

**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 City Development Decision Meeting

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

**Date of meeting:** Friday 31<sup>st</sup> January 2020

**Report by:** Director of Finance and Information Services

**Wards affected:** ALL

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**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	5,932	
Total Forecast Controllable Expenditure 2018/19	6,327	
<b>Variance - (Under)/Overspend</b>	<u>395</u>	6.7%

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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 £395,100 against the approved budget.

4.2 A detailed breakdown of this is below;

- **Parks - £10,000 underspend**

The Parks service have allocated £10,000 from the budget to offset the forecast shortfall in income from the sale of golf season tickets. This has been achieved through a re-allocation of some project staff costs and a back payment of rent from one of the concession sites.

- **Seafront - £20,000 overspend**

The seafront tea rooms are forecast to overspend by £40,000 due to the high staff cost and income being lower than anticipated. Expenditure is being held back in other areas to part fund this and work is being undertaken to explore alternative business models that may work on the site.

- **Golf Courses - £19,000 overspend**

Income from season tickets is forecast to be lower than budgeted. More income has been received than in 2018/19 but it is still less than the budget target which was re-set at the beginning of the year. It is anticipated that income received from green and start fees plus a reduction in expenditure savings elsewhere in the service will reduce this shortfall.

- **Events - £20,000 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, after the finalisation of some outstanding costs, will be re-invested into the D Day Story to support ongoing activities and future development of the visitor offer.

- **City Centre Business Support - £14,100 overspend**

The forecast variance relates to the increased provision of Christmas Lights in various commercial areas within the City which were purchased and funded from the PRED Portfolio reserve in 2018/19. There is an ongoing cost to store, maintain and install these lights that is currently unfunded.

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- **Economic Growth - £17,100 overspend**

Additional costs have arisen in year that were previously unbudgeted. The Assistant Director of City Development is working on ways that this overspend can be met elsewhere within the department.

- **Planning Development Control - £363,500 overspend**

Planning Fee income at quarter 2 of this year is forecast to be £200,000 less than was budgeted for partly because of the slow down in applications because of the issue caused around nitrates and partly because of the reduction in fees from large developments.

The Council have also struggled to recruit to key posts in the department that have led to the Council needing to employ more expensive temporary staff at a cost of £70,000. To combat this recruitment issue the department have reviewed its structure in order to be able to recruit and retain planning professionals, this has resulted in an increase in costs of £63,000 in 2019/20.

The Director of Regeneration and Assistant Director of City Development are looking at ways that this overspend can be mitigated in the second half of 2019/20.

- **Registrars - £16,000 underspent**

The service has had in year staff vacancies.

- **Minor Variance - £7,400 overspend**

## **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 £395,000 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.

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**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 over spend of £13,136.
- 6.3 There is no significant variance 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:

<b>Title of document</b>	<b>Location</b>
Service Budget monitoring files	CRS Accountancy team