

APPENDIX 1 – SECOND QUARTER BUDGET MONITORING

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Part A - Second Quarter Revenue Budget 2023/24

A1) Revenue Budget: Communities, Leisure & Arts (CLA) PAC

- A2.1 The table below provides a detailed summary of the budgeted net expenditure position for the services reporting directly into CLA PAC at the end of Quarter 2. The financial figures are presented on an accruals basis (i.e. expenditure for goods and services received, but not yet paid for, is included).
- A2.2 This table now shows the variance split between expenditure and income to give more of an insight into the nature of the variance.

CLA Revenue Budget: NET EXPENDITURE (@ 2nd Quarter 2023/24)

| Cost Centre | Approved Budget for Year | Approved Budget to 30 September 2023 | Actual as at 30 September 2023 | Variance as at 30 September 2023 | | | Forecast March 2024 | |
|--|--------------------------|--------------------------------------|--------------------------------|----------------------------------|----------------|-------------|----------------------|---------------------------|
| | Net £000 | Net £000 | Net £000 | Expenditure £000 | Income £000 | Net £000 | Forecast Net £000 | Forecast Variance £000 |
| Cultural Development Arts | 72 | 58 | 25 | 33 | 0 | 33 | 61 | 11 |
| Museum | 20 | 6 | -8 | 30 | -16 | 14 | 20 | 0 |
| Carriage Museum | 4 | 1 | 3 | 0 | -2 | -2 | 4 | 0 |
| Museum-Grant Funded Activities | 0 | -4 | -14 | 7 | 3 | 10 | 0 | 0 |
| Hazlitt Arts Centre | 331 | 161 | 164 | -4 | 0 | -4 | 331 | 0 |
| Festivals and Events | 9 | 26 | -3 | -10 | 40 | 30 | 9 | 0 |
| Leisure Centre | -153 | -93 | -46 | -52 | 5 | -47 | -73 | -80 |
| Mote Park Adventure Zone | -72 | -36 | -45 | 0 | 9 | 9 | -72 | 0 |
| Cobtree Golf Course | -35 | 0 | 0 | 0 | 0 | 0 | -35 | 0 |
| Mote Park Cafe | -68 | -34 | -34 | -2 | 2 | 0 | -68 | 0 |
| Parks & Open Spaces Leisure Activities | -2 | -1 | -2 | 0 | 1 | 1 | -2 | 0 |
| Mote Park Leisure Activities | -43 | -41 | -40 | 0 | -1 | -1 | -43 | 0 |
| Tourism | 11 | 6 | -7 | 3 | 10 | 13 | 11 | 0 |
| Museum Shop | -22 | -11 | -5 | -1 | -6 | -6 | -22 | 0 |
| Lockmeadow | 243 | 177 | 128 | 49 | 0 | 49 | 193 | 50 |
| Lockmeadow Complex | -1,452 | -1,325 | -1,035 | -29 | -261 | -290 | -1,052 | -400 |
| Market | 26 | 30 | 23 | 7 | -1 | 7 | 26 | 0 |
| Performance & Development | 117 | 94 | 73 | 21 | 0 | 21 | 117 | 0 |
| Press & Public Relations | 5 | -35 | -42 | 4 | 3 | 7 | 5 | 0 |
| Grants | 166 | 83 | 71 | 12 | 0 | 12 | 166 | 0 |
| Delegated Grants | 2 | 2 | 1 | 1 | 0 | 1 | 2 | 0 |
| Parish Services | 144 | 75 | 69 | 6 | 0 | 6 | 144 | 0 |
| Leisure Services Section | 71 | 56 | 54 | 2 | 0 | 2 | 71 | 0 |
| Cultural Services Section | 343 | 171 | 206 | -34 | 0 | -34 | 363 | -20 |
| Visitor Economy Section | 134 | 68 | 80 | -13 | 0 | -13 | 134 | 0 |
| Market Section | 98 | 49 | 41 | 7 | 0 | 7 | 98 | 0 |
| Communications Section | 265 | 134 | 124 | 10 | -0 | 10 | 265 | 0 |
| Policy & Information Section | 558 | 281 | 269 | 11 | 1 | 12 | 558 | 0 |
| Customer Services Section | 744 | 373 | 356 | 17 | 0 | 17 | 744 | 0 |
| Salary Slippage | -43 | -22 | 0 | -22 | 0 | -22 | -43 | 0 |
| Totals | 1,473 | 248 | 407 | 55 | -213 | -158 | 1,912 | -439 |

These budget areas are all covered by the Cabinet Member for Communities, Leisure & Arts.

A2) CLA Revenue Budget: Significant Variances

A2.1 Within the headline figures, there are a number of both adverse and favourable net expenditure variances for individual cost centres. It is important that the implications of variances are considered at an early stage, so that contingency plans can be put in place and, if necessary, be used to inform future financial planning. Variances will be reported to each of the Policy Advisory Committees on a quarterly basis throughout 2023/24.

A2.2 The table below highlights and provides further detail on the most significant variances at the end of Quarter 2.

CLA PAC Variances (@ 2nd Quarter 2023/24)

| | Positive Variance Q2 | Adverse Variance Q2 | Year End Forecast Variance |
|---|----------------------------|---------------------------|-------------------------------------|
| Communities, Leisure & Arts | £000 | | |
| Leisure Centre – Under the terms of the current contract with the operator the Council is responsible for excess utility costs, and with utility prices continuing to be at a high level this is reflected in this overspend. | | -47 | -80 |
| Lockmeadow Complex – A number of units at the complex have fallen vacant during the period, leading to a shortfall against budget. However, progress has been made in identifying new tenants. The former David Lloyd unit now operates as the Lockmeadow Health Club, under the same management as the council’s leisure centre. A tenant offering virtual reality experiences has moved into another unit. Head of terms have been agreed with a prospective tenant at the former Frankie & Benny’s. Note that the business case for the Lockmeadow acquisition anticipated that at the end of existing leases there would be a period during which these units would be non-income producing. | | -290 | -400 |

Part B - Second Quarter Capital Budget 2023/24

B1) Capital Budget 2023/24 (@ 2nd Quarter 2023/24)

| Capital Programme Heading | Adjusted Estimate 2023/24 | Actual to September 2023 | Budget Remaining | Q3 Profile | Q4 Profile | Projected Total Expenditure | Projected Slippage to 2024/25 |
|---|---------------------------|--------------------------|------------------|------------|------------|-----------------------------|-------------------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Communities, Leisure & Arts | | | | | | | |
| Mote Park Lake - Dam Works | 188 | 39 | 149 | 10 | | 49 | 139 |
| Museum Development Plan | 389 | 68 | 321 | 100 | 222 | 390 | -1 |
| Leisure Provision | 3,100 | 73 | 3,027 | | 500 | 573 | 2,527 |
| Tennis Courts Upgrade | 40 | 13 | 26 | 26 | | 40 | |
| Riverside Walk Works | 250 | | 250 | | | | 250 |
| Mote Park Kiosk Refurbishment & Extension | 250 | 5 | 245 | 7 | 2 | 14 | 236 |
| Total | 4,216 | 198 | 4,018 | 143 | 724 | 1,066 | 3,151 |

B2) Capital Budget Variances (@ 2nd Quarter 2023/24)

| Communities, Leisure & Arts |
|--|
| <p>Leisure Provision – Discussions are ongoing with the current operator regarding this budget, and at present it is anticipated that there will be some initial spend on improvements at the centre in the final quarter of the year. There will be a further update on this in the 3rd quarter report.</p> |
| <p>Riverside Walk Works – This project has now been subsumed into the overall plans for Town Centre improvement works, arising out of the emerging Town Centre Strategy. The budget will therefore be carried forward to 2024/25.</p> |

