Appendix A
- 1.2 To inform the Cabinet Member of the Portfolio's progress against the latest 3 year savings targets in the Medium Term Financial Strategy (MTFS) summarised below and detailed in Appendix A.

## 2. Decision(s) recommended

The Cabinet Member is asked to:

- 2.1 Consider and endorse the 2020/21 revenue and capital financial monitoring forecast as at 30<sup>th</sup> September 2020.
- 2.2 Consider the Portfolio's progress against the latest 3 year savings targets in the Medium Term Financial Strategy (MTFS) as at 30<sup>th</sup> September 2020.

## 3. Matters for Consideration

- 3.1 Throughout the financial year, information will be provided on a quarterly basis to the Cabinet Portfolio Holder and Full Cabinet.

- 3.2 The cash limited discipline at Solihull means that Directorates need to balance their budget forecast position first and the Portfolio's position flows from that. As a result, this Cabinet is specifically taken into account across the Public Health Directorate and Economy and Infrastructure Directorate.
- 3.3 The revenue and capital financial position, the savings position for 2020/21 to 2022/23, the key risks and opportunities and required approvals are outlined in Appendix A.
- 3.4 The overall Council position is reported to Full Cabinet together with any planned actions; any variances are then considered in line with Council priorities and Financial Regulations.

### **Revenue Budget 2020/21**

- 3.5 The latest approved revenue budget for the portfolio is £501,000. The forecast outturn expenditure for this year is £1,029million giving an adverse variance of £528,000. This includes an adverse variance of £839,000 due to Covid-19 after funding from the Government's income recovery scheme has been applied. Further explanations can be found in Appendix A.
- 3.6 As Members will be aware a report went to Full Cabinet on the 18th June outlining the initial financial impact of Covid-19 for the 2020/21 financial year. A further update on that financial position was then reported to Full Cabinet on the 10th September including the forecast impact on the latest Medium Term Financial Strategy 2020/21 to 2022/23 and this has now been further updated with the Period 6 position being reported to Full Cabinet on the 5<sup>th</sup> November.
- 3.7 For Period 6 the individual portfolios' Covid-19 financial position should therefore be reviewed within the context of the overall Council Covid-19 financial position which is the subject of the above mentioned Full Cabinet report to the 5<sup>th</sup> November session. The Council's overall financial position continues to evolve alongside the impact of the pandemic itself and the local situation for Solihull. Government guidance continues to change, further clarity on pressures emerges and new funding announcements are made. It should be noted therefore that the estimates of the financial impact of Covid-19 included within this report are indicative, based on latest assumptions, and are still subject to change over the course of the coming months.
- 3.8 The general Covid-19 emergency funding that we have received to date from the government is still being shown corporately, and at this point in the financial year it would be premature to allocate any of this funding to portfolios (beyond the decisions already made) until we have a clearer picture of what each individual portfolio's financial position is likely to be as we get nearer to the end of the financial year, and what funding is available to offset it.
- 3.9 The forecast variance arising from Covid-19 for this portfolio should be considered in the context of the position for the Economy and Infrastructure Directorate and the Leisure Division of Public Health Directorate relating to Covid-19.
- 3.10 The Leisure division of Public Health Directorate is shown in Appendix B. The division is forecasting a £481,000 adverse variance. This includes the estimated impact of the Government's income recovery scheme where local authorities can reclaim 75% of lost income attributable to Covid-19 where this is in excess of 5% of total planned income for the year.

- 3.11 Excluding the impact of Covid-19 the Leisure division is forecasting a favourable variance due to delayed essential maintenance of (£450,000) that will be contributed to the Leisure reserve in order to fund the works next year, and a favourable variance of (£24,000) on the Solihull Active programme Eat Well, Move More which is to be contributed to the Leisure reserve to meet salary costs in future years.
- 3.12 The Economy and Infrastructure Directorate is forecasting an adverse variance of £1.728million relating to Covid-19. This includes the estimated impact of the Government's income recovery scheme where local authorities can reclaim 75% of lost income attributable to Covid-19 where this is in excess of 5% of total planned income for the year.
- 3.13 Excluding the impact of Covid-19 the directorate is currently forecasting a £1.224 million adverse variance for the year which will be offset through use of reserves to give a nil variance. The main reasons for this variance sit within the Environment and Highways portfolio where it has become clear that a number of budgets are now unrealistic and will need to be realigned as part of the MTFS process. Significant additional investment has been made in adults' and children's services in previous years but this has not been the case for the Economy and Infrastructure Directorate.
- 3.14 In previous years the directorate has used reserves to balance its forecast position. The majority of the remaining reserves are earmarked for specific purposes. The forecast assumes that some of these reserves will be applied to offset the in-year position, although they would subsequently need to be replenished as part of the budget process.

### **Capital Budget 2020/21**

- 3.15 There is no approved capital programme for this portfolio in 2020/21.

### **Budget Strategy Savings 2020/21 to 2022/23**

- 3.16 For 2020/21 the total savings target is £2,000 which is rated green.
- 3.17 For 2021/22 the total savings target is £300,000 which is rated red.
- 3.18 For 2022/23 the total savings target is £14,000 which is rated red.

### **4. What options have been considered and what is the evidence telling us about them?**

- 4.1 N/A

### **5. Reasons for recommending preferred option**

- 5.1 N/A.

## 6. Implications and Considerations

6.1 State how the proposals in this report contribute to the priorities in the [Council Plan](#):

Priority:	Contribution:
<b>Economy:</b> 1. Revitalising our towns and local centres. 2. UK Central (UKC) and maximising the opportunities of HS2. 3. Increase the supply of housing, especially affordable and social housing.	No new contribution to this priority.
<b>Environment:</b> 4. Enhance Solihull's natural environment. 5. Improve Solihull's air quality. 6. Reduce Solihull's net carbon emissions.	No new contribution to this priority.
<b>People and Communities:</b> 7. Take action to improve life chances in our most disadvantaged communities. 8. Enable communities to thrive. 9. Sustainable, quality, affordable provision for adults & children with complex needs.	People and Communities are central to the work of this portfolio. There are no implications from this report.

6.2 Consultation and Scrutiny:

6.2.1 None

6.3 Financial implications:

Financial monitoring is undertaken throughout the year by individual budget managers. Key income and expenditure risk areas are also monitored monthly by the Finance Team. Any significant risks identified are reported to both DLT (Directorate Leadership Team) and CLT (Corporate Leadership Team) to ensure that net expenditure is managed within approved budgets. ARTOP Board (Aligning Resources To Our Priorities) meet monthly to oversee the financial impact from Covid-19

6.4 Legal implications:

None



6.5 Risk implications:

The budget monitoring report takes account of forecast variances. In addition there may be pressures which are currently being monitored and managed by budget managers which could affect the final outturn position for 2020/21.

6.6 Equality implications:

None

**7. List of appendices referred to**

Appendix A – Quarter 2 Financial Position.

Appendix B - Quarter 2 Covid-19 Financial Position for Leisure Division of Public Health Directorate

Appendix C - Quarter 2 Covid-19 Financial Position for Economy and Infrastructure Directorate

**8. Background papers used to compile this report**

8.1 None

**9. List of other relevant documents**

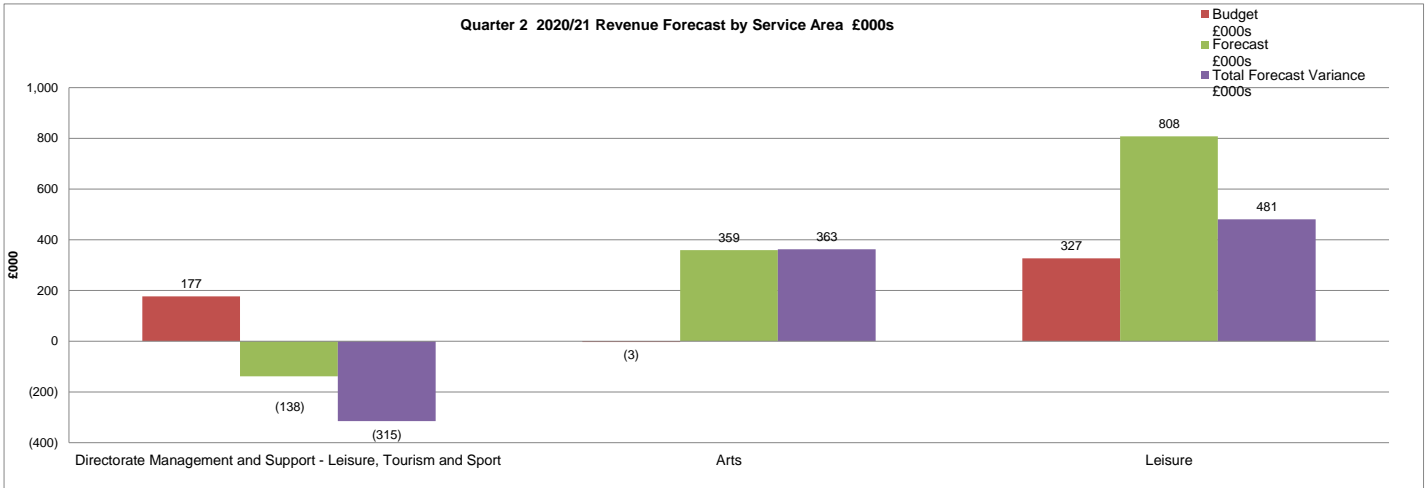
9.1 None

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**Economy and Infrastructure Directorate Position**

The context of this Cabinet portfolio position is taken into account with the whole of the Economy and Infrastructure Directorate which is currently forecasting an adverse variance of £1.728million due to the impact of Covid-19 and £1.224million attributable to other factors which is offset by use of reserves (£1.224million), and the Leisure Division of Public Health which is currently forecasting an adverse variance of £481,000 due to Covid.

**1. 2020/21 Revenue Position** Current Forecast - £528,000 Adverse Variance

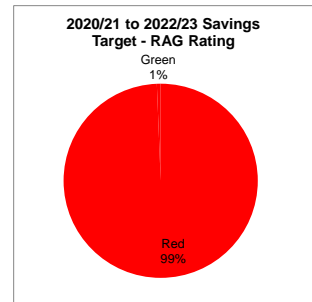


**2. Explanations for significant Revenue Variances**

Service Area	Budget £000s	Forecast £000s	COVID Forecast Variance £000	Non-COVID Forecast Variance £000	Total Forecast Variance £000s	Comments
Directorate Management and Support - Leisure, Tourism and Sport	177	(138)	0	(314)	(315)	Early delivery of savings reinvested in the Directorate as part of MTFS and use of Directorate reserves to balance the Economy and Infrastructure Directorate to a nil variance.
Arts	(3)	359	358	5	363	Covid variance due to lost income from closure of Core Theatre and café offset by benefit of government income recovery scheme. Non covid variance is due to income pressures apparent at the Core Theatre and Café prior to the pandemic offset by a one off refund of VAT for the theatre relating to prior years.
Leisure	327	808	481	0	481	Covid variance due to loss of income from leisure centres and ice rink due to temporary closure of facilities and social distancing restrictions impacting service availability and customer demand. Loss is net of Government forecast income relief. Non Covid variance on Leisure due to delayed essential maintenance (£450,000) will be contributed to the reserve this year +£450,000 in order to fund the works next year. Surplus on Eat Well Move More Programme (£24,000) is to be contributed to Leisure reserve +£24,000 to meet salary costs in future years.
<b>Total</b>	<b>501</b>	<b>1,029</b>	<b>839</b>	<b>(309)</b>	<b>528</b>	

**3. 3 Year Savings Targets £000s**

Description of Target	2020/21 £000s	2021/22 £000s	2022/23 £000s	Comments
Review of back office functions across the directorate			(14)	Proportion of Economy and Infrastructure Directorate saving attributable to Leisure, Tourism & Sport Cabinet Portfolio
Reduction in contribution to Leisure		(300)		Savings previously delivered through new Leisure contract now at risk due Covid-19 reducing income expectations and potential contract amendments.
Review of Council budgets to remove small value budget lines	(2)			Cross cutting Council target which has been delivered.
<b>Total</b>	<b>(2)</b>	<b>(300)</b>	<b>(14)</b>	



**4. Reserves**

	Balance as at 31st March 2020 £000's	Planned / Forecast (contribution)/use			Forecast Balance at the end of 2022/23 £000's	Forecast (contribution) /use beyond 2022/23 £000's	Proposed as part of 2021/22 MTFS £000's	Forecast Remaining Balance £000's
		2020/21 £000's	2021/22 £000's	2022/23 £000's				
Reserve balance	(2,042)	(353)	1,202	496	(697)	31	0	(666)

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**Public Health - Leisure, Tourism and Sport Portfolio**

Appendix B

Category	Sub-Category	Funding Allocation	Current Period FORECAST	Current Period FORECAST VARIANCE	Actuals to Date
		£000s	£000s	£000s	£000s
Covid-19 Emergency Funding					
Income Loss Relief Grant			(1,191)		0
	New funding requests				
	Service Impacts		1,672		759
	Impact on Council's core funding streams				
	MTFS Savings Delivery Impact				
<b>Subtotal - Covid-19 Emergency Funding</b>		<b>0</b>	<b>481</b>	<b>0</b>	<b>759</b>

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Additional Funding Sources	Funding Allocation	Current Period FORECAST SPEND	Current Period FORECAST VARIANCE	Actuals to Date
	£000s	£000s	£000s	£000s
Adult Social Care Infection Control Fund				
Re-opening High Streets Safely				
Business Grants				
Council Tax Hardship Funding				
Test and Trace				
Top up Business Grants				
Homelessness				
Emergency Cycling and Walking Measures				
Emergency Assistance for Food and Essential Supplies				
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Opportunities and Mitigations**

The actual loss of income for the Leisure centres will be confirmed throughout the year following receipt of evidence from the contractor and validation through open book arrangements.

A loss of income claim has been made to the Government for which the outcome is outstanding and further details are awaited of Government funding to support leisure centres in need.

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**Economy and Infrastructure - Directorate COVID-19 Impacts**

Category	Sub-Category	Funding Allocation	Forecast Spend	Forecast Variance	Actuals to Date
		£000s	£000s	£000s	£000s
Covid-19 Emergency Funding					
Proposed MTFS Allocation					
Income Loss Relief Grant			(2,805)	(2,805)	0
	New funding requests	(1,128)	1,128	0	641
	Service Impacts		4,533	4,533	2,186
	Impact on Council's core funding streams				
	MTFS Savings Delivery Impact		0	0	0
<b>Subtotal - Covid-19 Emergency Funding</b>		<b>(1,128)</b>	<b>2,856</b>	<b>1,728</b>	<b>2,827</b>

Additional Funding Sources	Funding Allocation	Forecast Spend	Forecast Variance	Actuals to Date
	£000s	£000s	£000s	£000s
Adult Social Care Infection Control Fund				
Re-opening High Streets Safely	(192)	192	0	15
Business Grants				
Council Tax Hardship Funding				
Test and Trace				
Top up Business Grants				
Homelessness	(5)	5	0	5
Emergency Cycling and Walking Measures	(214)	214	0	35
Emergency Assistance for Food and Essential Supplies	(210)	210	0	10
Next Steps Accommodation programme	(71)	71	0	1
Covid Enforcement				
<b>Total</b>	<b>(692)</b>	<b>692</b>	<b>0</b>	<b>66</b>

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