

# Second 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 second 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 £106,000, but this is expected to change to an overspend of £16,000 by the end of this financial year.
- The position for the Council as a whole at the end of the second quarter is an underspend against the revenue budgets of £1.6m. However this figure includes a number of large grants received that will be carried forward into 2019/20 and at this stage we expect to remain within budget for the year.
- Capital expenditure totaling £1.335m has been incurred between 1 April and 30 September, for the projects which sit within this Committee's remit. This represents slippage of £3.192m.
- Overall capital expenditure totaling £5.914m has been incurred during the first two quarters, against a budget of £28.754m.

# Revenue Budget

## 2<sup>nd</sup> Quarter

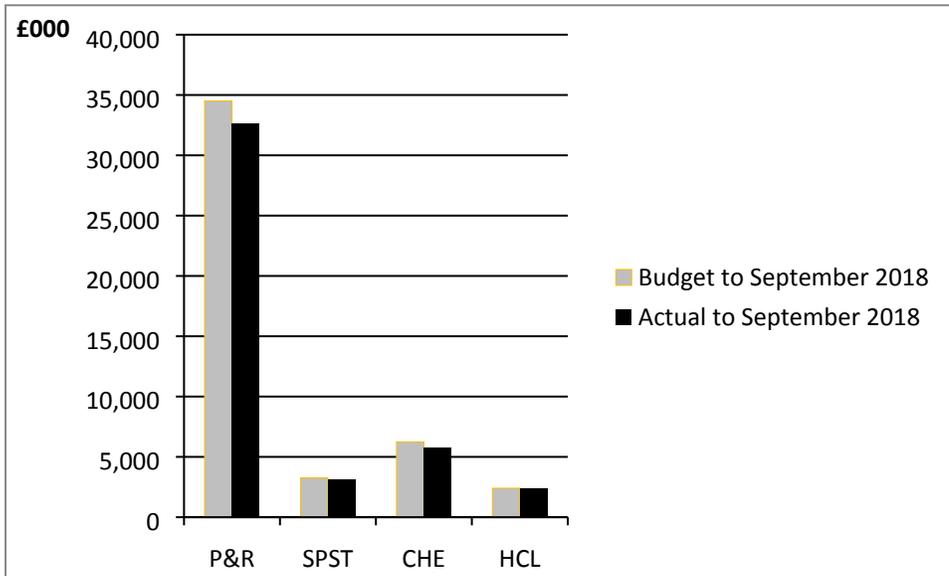
### 2018/19



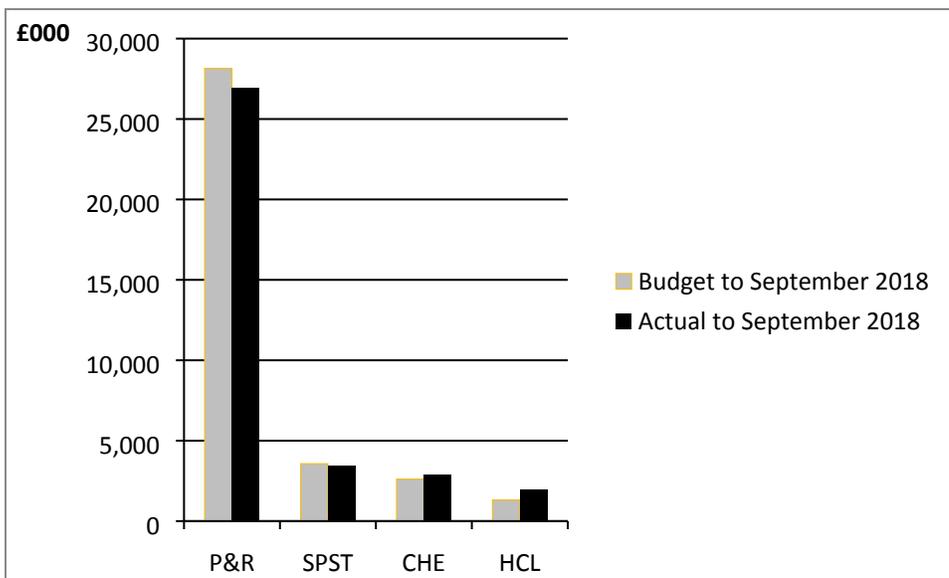
## Revenue Spending

At the end of the second quarter, there is an overall positive variance of £106,000 against the revenue budget for this Committee. Based on current information, we are forecasting that this will decrease to an overspend of £16,000 by the end of the year.

As illustrated by the chart below, all committees have kept expenditure within the agreed budget, however both this Committee and Communities, Housing & Environment Committee are showing a shortfall against their income budgets. The specific issues for this Committee are discussed later in this report.



**Chart 1 Performance against budget analysed by service committee (Expenditure)**



**Chart 2 Performance against budget analysed by service committee (Income)**

The table on the following page details the budget and expenditure position for this Committee's services during the second 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:

- a) The cost centre description;
- b) The value of the total budget for the year;
- c) The amount of the budget expected to be spent by the end of September 2018;
- d) The actual spend to that date;
- e) The variance between expected and actual spend;
- f) The forecast spend to year end; and
- g) The expected significant variances at 31 March 2019.

The table shows that of a net annual expenditure budget of £4.882m it was expected that £1.947m would be spent up until the end of September. At this point in time the budget is reporting an underspend of £106,000, but the current forecast indicates that the year-end position for this committee will decrease to an over spend of £16,000.

## Revenue Budget Summary Q2 2018/19

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre(T)	Budget for Year £000	Budget to 30 September 2018 £000	Actual £000	Variance £000	Forecast 31 March 2019 £000	Forecast Variance 31 March 2019 £000
Cultural Development Arts	18	9	9	0	18	0
Museum	1,577	528	528	1	1,577	0
Carriage Museum	83	34	37	-3	83	0
Museum-Grant Funded Activities	58	23	14	9	58	0
Museum Cafe	-2	-3	1	-4	-2	0
Hazlitt Arts Centre	388	158	158	0	388	0
Festivals and Events	12	-0	2	-2	12	0
Lettable Halls	15	3	0	3	15	0
Community Halls	229	46	47	-1	229	0
Leisure Centre	334	231	177	54	289	45
Mote Park Adventure Zone	-57	0	0	0	0	-57
Cobtree Golf Course	-35	-69	-8	-62	-35	0
Parks & Open Spaces	1,412	637	606	31	1,400	12
Playground Maintenance & Improvements	402	83	68	15	402	0
Parks Pavilions	54	20	16	4	54	0
Mote Park	344	161	182	-21	344	0
Mote Park Cafe	-31	-15	7	-23	-31	0
Allotments	13	8	6	2	13	0
Tourism	130	69	68	1	130	0
Museum Shop	58	29	26	3	58	0
Leisure Services Other Activities	37	1	1	-0	37	0
Cemetery	167	103	103	0	167	0
National Assistance Act	1	0	1	-0	1	0
Crematorium	-460	-165	-248	83	-486	26
Maintenance of Closed Churchyards	9	4	5	-0	9	0
Market	69	26	53	-27	111	-42
Leisure Services Section	4	3	-17	19	4	0
Cultural Services Section	1	-2	-13	11	1	0
Visitor Economy Section	25	12	7	5	25	0
Bereavement Services Section	26	13	7	6	26	0
Market Section	0	-0	-1	1	0	0
	<b>4,882</b>	<b>1,947</b>	<b>1,841</b>	<b>106</b>	<b>4,898</b>	<b>-16</b>

Table 1 Revenue Budget Position, Q2 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 Q2	Adverse Variance Q2	Year End Forecast Variance
<b>Heritage, Culture &amp; Leisure Committee</b>	<b>£000</b>		
<b>Leisure Centre</b> – Serco have made a payment in respect of the profit share arrangement for 2016 and 2017. £5,000 has been committed for works at the Leisure Centre, but the balance will need to be carried forward pending a decision on the future of leisure provision across the borough.	53		45
<b>Mote Park Adventure Zone</b> - 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
<b>Parks &amp; Open Spaces</b> – This area has benefited from additional income from works undertaken internally by the Grounds Maintenance team, but with the ongoing level of expenditure this will reduce by the end of the year.	31		12
<b>Crematorium</b> – Income received has been in excess of the budget so far this year, but the forecast is for this to reduce. Funding is also required for a temporary member of staff to cover sickness absence, and these two factors will reduce the positive variance by year end.	82		26
<b>Market</b> – Income is down against the budget, and there are increased costs in respect of service charge payments due and internal trade refuse collection charges, so the negative variance is forecast to increase by the end of the year.		-27	-42

**Table 2 Significant Variances – Heritage, Culture & Leisure Committee**

# Capital Budget

## 2<sup>nd</sup> 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 £1.335m has been incurred against a budget of £4.527m. At this stage, it is anticipated that there will be slippage of £1.851m, 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 Q2 2018/19

Capital Programme Heading	Adjusted Estimate 2018/19 £000	Actual to September 2018 £000	Budget Remaining £000	Q3 Profile £000	Q4 Profile £000	Projected Total Expenditure £000	Projected Slippage to 2019/20 £000	Budget Not Required £000
<b>Heritage, Culture &amp; Leisure</b>								
Mote Park Dam Works	1,230	58	1,172	15	15	88	1,142	
Mote Park Visitor Centre	583	55	528	25	368	448	135	
Mote Park Adventure Zone and Other Improvements	1,455	921	534	225	195	1,341	114	
Continued Improvements to Play Areas	589	30	559	50	200	280	309	
Museum Development Plan	154	6	148	75	73	154	0	
Crematorium Development Plan	416	265	151			265	151	
Other Parks Improvements	100		100		100	100	0	
<b>Total</b>	<b>4,527</b>	<b>1,335</b>	<b>3,192</b>	<b>390</b>	<b>951</b>	<b>2,676</b>	<b>1,851</b>	<b>0</b>

**Table 3 Capital Expenditure, Q2 2018/19**

- At this stage it is not anticipated that there will not be any significant spend on the Mote Park Dam Works project during 2018/19. The project is still going through the process of obtaining planning permission.
- 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. The Council's insurers have agreed to make a payment of £20,000 for part of the claim, but any settlement of the remaining amount is still to be determined, and an update will be included in the next 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 which are now substantially complete. As described in the quarter 1 monitoring report, the final cost of this project exceeded the original estimates. The final account remains subject to agreement with the contractor. The remaining budget for the Crematorium Development Plan has been earmarked for future projects as per the Bereavement Services report to the last meeting of this Committee.