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| HIGH LIFE HIGHLAND  REPORT TO BOARD OF DIRECTORS  22 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 |
| **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** | | |  |