

Fourth Quarter Financial Update 2021/22

Economic Regeneration & Leisure – Policy Advisory Committee

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Part A

Executive Summary & Overview



This report provides members with the provisional outturn for 2021/22, covering activity for the Economic Regeneration & Leisure Committee's revenue and capital accounts for the fourth quarter of 2021/22. Whilst the Economic Regeneration & Leisure Committee (ERL) no longer exists under the new Executive structure this Policy Advisory Committee has inherited essentially the same budgetary responsibilities and it is therefore appropriate for it to be considering this report.

Members will be aware that there was significant uncertainty in the 2021/22 budget estimates arising from the ongoing impact of the Covid-19 pandemic, both in relation to demands on the Council to respond and the speed of local economic recovery. Financial support from central government received during 2020/21 continued to support specific activities, and the unringfenced Covid-19 grant of £860,000 was used to support recovery and renewal activities. However, the impact on the Council's financial position from the pandemic has continued to reduce throughout the year, although there will continue to be some residual impact into 2022/23.

The headlines for Quarter 4 are as follows:

Part B: Revenue budget – Q4 2021/22

- Overall net expenditure at the end of Quarter 4 for the services reporting to this committee is £1.543m, compared to the approved profiled budget of £1.458m, representing an overspend of £0.086m.

Part C: Capital budget – Q4 2021/22

- Capital expenditure at the end of Quarter 4 was £3.093m against a total budget of £2.910m.

The budgets in this report are the revised estimates for 2021/22.

Part B

Fourth Quarter Revenue Budget 2021/22

B2) Revenue Budget

B1.1 The table below provides a detailed summary on the budgeted net income position for ERL services at the end of Quarter 4. The financial figures are presented on an accruals basis (e.g., expenditure for goods and services received, but not yet paid for, is included).

ERL Revenue Budget & Outturn – Quarter 4

(a)	(b)	(c)	(d)
Cost Centre	Approved Budget for Year £000	Actual £000	Variance £000
Cultural Development Arts	11	11	0
Museum	12	-9	21
Carriage Museum	4	4	-1
Museum-Grant Funded Activities	0	0	-0
Hazlitt Arts Centre	294	278	16
Festivals and Events	-20	-15	-5
Lettable Halls	-3	-12	8
Community Halls	59	28	31
Leisure Centre	-176	-50	-126
Mote Park Adventure Zone	-72	-124	52
Cobtree Golf Course	-35	-29	-6
Mote Park Cafe	-36	-48	12
Tourism	22	16	6
Museum Shop	-21	-8	-13
Maintenance of Closed Churchyards	2	0	2
Sandling Road Site	24	24	0
Innovation Centre	151	151	0
Business Support & Enterprise	14	14	0
Town Centre Management Sponsorship	11	11	-0
Business Terrace	83	95	-12
Business Terrace Expansion (Phase 3)	-10	41	-51
Market	-39	21	-60
Economic Dev - Promotion & Marketing	40	40	0
Leisure Services Section	56	51	5
Cultural Services Section	413	409	4
Visitor Economy Section	118	116	2
Economic Development Section	263	229	35
Market Section	86	71	15
Head of Regeneration and Economic Development	93	88	4
Innovation Centre Section	148	139	9
Salary Slippage	-34	0	-34
Total	1,458	1,543	-86

B1.2 The table shows that at the end of the fourth quarter overall net expenditure for the services reporting to ERL is £1.543m, compared to the approved profiled budget of £1.458m, representing an overspend of £0.086m.

B1.3 The table indicates that in certain areas, significant variances to the budgeted income levels have emerged during the fourth quarter of the year. The reasons for the more significant variances are explored in section B2 below.

B2) Variances

B2.1 The most significant variances for this Committee are as follows:

	Positive Variance Q4	Adverse Variance Q4
Economic Regeneration & Leisure Committee	£000	
Community Halls – Running cost budgets were underspent across all the halls.	31	
Leisure Centre – The variance relates to a provision that was raised in 2020/21 for the management fee. The payment was delayed due to Covid-19 but was eventually made, allowing the provision to be written back, giving a favourable variance.		-126
Mote Park Adventure Zone - The variance is a provision that was raised in 2020/21 for the management fee the payment of which has been delayed due to Covid-19 issues.	52	
Business Terrace – This variance reflects a number of empty units in the terrace which has reduced the income received for the year.		-63
Market - Income continued to be down on the budget throughout the year. A small growth bid and a forecast increase in demand is expected to correct the position for 2022/23.		-60

Part C

Fourth Quarter Capital Budget 2021/22

B1) Capital Budget: Economic Regeneration & Leisure Committee (ERL)

B1.1 The position of the 2021/22 ERL element of the Capital Programme at the Quarter 4 stage is presented in Table 3 below. The budget for 2021/22 includes resources brought forward from 2020/21.

ERL Capital Programme 2021/22 (@ Quarter 4)

	Revised Estimate 2021/22 £000	Actual to March 2022 £000	Budget Remaining £000
Economic Regeneration & Leisure			
Mote Park Visitor Centre	1,233	1,469	-236
Mote Park Lake - Dam Works	622	186	436
Mall Bus Station Redevelopment	1,056	1,438	-383
Total	2,910	3,093	-183

B1.2 Comments on the variances in the table above are as follows:

Mote Park Visitor Centre – This variance is a profiling issue relating to the timing of payments to the main contractor. The project itself remains on budget and will be completed by Summer 2022.

Mote Park Lake Dam Works – The bulk of the work on this scheme was carried out in 2020/21 and it is now substantially complete, although there may still be some minor works to be done. Unless these final works are very costly, the scheme will have been completed comfortably within the agreed budget.

Mall Bus Station Redevelopment – Tender prices for the project came back higher than had been budgeted for. Rather than try and find a cost engineering solution that may have resulted in a reduced specification it was decided to use £0.3m additional funding from the Business Rates Pilot Projects Reserve to allow the project to proceed as planned. In addition, we have received further funding of £0.120m from Capital & Regional towards the cost of the project, meaning it is now fully funded.