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| HIGH LIFE HIGHLAND REPORT TO BOARD OF DIRECTORS21 March 2019 | AGENDA ITEM REPORT No HLH /19 |

## **2019/20 BUDGET APPROVAL - Report by Chief Executive**

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| **Summary**This report provides Directors with a summary of the operating budget for 2019/20, together with details of planned savings measures.It is recommended that Directors agree to approve the operating budget for 2019/20 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 2019/20 and provides a summary of the savings measures required to be implemented. |
| **3.**3.1 | **Budget 2019/20 Approval****Appendix A** details the draft budget 2019/20 for approval. |
| **3.2** | **Appendix B** details the savings target and measures of £1.365M. |
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| **Recommendations**It is recommended that Directors agree to approve the operating budget for 2019/20 as summarised in **Appendix A.** |

Designation: Chief Executive

Date: 8 March 2019

**APPENDIX A**

**Draft Budget (2019/20)**

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|  | **Annual Budget (18/19) £** | **Annual Budget (19/20) £** | **Year on Year Variance £** |
| Adult | (674,114) | (660,898) | 13,216  |
| Archives | (596,507) | (597,837) | (1,330) |
| Arts | (272,024) | (289,761) | (17,737) |
| Facilities | (1,812,961) | (1,598,562) | 214,399  |
| Libraries | (3,472,444) | (3,539,237) | (66,793) |
| Management | (2,957,118) | (2,720,407) | 236,711  |
| Museums | (631,491) | (625,149) | 6,342  |
| Music Tuition | (1,253,327) | (1,153,327) | 100,000  |
| Outdoor | (557,828) | (532,234) | 25,594  |
| Management Fee | 14,305,791  | 13,900,510  | (405,281) |
| Sports | (591,692) | (612,080) | (20,388) |
| Youthwork | (1,486,285) | (1,571,018) | (84,733) |
| Surplus/Deficit | 0  | 0  | 0  |

**APPENDIX B**

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| **Final Savings 2019/20** | **£** |
| Pay Award |  870,000  |
| Service Fee Reduction (1.4%) |  200,281  |
| Additional Service Fee Reduction |  205,000  |
| Use of reserves (18/19) |  90,000  |
| **Total** |  **1,365,281**  |

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| **Target Income, Efficiencies and Savings (By Service) 2019/20** | £ |
| Adult | Commissioning Fund  | 36,000 |
| Archives | Income | 11,000 |
| Facilities | High Life Growth | 224,000 |
| Facilities | High Life Price Income | 205,000 |
| Facilities | PAYG Price Increase (5%) | 102,000 |
| Facilities | Rationalisation of Swim Club Hours | 13,000 |
| Facilities | Reduction of Training Budget | 12,000 |
| Facilities | Reduction of Equipment Budget | 9,412 |
| Facilities | East Caithness Gym Equipment (One year only) | 30,000 |
| Facilities | Averon Gym Equipment (One year only)  | 12,500 |
| Facilities | Invergordon Gym Equipment (One year only) | 34,369 |
| Facilities | Inverness Leisure Water Budget | 25,000 |
| Several | Donations | 25,000 |
| Management | Commercial Income | 89,000 |
| Management | VAT Restructuring | 100,000 |
| Management | Central Budget Savings | 89,000 |
| Management | Staff Reduction | 70,000 |
| Management | Vacancy Management | 60,000 |
| Management | Catering Operations Efficiencies | 20,000 |
| Management | Vending Machine Procurement | 3,000 |
| Music | Teachers Pay Award Funding | 80,000 |
| Music | Tuition | 100,000 |
| Sports and Outdoor | Income | 10,000 |
| Sports and Outdoor | Sports Equipment Sharing | 5,000 |
|   | TOTAL  | 1,365,281 |