

Fourth Quarter Budget Monitoring 2018/19

Economic Regeneration & 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 for the 2018/19 financial year for the services that fell within the remit of the Heritage, Culture and Leisure (HCL) Committee.

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 year are as follows:

- For this Committee, there is an underspend against the revenue budget of £22,000.
- Capital expenditure totalling £3.203m has been incurred during 2018/19 for the projects which sat within the remit of the HCL Committee. This represents slippage of £0.611m.

Revenue Budget 2018/19



Revenue Spending

At the end of the year, there is an overall positive variance of £22,000 against the revenue budget for the HCL Committee.

The budgets for each service committee now include a figure for assumed salary slippage to reflect the forecast level of vacant posts across the year. This was previously shown as a figure for the whole Council as part of the budget monitoring report for this Committee.

As illustrated by the chart below all committees stayed within their expenditure budgets with the exception of Policy & Resources Committee, although this is offset by income in excess of the budget figure. The remaining committees have all underachieved on their income budgets.

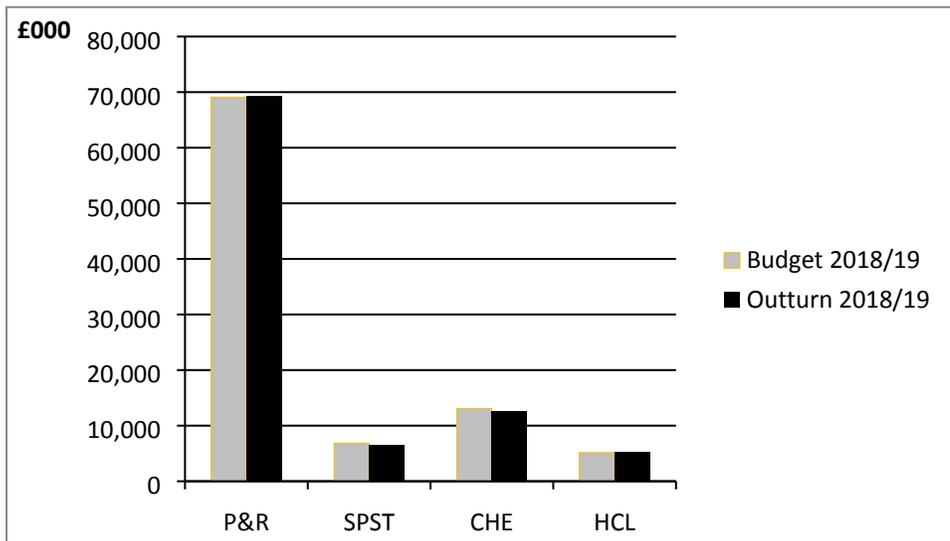


Chart 1 Performance against budget analysed by service committee (Expenditure)

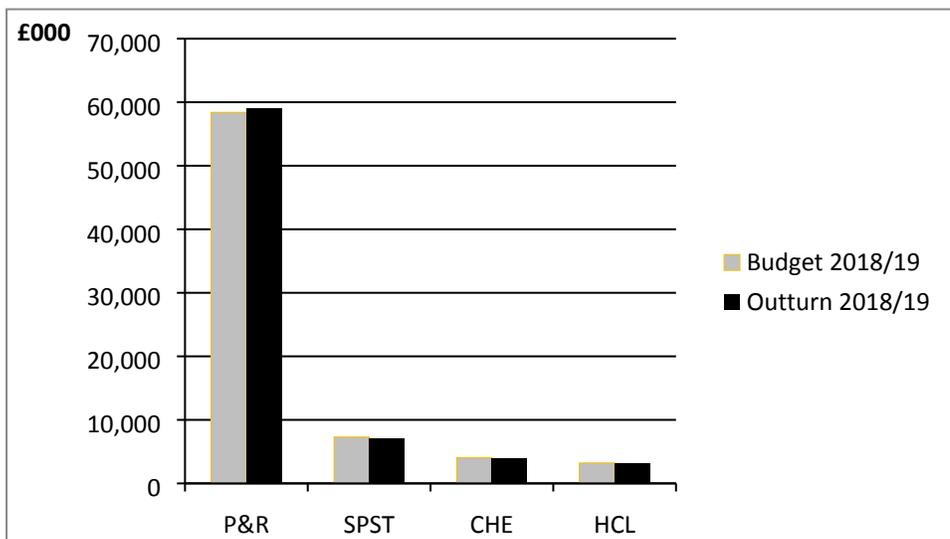


Chart 2 Performance against budget analysed by service committee (Income)

The table on the following page details the budget and expenditure position for the HCL Committee's services at the end of 2018/19. 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 actual spend to that date;
- d) The variance between expected and actual spend;

The table shows that £2.016m was spent against a net annual expenditure budget of £2.038m, representing an underspend of £22,000.

Revenue Budget Summary Q4 2018/19

Cost Centre (a)	Budget for Year (b)	Outturn (c)	Variance (d)
	£000	£000	£000
Cultural Development Arts	13	10	3
Museum	326	284	41
Carriage Museum	29	29	-1
Museum-Grant Funded Activities	61	59	2
Museum Cafe	0	4	-4
Hazlitt Arts Centre	268	268	-0
Festivals and Events	-21	-14	-7
Lettable Halls	-3	-7	4
Community Halls	83	59	24
Leisure Centre	-222	-235	13
Mote Park Adventure Zone	-57	0	-57
Cobtree Golf Course	-53	-48	-6
Parks & Open Spaces	1,017	1,074	-57
Playground Maintenance & Improvements	128	85	43
Parks Pavilions	24	20	4
Mote Park	232	283	-51
Mote Park Cafe	-43	-25	-18
Allotments	13	11	2
Tourism	31	29	3
Museum Shop	-19	-4	-14
Leisure Services Other Activities	34	22	13
Cemetery	61	51	10
National Assistance Act	-0	-0	-0
Crematorium	-754	-855	101
Maintenance of Closed Churchyards	6	2	3
Community Environmental Engagement	9	9	0
Market	-132	-93	-39
Leisure Services Section	55	37	18
Cultural Services Section	579	537	43
Visitor Economy Section	128	121	7
Bereavement Services Section	208	218	-9
Market Section	87	85	2
Salary Slippage	-50	0	-50
	2,038	2,016	22

Table 1 Revenue Budget Position 2018/19 – Heritage, Culture & Leisure Committee

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, and the table below provides further detail regarding these variances.

	Positive Variance Q4	Adverse Variance Q4	Year End Variance
Heritage, Culture & Leisure Committee	£000		
Museum – This variance has arisen from an underspend on running costs, with the most significant element being repair and maintenance costs. These costs fluctuate between years and it is expected that they will even out over time.	41		
Mote Park Adventure Zone – The facility did not open during 2018/19 as planned, however it has now opened.		-57	
Parks & Open Spaces – A budget saving was planned in this area which is being achieved through increased income from the Grounds Maintenance service. This income is accounted for within the remit of the Communities, Housing & Environment Committee but the saving is accounted for here and therefore appears as an overspend.		-57	
Playground Maintenance & Improvements – Funding had been set aside for spare/replacement equipment. However resources were available in the capital budget for this expenditure.	43		
Mote Park – This variance covers several areas, the most significant of which were insurance claim excesses, additional sewage costs following the leak in the park and a shortfall in income from fairs and circuses.		-51	
Crematorium – There was significant additional income achieved, particularly from memorial subscriptions and renewals and cremation fees.	101		
Market – This variance is a combination of additional running costs from increased trade refuse collection charges and additional service charge costs, and a shortfall in income from the markets.		-39	
Cultural Services Section - This variance is mainly due to staff vacancies. Underspends of this nature were anticipated when setting the budget and are reflected in the line 'salary slippage' (see below)	43		
Salary Slippage - Assumed saving from normal level of turnover in staff. The actual savings are reflected in individual cost centres.		-50	

Table 2 Significant Variances – Heritage, Culture & Leisure Committee

Capital Budget 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.

The outturn position for 2018/19 is set out in the table below. For the year expenditure totaling £3.203m has been incurred against a budget of £3.814m, which represents slippage of £0.611m.

Capital Budget Summary 2018/19

Capital Programme Heading	Revised Estimate 2018/19 £000	Outturn 2018/19 £000	Budget Remaining £000	Budget Not Required £000
Continued Improvements to Play Areas	574	152	422	
Commercial Projects - Crematorium Projects	416	536	-120	
Commercial Projects - Mote Park Adventure Zone	1,957	2,233	-276	
Mote Park Improvements	391	17	374	
Mote Park Visitor Centre	150	118	32	
Mote Park Lake - Dam Works	200	133	67	
Other Parks Improvements	100		100	
Museum Development Plan	25	14	11	
Total	3,814	3,203	611	

Table 3 Capital Expenditure 2018/19

- The overspend at the Crematorium has arisen due to greater than forecast costs for the new car park element of the project. The background to this and the future funding of the project was the subject of a report to the HCL Committee on 2 April 2019.
- Members will be aware from previous reports to the HCL Committee that substantial additional costs were incurred as a result of the sewage leak that occurred in the park. These costs are included above but it is hoped that some or all of them may be recovered via a claim that the Council has made against Southern Water.