

# Third Quarter Budget Monitoring 2018/19

Heritage, Culture and Leisure Committee  
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## Executive Summary

This report is intended to provide Members with an overview of performance against revenue and capital budgets and outturn during the third quarter of 2018/19 for the services within this Committee's remit.

Robust budget monitoring is a key part of effective internal financial control, and therefore is one of the elements underpinning good corporate governance.

The aim of reporting financial information to service committees at quarterly intervals is to ensure that underlying trends can be identified at an early stage, and that action is taken to combat adverse developments or seize opportunities.

It is advisable for these reports to be considered in conjunction with quarterly performance monitoring reports, as this may provide the context for variances identified with the budget and general progress towards delivery of the Council's strategic priorities.

Headline messages for this quarter are as follows:

- For this Committee, there is an underspend against the revenue budget of £151,000, but this is expected to reduce to an underspend of £19,000 by the end of this financial year.
- The position for the Council as a whole at the end of the third quarter is an underspend against the revenue budgets of £1.0m. However this figure includes a number of large grants received that will be carried forward into 2019/20 and at this stage we expect to remain within budget for the year.
- Capital expenditure totaling £1.963m has been incurred between 1 April and 31 December for the projects which sit within this Committee's remit. This represents slippage of £1.850m.
- Overall capital expenditure totaling £8.539m has been incurred during the first three quarters, against a revised budget of £24.246m.

# Revenue Budget

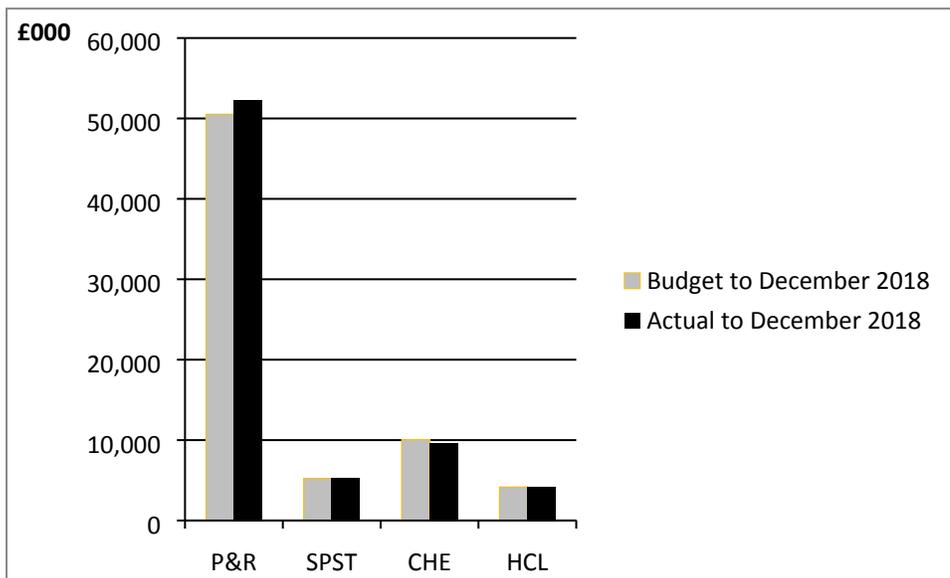
## 3<sup>rd</sup> Quarter 2018/19



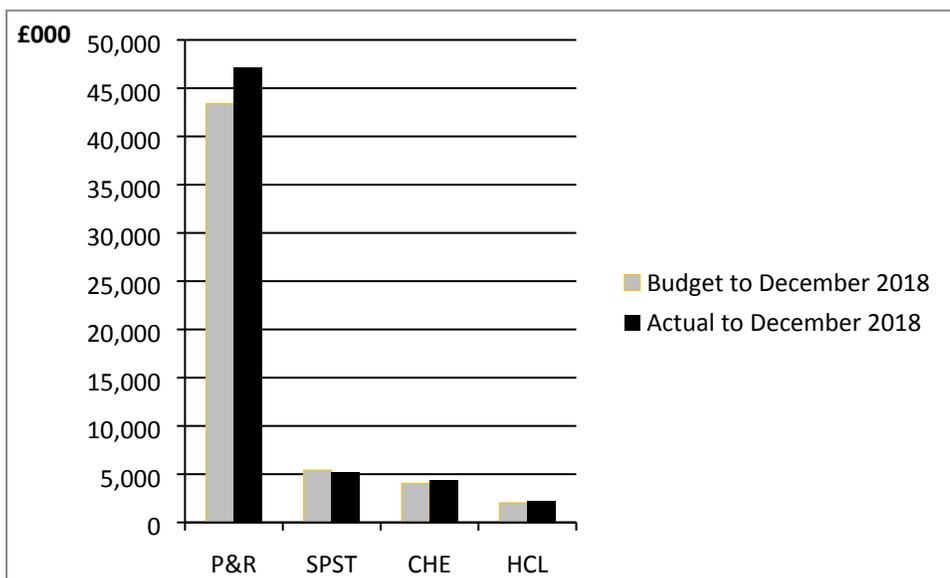
## Revenue Spending

At the end of the third quarter, there is an overall positive variance of £151,000 against the revenue budget for this Committee. Based on current information, we are forecasting that this will decrease to an underspend of £19,000 by the end of the year.

As illustrated by the chart below both this Committee and Strategic Planning, Sustainability & Transportation Committee are operating within budget. However Policy & Resources Committee are showing an overspend against expenditure, although this is offset by income in excess of the budget figure. Communities, Housing & Environment Committee are within budget for expenditure but also have income in excess of the budget figure.



**Chart 1 Performance against budget analysed by service committee (Expenditure)**



**Chart 2 Performance against budget analysed by service committee (Income)**

The table on the following page details the budget and expenditure position for this Committee's services during the third quarter. These figures represent the net budget for each cost centre. The actual position includes expenditure for goods and services which we have received but not yet paid for. The budget now being used is the revised estimate for 2018/19.

The columns of the table show the following detail:

- a) The cost centre description;
- b) The value of the total budget for the year;
- c) The amount of the budget expected to be spent by the end of December 2018;
- d) The actual spend to that date;
- e) The variance between expected and actual spend;
- f) The forecast spend to year end; and
- g) The expected significant variances at 31 March 2019.

The table shows that of a net annual expenditure budget of £1.688m it was expected that £1.366m would be spent up until the end of December. At this point in time the budget is reporting an underspend of £151,000, but the current forecast indicates that the year-end position for this committee will decrease to an underspend of £19,000.

## Revenue Budget Summary Q3 2018/19

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Budget for Year £000	Budget to 31 December 2018 £000	Actual £000	Variance £000	Forecast 31 March 2019 £000	Forecast Variance 31 March 2019 £000
Cultural Development Arts	13	10	7	3	13	0
Museum	325	275	251	24	325	0
Carriage Museum	29	23	26	-3	29	0
Museum-Grant Funded Activities	51	30	12	18	51	0
Museum Cafe	-3	-3	2	-4	-3	0
Hazlitt Arts Centre	268	206	201	4	268	0
Festivals and Events	-21	-19	-15	-4	-21	0
Lettable Halls	-3	-2	-6	4	-3	0
Community Halls	78	59	51	8	78	0
Leisure Centre	-222	-138	-193	55	-262	40
Mote Park Adventure Zone	-57	-43	0	-43	0	-57
Cobtree Golf Course	-53	-111	-114	2	-53	0
Parks & Open Spaces	920	670	645	26	920	0
Playground Maintenance & Improvements	125	89	62	27	125	0
Parks Pavilions	24	18	16	2	24	0
Mote Park	204	153	173	-20	204	0
Mote Park Cafe	-48	-33	-20	-13	-48	0
Allotments	12	9	7	2	12	0
Tourism	26	19	18	1	26	0
Museum Shop	-19	-14	-6	-8	-19	0
Leisure Services Other Activities	34	34	30	4	34	0
Cemetery	40	48	37	11	40	0
National Assistance Act	-0	-0	1	-1	-0	0
Crematorium	-778	-473	-559	86	-820	42
Maintenance of Closed Churchyards	6	4	2	2	6	0
Market	-132	-95	-54	-41	-88	-44
Leisure Services Section	50	38	21	17	50	0
Cultural Services Section	503	374	344	30	465	38
Visitor Economy Section	112	84	78	6	112	0
Bereavement Services Section	177	133	141	-8	177	0
Market Section	77	57	56	1	77	0
Salary Slippage	-50	-37	0	-37	-50	0
	1,688	1,366	1,215	151	1,669	19

Table 1 Revenue Budget Position, Q3 2018/19 – Heritage, Culture & Leisure Committee

## Significant Variances

Within these headline figures, there are a number of adverse and favourable variances for individual service areas. This report draws attention to the most significant variances, i.e. those exceeding £30,000 or expected to do so by the end of the year. The table below provides further detail regarding these variances, and the actions being taken to address them.

It is important that the potential implications of variances are considered at this stage, so that contingency plans can be put in place and if necessary, this can be used to inform future financial planning.

	Positive Variance Q3	Adverse Variance Q3	Year End Forecast Variance
<b>Heritage, Culture &amp; Leisure Committee</b>	<b>£000</b>		
<b>Leisure Centre</b> – Serco have made a payment in respect of the profit share arrangement for 2016 and 2017. Some of this has been spent this year but the balance will need to be carried forward pending a decision on the future of leisure provision across the borough.	55		40
<b>Mote Park Adventure Zone</b> - This was due to open in Summer 2018, however due to the flooding incident that occurred earlier this year the project has been substantially delayed and will not now open until Spring 2019. This means that the estimated income of £57,000 will not now be realised this year.		-42	-57
<b>Crematorium</b> – Income has been exceeding the budget for the first three quarters but this is forecast to reduce in the final quarter. The additional income is being used to fund temporary staff to cover long-term sickness which will further reduce the forecast year-end variance.	86		42
<b>Market</b> - Income is down against the budget, and there are increased costs in respect of service charge payments due and internal trade refuse collection charges, so the negative variance is forecast to increase slightly by the end of the year.		-41	-44
<b>Cultural Services Section</b> – This variance is mainly due to staff vacancies.	30		38

**Table 2 Significant Variances – Heritage, Culture & Leisure Committee**

# Capital Budget

## 3<sup>rd</sup> Quarter 2018/19



## Capital Spending

The five year capital programme for 2018/19 onwards was approved by Council on 7 March 2018. Funding for the programme remains consistent with previous decisions of Council in that the majority of capital resources come from New Homes Bonus along with a small grants budget.

Progress made towards delivery of planned projects for 2018/19 is set out in the table below. The budget figure is the revised estimate for 2018/19 and includes resources which have been brought forward from 2017/18, which have been added to the agreed budget for the current year.

To date, expenditure totaling £1.963m has been incurred against a budget of £1.850m. At this stage, it is anticipated that there will be slippage of £0.927m, although this position will be reviewed at the end of the year when the Committee will be asked to approve/note the carry forward of resources into the next financial year.

### Capital Budget Summary Q3 2018/19

Capital Programme Heading	Revised Estimate 2018/19 £000	Actual to December 2018 £000	Budget Remaining £000	Q4 Profile £000	Projected Total Expenditure £000	Projected Slippage to 2019/20 £000	Budget Not Required £000
<b>Heritage, Culture &amp; Leisure</b>							
Continued Improvements to Play Areas	574	74	500	100	174	400	
Commercial Projects - Crematorium Projects	416	296	121		296	121	
Commercial Projects - Mote Park Adventure Zone	1,957	1,355	602	602	1,957	-0	
Mote Park Improvements	391	9	383	75	84	308	
Mote Park Visitor Centre	150	90	60	60	150	-0	
Mote Park Lake - Dam Works	200	116	84	84	200	-0	
Other Parks Improvements	100		100			100	
Museum Development Plan	25	23	2	2	25	-0	
<b>Total</b>	<b>3,814</b>	<b>1,963</b>	<b>1,850</b>	<b>923</b>	<b>2,886</b>	<b>927</b>	

**Table 3 Capital Expenditure, Q3 2018/19**

- The play area improvements scheme is now substantially complete, but the budget does include funding for ongoing maintenance and replacements which is unlikely to be needed this year so this will be slipped into 2019/20.
- The Crematorium Development Plan included improvement works to the Car Park which are now substantially complete. As described in previous monitoring reports, the final cost of this project exceeded the original estimates. The remaining budget for the Crematorium Development Plan has

been earmarked for future projects as per the Bereavement Services report to a previous meeting of this Committee.

- The Mote Park Improvements budget is for the construction of the new estate services building. It is currently anticipated that the major expenditure on this project will now take place in 2019/20.