

THIS ITEM IS FOR INFORMATION ONLY
(Please note that "Information Only" reports do not require Equality Impact Assessments, Legal or Finance Comments as no decision is being taken)

Title of meeting: Culture, Leisure & Sport Portfolio

Subject: Monitoring of the Second Quarter 2018/19 Revenue Cash Limits and Capital Programme

Date of meeting: Friday 7th December 2018

Report by: Director of Finance and Information Services

Wards affected: ALL

1. Requested by

The Cabinet Member for Culture, Leisure & Sport Portfolio.

2. Purpose

2.1 To inform the Cabinet Member and Opposition Spokespersons of:

- The forecast revenue expenditure for the year compared with the cash limited budget.
- The forecast capital expenditure against the revised capital programme for the Culture portfolio

3. Information Requested

3.1 Forecast Outturn 2018/19

	£000's	% of Budget
Controllable Cash Limit 2018/19	4,838	
Total Forecast Controllable Expenditure 2018/19	4,896	
Variance - (Under)/Overspend	<u>58</u>	1.20%

3.2 Appendices

The detailed service revenue budgets and forecast expenditures are attached at Appendix A.

Analysis of the portfolio's capital expenditure for 2018/19 is attached at Appendix B.

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4. Revenue Expenditure

(Please read in conjunction with the attached Appendix A).

4.1 The forecast portfolio outturn for the year indicates a net overspend of £58,000 against the approved budget.

4.2 A detailed breakdown of this is below;

- **Parks - £22,000 overspend**

A full review of actual Parks staff costs has been carried out following 18 months of operation. A comparison between the original budget model prepared prior to bringing the staff team 'in-house' and actual costs has been carried out. This has identified a budget pressure of £22,000 in the service. Options will continue to be explored to reduce and manage this.

- **Golf - £30,000 reduction in income**

There has been a significant reduction in golf income received so far year. Fewer season tickets have been purchased and less income has been generated from green fees. The golf course management team have advised that customers are now choosing to play different courses each week rather than focussing on membership at one location. The fees and charges set for 2019/20 will aim to provide an offer that will recover the position going forwards.

- **Libraries - £16,000 overspend**

The additional costs for Sunday opening at Southsea Library are currently unfunded.

- **Museums - £43,000 overspend**

Following refurbishment, the Valuation Office has increased the NNDR liability of the D Day Museum by £43,000. This has been based on the increased income generation potential of the site. It is likely that an appeal will be submitted to challenge this decision.

- **Other - £53,000 underspend**

Any uncommitted balances in the service are being 'held' to part fund the forecast overspends above.

5. Portfolio Reserve

5.1 Since 2013/14 portfolio underspends have been retained in a portfolio specific earmarked reserve. This reserve is to be used initially to cover future year end overspendings, budget pressures, contingent items and spend to save schemes.

Once these instances have been satisfied, the reserve may be used for other developments or initiatives. The portfolio holder is responsible for approving any releases from the earmarked reserve in consultation with the Director of Finance and Information Services & S151 Officer.

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5.2 The uncommitted balance on the reserve is £58,000. At year end any underspend on the portfolio will be added to the reserve. Simultaneously any overspend will be a first call on the reserve balance.

6. Capital Programme

(Please read in conjunction with the attached Appendix B).

6.1 The 2018/19 published capital programme has been updated to reflect the impact of new schemes, further approved amendments, re-phasing of expenditure and the removal of completed schemes.

6.2 Additions to the 2018/19 approved capital programme include;

£000's

Approved 2018/19 Capital Program 17,495

Addition to New Fountain Refurbishment at Southsea Castle (Item 26 - funded by RCCO) 80

New scheme for City Museum Playground (Item 36 - funded by CIL Neighbourhood Reserve) 30

New scheme for DDAY Landscaping Works (Item 37 - funded by LIBOR grant) 558

New scheme for Re-surfacing Works (Item 38 - funded by RCCO) 161

Revised Capital Program 18,324

6.3 The forecast underspend for the estimated total costs of the portfolio capital programme compared to the total budget indicates an underspend of £17,000. This is as a result of the following variations;

£000's

Cycle Track Fencing at Mountbatten Centre underspend (Item 8) (6)

Watersedge Park Building (Item 18) 8

Modifications to Southsea Library (Item 22) (21)

Other minor variations 2

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Total Estimated Final Cost underspend

(17)

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Signed by Director of Finance and Information Services

Appendices:

- A Revenue Outturn Statement**
- B Capital Monitoring Statement**

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Service Budget monitoring files	CRS Accountancy team