

Fourth Quarter Financial Update 2022/23

Communities, Leisure & Arts – Policy Advisory Committee

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Part A

Executive Summary & Overview



This report provides members with the financial position as at 31st March 2023, covering activity for the Communities, Leisure & Arts Policy Advisory Committee's (CLA PAC) revenue and capital accounts for the fourth quarter of 2022/23.

This report previously went to the now decommissioned Economic Regeneration & Leisure Policy Advisory Committee. For this report the budgets have been aligned to reflect the responsibilities of this new Policy Advisory Committee.

In 2021/22, income recovered more strongly than expected from the pandemic and the Council generated a modest surplus compared with budget. For 2022/23, there is no more direct government funding to cover the costs of Covid, but the Council was able to set a balanced budget. Additional provision of £1.3 million was made within the 2022/23 budget for the expected impact of higher inflation on the Council's input costs. The projected peak level of inflation has increased and looks to continue to remain high for some time and is having an impact on contract and energy costs, so the unused contingency has been carried forward. We are also seeing increased demands in temporary accommodation which is linked to the financial economy. These pressures have been offset by increased levels of income and some underspends giving an outturn position which is a small underspend. The significant under and overspends have been reflected in the budget for 2023/24. The headlines for Quarter 4 are as follows:

Part B: Revenue budget – Q4 2022/23

- Overall net expenditure at the end of Quarter 4 for the services reporting to this committee is £1.375m, compared to the approved profiled budget of £1.414m, representing an underspend of £0.039m.

Part C: Capital budget – Q4 2022/23

- Capital expenditure at the end of Quarter 4 was £2.347m against a total budget of £2.166m.

Part B

Fourth Quarter Revenue Budget 2022/23



B2) Revenue Budget

B1.1 The table below provides a detailed summary on the budgeted net income position for CLA PAC 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). The Cabinet Member for Communities, Leisure & Arts is responsible for all the services shown below.

CLA Revenue Budget & Outturn – Quarter 4

(a)	(b)	(c)	(d)
Cost Centre	Approved Budget for Year	Actual	Variance
	£000	£000	£000
Lockmeadow - Landlord costs	231	99	132
Lockmeadow Complex	-1,456	-1,372	-84
Market	-24	41	-65
Market Section	98	86	12
Performance & Development	29	47	-17
Press & Public Relations	54	61	-7
Grants	166	163	3
Delegated Grants	2	1	1
Parish Services	137	137	0
Communications Section	268	254	14
Policy & Information Section	539	517	22
Customer Services Section	752	718	34
Festivals and Events	-17	-30	13
Visitor Economy Section	175	172	3
Cultural Development Arts	69	63	6
Museum	-1	-25	25
Carriage Museum	4	4	-1
Museum-Grant Funded Activities	8	8	-0
Hazlitt Arts Centre	298	292	6
Leisure Centre	-213	-186	-27
Mote Park Adventure Zone	-68	-69	0
Cobtree Golf Course	-35	-28	-7
Mote Park Cafe	-32	-34	2
Parks & Open Spaces Leisure Activities	-2	-4	3
Mote Park Leisure Activities	-19	-18	-1
Tourism	11	15	-4
Museum Shop	-21	-2	-19
Leisure Services Section	70	68	2
Cultural Services Section	419	399	21
Salary Slippage	-27	0	-27
Totals	1,414	1,375	39

B1.2 The table shows that at the end of the fourth quarter overall net expenditure for the services reporting to CLA PAC is £1.375m, compared to the approved profiled budget of £1.414m, representing an underspend of £0.039m.

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
Communities, Leisure & Arts PAC	£000	
Lockmeadow landlord costs and Lockmeadow Complex – There was a shortfall in rental income from tenants, but this was offset by significant underspends against the professional services and repairs and maintenance budgets.	48	
Market – This variance is due to a shortfall in income received through the year.		-65

Part C

Fourth Quarter Capital Budget 2022/23



B1) Capital Budget: Communities, Leisure & Arts Committee (CLA)

B1.1 The position of the 2022/23 CLA element of the Capital Programme at the Quarter 4 stage is presented below.

CLA Capital Programme 2022/23 (@ Quarter 4)

Capital Programme Heading	Revised Estimate 2022/23 £000	Actual to March 2023 £000	Budget Remaining £000
Communities, Leisure & Arts			
Mote Park Visitor Centre	1,307	1,690	-383
Mote Park Lake - Dam Works	486	318	168
Leisure Provision	100		100
Tennis Courts Upgrade	20	0	20
Lockmeadow Ongoing Investment	203	338	-135
Mote Park Kiosk Refurbishment & Extension	50		50
Total	2,166	2,347	-181

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

Mote Park Visitor Centre – The centre is now open but there have been some unanticipated costs that mean the project will cost more than initially budgeted for. Funding has been identified for this overspend.

Lockmeadow Ongoing Investment – Construction costs rose after the budget was set, hence the overspend. The budgets for future expenditure can be adjusted to compensate for this overspend.