

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 and Regulatory Services Portfolio

Subject: Monitoring of the First Quarter 2019/20 Revenue Cash Limits and Capital Programme

Date of meeting: Friday 4th October 2019

Report by: Director of Finance and Information Services

Wards affected: ALL

1. Requested by

The Cabinet Member for Culture and Regulatory Services 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 2019/20

	£000's	% of Budget
Controllable Cash Limit 2018/19	5,833	
Total Forecast Controllable Expenditure 2018/19	6,065	
Variance - (Under)/Overspend	<u>232</u>	4%

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3.2 Appendices

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

Analysis of the portfolio's capital expenditure for 2019/20 is attached at Appendix B.

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 £231,600 against the approved budget.

4.2 A detailed breakdown of this is below;

- **Parks, Gardens & Open Spaces - £7,000 underspend**
Some seafront maintenance work is being carried out by the parks playground team. A recharge of costs relating to this work will be made between the two services.
- **Seafront Management- £7,000 overspend**
See above
- **Museum Services - £59,000 underspend**
Additional income from entrance fees and shop sales was generated by the D Day Museum as a direct result of the D Day 75 commemorative event. It is anticipated that this income will be re-invested into the D Day Story to support ongoing activities and future development of the visitor offer.
- **Welfare Burials - £19,100 underspend**
The number of burials has been less than anticipated,
- **City Centre Business Support - £14,000 overspend**
The forecast variance relates to the annual maintenance costs of the increased provision of Christmas Lights throughout the City, which were purchased and funded from the (PRED) Portfolio in 2018/19.
- **Economic Growth - £13,800 overspend**
This overspend relates to the costs associated with the temporary Economic Growth Support Skills and Employment Officer. This is only partly funded from an external grant of £26,000 and a vacant post of £10,000. It is a temporary position until July 2020. The shortfall in funding can be met from the Planning Delivery Grant.
- **Markets - £5,700 overspend**
Income from market fees are less than the same period last year due to the reduction in the number of traders at Cosham and Commercial Road Markets.
- **Planning Development Control - £276,900 overspend**

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As a result of the advice from Natural England regarding the nitrate issue in the Solent the planning fee is forecast to be under recovered by £234,000. The nitrates issue is preventing the processing of a significant proportion of planning applications. Management are working with other Solent Local Authorities to identify suitable mitigation but the timing to address this is currently unknown and will be subject of a future report to members. In addition fees are further under recovered as a result of a general reduction in the number of planning applications.

- **Minor Variance - £700 underspend**

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.

- 5.2 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.
- 5.3 The forecast net overspending on the portfolio of £231,600 will be met from the former PRED portfolio reserve as the reasons for this portfolio's forecast overspend have been caused by those services recently transferred.

6. Capital Programme

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

- 6.1 The 2019/20 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 The forecast underspend for the estimated total costs of the portfolio capital programme compared to the total budget indicates an under spend of £3,234.
- 6.3 There are no significant individual scheme variances in the programme.

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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