

First 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 first 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 £124,000, but this is expected to change to an overspend of £37,000 by the end of this financial year.
- The position for the Council as a whole at the end of the first quarter is an underspend against the revenue budgets of £831,000. At this stage we expect to remain within budget for the year.
- Capital expenditure totaling £848,000 has been incurred between 1 April and 30 June, for the projects which sit within this Committee's remit. This represents slippage of £3.679m.
- Overall capital expenditure totaling £1.671m has been incurred during the first quarter, against a budget of £28.754m.

Revenue Budget

1st Quarter 2018/19



Revenue Spending

At the end of the first quarter, there is an overall positive variance of £124,000 against the revenue budget for this Committee. Based on current information, we are forecasting that this will decrease to an overspend of £37,000 by the end of the year.

As illustrated by the chart below, all committees have kept expenditure within the agreed budget, or have achieved/exceeded their agreed income target this quarter.

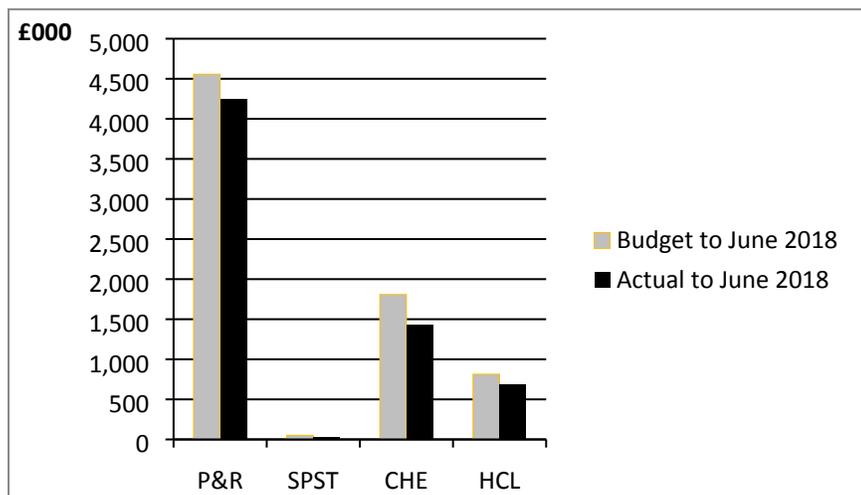


Chart 1 Performance against budget analysed by service committee

The table on the following page details the budget and expenditure position for this Committee's services during the first 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 columns of the table show the following detail:

- The cost centre description;
- The value of the total budget for the year;
- The amount of the budget expected to be spent by the end of June 2018;
- The actual spend to that date;
- The variance between expected and actual spend;
- The forecast spend to year end; and
- The expected significant variances at 31 March 2019.

The table shows that of a net annual expenditure budget of £4.837m it was expected that £1.226m would be spent up until the end of June. At this point in time the budget is reporting an underspend of £124,000, and the current forecast indicates that the year-end position for this committee will decrease to an over spend of £37,000.

Revenue Budget Summary Q1 2018/19

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre(T)	Budget for Year £000	Budget to 30 June 2018 £000	Actual £000	Variance £000	Forecast 31 March 2019 £000	Forecast Variance 31 March 2019 £000
Cultural Development Arts	18	5	3	1	18	0
Museum	1,575	327	334	-7	1,575	0
Carriage Museum	83	21	16	4	83	0
Museum-Grant Funded Activities	58	17	8	10	58	0
Museum Cafe	-2	-3	3	-6	-2	0
Hazlitt Arts Centre	388	87	87	1	388	0
Festivals and Events	12	11	-16	26	12	0
Lettable Halls	15	2	1	1	15	0
Community Halls	229	26	30	-3	229	0
Cultural Development Sports	0	0	0	0	0	0
Leisure Centre	334	115	115	0	334	0
Mote Park Adventure Zone	-57	0	0	0	0	-57
Cobtree Golf Course	-35	-32	-32	-0	-35	0
Parks & Open Spaces	1,367	345	310	35	1,367	0
Playground Maintenance & Improvements	418	42	38	3	418	0
Parks Pavilions	54	10	8	1	54	0
Mote Park	339	79	81	-2	339	0
Mote Park Cafe	-31	3	7	-5	-31	0
Allotments	13	3	3	0	13	0
Tourism	130	37	36	1	130	0
Museum Shop	58	14	17	-2	58	0
Leisure Services Other Activities	37	1	1	0	37	0
Cemetery	167	70	64	7	167	0
National Assistance Act	1	0	-1	1	1	0
Crematorium	-460	2	-49	51	-480	20
Maintenance of Closed Churchyards	9	2	4	-2	9	0
Market	66	30	38	-9	66	0
Leisure Services Section	18	5	-1	6	18	0
Cultural Services Section	0	-1	-8	7	0	0
Visitor Economy Section	8	2	2	-0	8	0
Bereavement Services Section	23	7	4	2	23	0
Market Section	0	-0	-0	0	0	0
Total	4,837	1,226	1,102	124	4,874	-37

Table 1 Revenue Budget Position, Q1 2018/19 – Heritage, Culture & Leisure Committee (Including recharges)

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 Q1	Adverse Variance Q1	Year End Forecast Variance
Heritage, Culture & Leisure Committee	£000		
Mote Park Adventure Zone – 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.			-57
Parks & Open Spaces – Although this area is currently showing a positive variance there are urgent tree works required that mean that by year-end it is forecast to be on budget.	35		0
Crematorium – Income has been higher than forecast for the year to date, but maintenance works are required to the cremator, and there are also reinstatement works to the car park to be undertaken, so this will reduce the forecast year-end surplus.	51		20

Table 2 Significant Variances – Heritage, Culture & Leisure Committee

Capital Budget

1st 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 includes resources which have been brought forward from 2017/18, and these have been added to the agreed budget for the current year.

To date, expenditure totaling £0.848m has been incurred against a budget of £4.527m. At this stage, it is anticipated that there will be slippage of £1.953m, 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 Q1 2018/19

Capital Programme Heading	Adjusted	Actual to June 2017 £000	Budget Remaining £000	Projected			Total Expenditure £000
	Estimate 2018/19 £000			Q2 Profile £000	Q3 Profile £000	Q4 Profile £000	
Heritage, Culture & Leisure							
Mote Park Dam Works	1,230	13	1,217	15	15	15	58
Mote Park Visitor Centre	583	30	553	25	25	368	448
Mote Park Adventure Zone and Other Improvements	1,455	687	768	225	225	195	1,332
Continued Improvements to Play Areas	589	29	560	50		200	279
Museum Development Plan	154	1	153	50	50	53	154
Crematorium Development Plan	416	88	328	115			203
Other Parks Improvements	100		100			100	100
Total	4,527	848	3,679	480	315	931	2,574

Table 3 Capital Expenditure, Q1 2018/19

- At this stage it is not anticipated that there will be any significant spend on the Mote Park Dam Works project during 2018/19.
- As referenced in the revenue section of this report there has been a delay in completing the Adventure Zone project. The costs above do not include an estimated £0.4m of costs that have been incurred to date as a result of the flooding incident that are currently the subject of an insurance claim. There will be a further update on the position in the second quarter budget monitoring report.
- 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. The estimated costs of this were £0.236m, but the final cost of the project was £0.320m. (The scheme commenced during 2017/18, so the total cost is spread over two financial years) During the course of the works being undertaken a number of

issues were identified. Additional drainage works and a retaining wall were required, and the cost of resurfacing of the car park was not included in the tender documents that were issued for this contract. The remaining budget has been earmarked for future projects as per the Bereavement Services report elsewhere on this agenda.