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| HIGH LIFE HIGHLAND REPORT TO BOARD OF DIRECTORS22 March 2018 | AGENDA ITEM 9 REPORT No HLH3/18 |

## **2018/19 BUDGET APPROVAL - Report by Chief Executive**

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| **Summary**This report provides Directors with a summary of the operating budget for 2018/19, together with details of planned savings measures.It is recommended that Directors agree to approve the operating budget for 2018/19 as summarised in **Appendix A.** |

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| **1.** | **Business Plan Contribution** |
| 1.1 | This report supports the highlighted Business Outcome from the High Life Highland (HLH) Business Plan:1. **To advance sustainable growth and financial sustainability**
2. Deliver the Service Delivery Contract with THC
3. Improving staff satisfaction
4. Improving customer satisfaction
5. A positive company image
6. Services designed around customers and through market opportunities
7. Sustain a good health and safety performance
8. A trusted partner
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| **2.** | **Background** |
| 2.1 | This report confirms the detail of the Charity’s revenue budget for 2018/19 and provides a summary of the savings measures required to be implemented. |
| **3.**3.1 | **Budget 2018/19 Approval****Appendix A** details the draft budget 2018/19 for approval. |
| **3.2** | **Appendix B** details the savings target of £741K. |
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| **Recommendations**It is recommended that Directors agree to approve the operating budget for 2018/19 as summarised in **Appendix A.** |

Designation: Chief Executive

Date: 8 March 2018

**APPENDIX A**

**Draft Budget (2018/19)**

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| **Sector** | **Annual Budget (17/18)** | **Annual Budget (18/19)** | **Year on Year Variance** |
| Adult | (680,037) | (684,110) | (4,073) |
| Archives | (613,265) | (611,415) | 1,850  |
| Arts | (266,275) | (274,052) | (7,777) |
| Facilities | (1,823,430) | (1,821,973) | 1,457  |
| Libraries | (3,462,896) | (3,456,033) | 6,863  |
| Management | (2,838,395) | (2,893,500) | (55,105) |
| Museums | (726,361) | (684,383) | 41,978  |
| Outdoor | (330,948) | (553,646) | (222,698) |
| Management Fee | 12,771,942  | 13,088,706  | 316,764  |
| Sports | (571,966) | (623,309) | (51,343) |
| Youth Work | (1,458,369) | (1,486,285) | (27,916) |
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| Surplus (Deficit) | 0  | 0  | 0  |

**APPENDIX B**

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|  | Final Savings (£) |
| **Management Fee**  | 0 |
| **Payroll Pressures** |  |
| 2% and 3% Pay Award | £540,093 |
| Pension Increase | £155,074 |
| Living Wage | £20,500 |
| **Service Budget Pressure** |  |
| Outdoor | £25,000 |
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| **Total**  | **£740,667** |
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| **Target Income, Efficiencies and Savings (By Service)** |
| Facilities | Price Increase (PAYG 5%) | £115,000 |
| Facilities | Growth Targets – High Life | £143,000 |
| Facilities | East Caithness Man. Fee Income | £90,000 |
| Management | Commercial Manager | £50,000 |
| Museums | Donations | £60,000 |
| Libraries | Library Staffing | £39,000 |
| Adult | Adult Learning: focus on literacies/ESOL | £40,000 |
| Youth Work | Reduction in frontline sessional budgets | £20,000 |
| Libraries | Resource Fund  | £70,000 |
| Archives | Lochaber Archivist/Op. Hours reduced | £24,000 |
| Mgt. Finance | Use of Reserves | £90,000 |
| **Total** |  | **£741,000** |

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