

# APPENDIX 1 – THIRD QUARTER BUDGET MONITORING

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## Part A - Third 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 3. The financial figures are presented on an accruals basis (i.e. expenditure for goods and services received, but not yet paid for, is included). The budgets used are the revised estimates for 2023/24.
- 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 (@ 3<sup>rd</sup> Quarter 2023/24)

Cost Centre	Net £000	Net £000	Net £000	Expenditure £000	Income £000	Net £000	Forecast Net £000	Forecast Variance £000
Cultural Development Arts	70	60	33	24	3	27	70	0
Museum	25	14	-15	39	-10	29	25	0
Carriage Museum	7	5	6	0	-2	-1	7	0
Museum-Grant Funded Activities	0	-2	-11	10	-2	8	0	0
Hazlitt Arts Centre	335	241	248	-6	0	-6	335	0
Festivals and Events	14	9	40	-37	6	-31	40	-26
Leisure Centre	-141	-131	-76	-57	3	-55	-61	-80
Mote Park Adventure Zone	-77	-57	-71	0	13	13	-77	0
Cobtree Golf Course	-35	0	0	0	0	0	-35	0
Mote Park Cafe	-65	-49	-48	-3	2	-1	-65	0
Parks & Open Spaces Leisure Activities	-2	-1	-2	0	0	0	-2	0
Mote Park Leisure Activities	-43	-42	-44	0	2	2	-43	0
Tourism	11	11	-3	8	6	14	11	0
Museum Shop	-22	-17	-7	0	-10	-10	-22	0
Lockmeadow	243	198	442	-244	0	-244	443	0
Lockmeadow Complex	-1,521	-1,684	-1,133	-68	-483	-552	-1,041	-480
Market	27	31	18	9	5	14	27	0
Performance & Development	82	79	81	-2	0	-2	82	0
Press & Public Relations	7	1	-6	3	5	7	7	0
Grants	166	160	137	23	0	23	166	0
Delegated Grants	2	2	1	1	0	1	2	0
Parish Services	139	139	138	1	0	1	139	0
Leisure Services Section	71	83	82	1	0	1	71	0
Cultural Services Section	337	253	287	-34	0	-34	370	-33
Visitor Economy Section	134	101	119	-18	0	-18	134	0
Market Section	97	73	62	11	0	11	97	0
Communications Section	259	195	182	13	0	13	259	0
Policy & Information Section	590	443	396	44	3	47	560	29
Customer Services Section	734	552	539	13	0	13	734	0
Salary Slippage	-43	-32	0	-32	0	-32	-43	0
<b>Totals</b>	<b>1,401</b>	<b>636</b>	<b>1,397</b>	<b>-302</b>	<b>-459</b>	<b>-761</b>	<b>2,191</b>	<b>-590</b>

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 3.

### CLA PAC Variances (@ 3<sup>rd</sup> Quarter 2023/24)

	Positive Variance Q3	Adverse Variance Q3	Year End Forecast Variance
<b>Communities, Leisure &amp; Arts</b>	<b>£000</b>		
<b>Leisure Centre</b> - 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.		-54	-80
<b>Lockmeadow Complex</b> - 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. A tenant offering virtual reality experiences has moved one of the vacant units. The former David Lloyd unit now operates as the Lockmeadow Health Club, under the same management as the council's leisure centre. The Club has built up membership numbers quickly although running costs are proving higher than expected. Head of Terms have been agreed with a prospective tenant at the former Frankie & Benny's and although there has been delays in finalising the lease it is expected that the unit will be occupied shortly. Work is under way to clear the former Feathers unit to make it more marketable. 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, so the adverse variance does not alter the overall financial basis of the acquisition.		-551	-480

# Part B - Third Quarter Capital Budget 2023/24

## B1) Capital Budget 2023/24 (@ 3<sup>rd</sup> Quarter 2023/24)

Capital Programme Heading	Revised Estimate 2023/24	Actual to December 2023	Budget Remaining	Q4 Profile	Projected Total Expenditure	Projected Slippage to 2024/25
	£000	£000	£000	£000	£000	£000
<b>Communities, Leisure &amp; Arts</b>						
Mote Park Lake - Dam Works	40	39	1	1	40	
Museum Development Plan	389	146	243	275	421	-32
Leisure Provision	699	73	626	250	323	376
Tennis Courts Upgrade	40	17	23	23	40	
Riverside Walk Works	250		250			250
Mote Park Kiosk Refurbishment & Extension	15	8	7	7	15	
<b>Total</b>	<b>1,433</b>	<b>284</b>	<b>1,149</b>	<b>555</b>	<b>839</b>	<b>593</b>

## B2) Capital Budget Variances (@ 3<sup>rd</sup> Quarter 2023/24)

Communities, Leisure & Arts
<p><b>Museum Development Plan</b> – Further works are planned for the new Archaeology Gallery in the final quarter, which will take the cost of the project over the approved budget for the year in the capital programme. However, this was anticipated as external funding had been secured to cover these costs.</p>
<p><b>Leisure Provision</b> – The extension to the contract for the management of the centre has now been agreed, and subject to signing it is anticipated that capital works can proceed as soon as possible, so there could be spend in the final quarter of the year, although this could slip into 2024/25.</p>
<p><b>Riverside Walk Works</b> – This project has now been subsumed into plans for Town Centre improvement works, including upgrades to lighting in the Town Centre. The budget will therefore be carried forward to 2024/25.</p>