

SUBJECT:	FARNHAM PARK CHARITY – OUTTURN & ACCOUNTS 2016/17
REPORT OF:	Director of Resources
RESPONSIBLE OFFICER	Director of Resources Jim Burness email jim.burness@southbucks.gov.uk
WARD/S AFFECTED	N/a

1. Purpose of Report

- 1.1 To provide Members with information about the financial outturn for the Charity's activities in 2016/17, and to formally present the Charity's financial accounts for the year.

RECOMMENDATIONS

1. The Panel notes this report.

2. The Audit Committee considers the report and formally approves the 2016/17 Accounts.

2. 2016/17 Financial Outturn

- 2.1 The financial outturn for the Charity's activities is summarised in the following table.

	2016/17			2015/16
	Budget	Actual	Variance	Actual
			(Act-LB)	
	£'000	£'000	£'000	
Farnham Park Sports Fields				
Income	83	57	-26	64
Expenditure	-206	-162	44	-127
Depreciation	-19	-17	2	-15
	-142	-122	20	-78
South Buckinghamshire Golf				
Income	627	529	-98	529
Expenditure	-510	-447	63	-507
Depreciation	-67	-76	-9	-69
	50	6	-44	-47
South Buckinghamshire Catering				
Income	263	241	-22	219
Expenditure	-302	-289	13	-266
Depreciation	-	-2	-2	-2
	-39	-50	-11	-49
Net Movement	-131	-166	-35	-174

2.2 The main points to note are as follows.

- The overall deficit for the year £166k was £35k higher than budgeted, but less than the 2015/16 deficit.
- Golf made a small surplus, even after income being significantly affected by the weather during parts of the year (see below).
- The catering service returned a deficit of £50k, which was £11k more than budgeted. This is attributed to a combination of the weather as previously referred to and that for most of the year the Charity had to employ an agency chef as it was unable to recruit to the position, and this increased costs. The post was filled in April 2017.
- The main element of the deficit arises from the Playing Fields. The income from users of the facilities falls significantly short of covering the costs. This is why the Council is actively looking at options to reconfigure the facilities provided in order to improve them and make the Playing Fields more financial sustainable.
- The depreciation charge was higher than budgeted as the Trust had purchased a new tractor and air conditioning units in 2015/16. The first depreciation charge was made in 2016/17 which was not budgeted for due to the timing of the asset purchases.

2.3 The following table shows the number of rounds played in 2016/17 compared to the two previous years. Overall the number of rounds was 866 (2.5%) less than the previous year.

	Number of rounds		
	2014/15	2015/16	2016/17
Apr	3,500	3,826	3,184
May	3,301	3,761	3,756
June	4,179	4,211	3,268
July	3,847	3,915	3,867
August	3,787	4,006	4,520
September	3,449	3,152	3,300
October	3,061	2,931	2,628
November	2,174	2,027	2,037
December	1,931	1,919	1,877
January	1,580	1,291	1,650
February	2,161	1,903	1,813
March	2,604	2,068	2,244
Total	35,374	35,010	34,144

2.4 During the course of the year the Charity's staffing structure was reorganised to reflect the closure of the Academy 9 Hole Golf Course. The savings from this staffing restructuring were, £87k, but these were reflected in the recharge to South Bucks DC for managing the Academy site and did not impact on the Charity's net financial position.

2.5 Also during the year staff were moved on to a harmonised set of terms and conditions, and this included for nine staff moving them to be paid at the national living wage level in line with Council policy, the cost of which was £16k.

3. Charity Accounts 2016/17

3.1 Appendix A sets out the Charity's accounts for 2016/17. The overall movement in the Trust's reserves during the year is summarised in the following table.

2016/17 Movement of Reserves

	Un-restricted Funds £'000	Restricted Funds (1) £'000	Endowment Fund (2) £'000	Total £'000
Balance 1 April 2016	-259	358	1,444	1,543
In year movement	-131	-40	5	-166
Balance 31 March 2017	-390	318	1,449	1,377

(1) *The restricted funds arise from the Sport England donation in 2014 which are being applied to cover depreciation on the new Clubhouse, and £247k capital receipt from disposal of Farm Cottages in 1998/99.*

(2) *The Endowment Funds represent the current value of the assets that were originally transferred to the Trust. These cannot be spent.*

3.2 In 1998/99 South Bucks District Council sold Farm Cottages resulting in a capital receipt of £247,000. During 2016/17 it was discovered that this receipt was not passed onto the Trust, even though it formed part of the Charity Assets. The correction of this has resulted in a debtor of £247K from SBDC being money due to the restricted fund to fund improvements to the Sports Fields. The correction has been backdated to 1998/99.

3.3 The Accounts are required to make a statement regarding the Charity as a going concern. The basis of the statement is that the Charity is seen by the Council as a key delivery vehicle for providing leisure facilities for the area. As the Accounts show the current financial losses of the Charity largely relate to the Playing Fields. The Council has identified these as being an underperforming asset and is currently undertaking an options analysis for the Playing Fields with the aims of improving service and usage and making them financial sustainable.

4. Next Steps

4.1 Once the external audit of the Annual Report and Accounts has been completed and the external audit opinion provided, these will be presented to the Audit Committee for formal approval.

4.2 Members will receive in initial report on options for the Playing Fields and decide on which option to pursue. Any formal decisions required will be taken at the October Cabinet meeting. Any redevelopment would commence some time during the second half of 2018.

Background Papers:	None
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