

**ENVIRONMENT & LEISURE DEPARTMENTAL BUDGET MONITORING REPORT 2005/06**

**ITEM 4**

**Chief Officer**  
**Senior Finance Manager**

Gill Davies  
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**AS AT MONTH 4** Jul-05

**Summary:** Although SAP currently projects an overspend of £1.16m, given the corrective actions in progress, a realistic estimate of the overspend by year end is £800k. This variance is mainly due to structural repairs that has to be carried out on Peckham Pulse.

	Gross Expenditure			Gross Income			Net Exp/Income			
	Full Year Budget	Full Year Forecast	Forecast less Budget	Full Year Budget	Full Year Forecast	Forecast less Budget	Full Year Budget	Full Year Forecast	Forecast less Budget	Variance as % of budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>STREET SCENE &amp; PUBLIC PROTECTION</b>	<b>29,053</b>	<b>29,134</b>	<b>81</b>	<b>-13,022</b>	<b>-13,081</b>	<b>-59</b>	<b>16,031</b>	<b>16,053</b>	<b>22</b>	<b>0%</b>
<b>BUSINESS SUPPORT</b>	<b>8,919</b>	<b>8,919</b>	<b>0</b>	<b>-1,182</b>	<b>-1,182</b>	<b>0</b>	<b>7,737</b>	<b>7,737</b>	<b>0</b>	<b>0%</b>
<b>WASTE MGT &amp; TRANSPORT</b>	<b>29,326</b>	<b>28,516</b>	<b>-810</b>	<b>-8,156</b>	<b>-7,355</b>	<b>801</b>	<b>21,170</b>	<b>21,161</b>	<b>-9</b>	<b>0%</b>
Libraries	6,188	6,156	-32	-916	-805	111	5,272	5,351	79	1%
Culture	2,287	2,211	-76	-937	-752	185	1,350	1,459	109	8%
Adult Education	2,054	2,100	46	-2,047	-2,077	-30	7	23	16	0%
<b>LIBRARIES &amp; CULTURE</b>	<b>10,529</b>	<b>10,467</b>	<b>-62</b>	<b>-3,900</b>	<b>-3,634</b>	<b>266</b>	<b>6,629</b>	<b>6,833</b>	<b>204</b>	<b>3%</b>
<b>PARKS &amp; SPORTS</b>	<b>15,949</b>	<b>16,885</b>	<b>936</b>	<b>-3,794</b>	<b>-3,787</b>	<b>7</b>	<b>12,155</b>	<b>13,098</b>	<b>943</b>	<b>8%</b>
<b>ENVIRONMENT &amp; LEISURE DEPT</b>	<b>93,776</b>	<b>93,921</b>	<b>145</b>	<b>-30,054</b>	<b>-29,039</b>	<b>1,015</b>	<b>63,722</b>	<b>64,882</b>	<b>1,160</b>	<b>2%</b>

Explanation of Major Variances	
Division	Explanation of Variance
Parks & Sports	Peckham Pulse swimming pool structural repairs following severe water leakage - estimated cost £1,850k with £1.2m for capital repairs. The revenue costs are £350k for compensation to Fusion for lost income and £300k for specialist project management. Once potential liability for the structural faults has been established the Council will consider litigation for recovery of costs. Solicitors have already been appointed to advise us on this matter and review it as the facts emerge. Forecast overspend also includes £150k of leisure centre condition surveys to support the leisure management contract review. The remaining overspend of £140k relates to budget adjustments not yet reflected in SAP.
Libraries & Culture	The overspend of £109k relates to funding gap inherited on transfer of the unit to the department. Following a detailed budget review, a number of measures are being put together to narrow the gap. The outstanding budget adjustment should clear the overspend of £95k currently projected in SAP for Libraries and Adult Learning.
Other Divisions	No major variance reported this month

Additional Risk Appraisal		
Division	Level of Risks	Risks Identified
Streetscene and Public Protection	Medium risk	Highways: £854k dispute with TfL for work carried out on trunk roads. This has been outstanding for two years and further meetings being arranged to resolve this. A provision for bad debts has been set up for 60% of the debt.
Parks & Sports	Medium to low risk	Delays in the start of the new leisure contracts (including Surrey Docks) will expose LBS to Health and Safety risks due to lack of maintenance of leisure centres. The latest estimate for these emergency works is £200k. Capital funds allocated for 2005/06 will help to take these projects forward.
Parks & Sports and Libraries	Medium to low risk	Asbestos removal from libraries and leisure centres to comply with H&S regulations £200k. This is currently being pursued with Regen for central funding or capitalisation.