

Culture and Communities Committee

10.00am, Thursday, 29 February 2024

Culture and Communities: Revenue Budget Monitoring 2023/24 – Month Eight position

Executive/routine
Wards

Routine
All

1. Recommendations

- 1.1 It is recommended that the Culture and Communities Committee notes:
 - 1.1.1 The forecast overspend of £1.77m for the Culture and Wellbeing service and a forecast underspend of £0.15m for the Parks and Greenspaces service, based on expenditure and income at 30 November 2023;
 - 1.1.2 Place Directorate is forecasting a year-end overspend of £2.601m;
 - 1.1.3 The need for all existing pressures, savings delivery shortfalls and risks to be fully and proactively managed within Directorates;
 - 1.1.4 Plans for full mitigation of Directorate overspends will be developed before the beginning of the 2024/25 financial year; and
 - 1.1.5 The ongoing risks to the achievement of a balanced budget for services within the remit of the Culture and Communities Committee.

Paul Lawrence

Executive Director of Place

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Culture and Wellbeing: Revenue Budget Monitoring 2023/24 – Month Eight position

2. Executive Summary

- 2.1 This report forecasts an overspend of £1.77m for the Culture and Wellbeing service and a forecast underspend of £0.15m for the Parks and Greenspaces service, based on expenditure and income at 30 November 2023.
- 2.2 The forecast Council-wide revenue budget position, based on expenditure and income at 30 November 2023, was reported to the Finance and Resources Committee on 25 January 2024. A Council-wide underspend of £0.825m is projected. This includes a forecast overspend of £2.601m for the Place Directorate.
- 2.3 There is potential for further risks to emerge, including inflationary cost increases and demand-led pressures, particularly in homelessness services. Given these budget pressures, forecast overspends require to be fully mitigated.

3. Background

- 3.1 The Council's Financial Regulations require submission of quarterly monitoring reports on service financial performance to service committees and to Finance and Resources Committee.
- 3.2 This report provides an update on financial performance for services which are within the remit of the Culture and Communities Committee - Culture and Wellbeing services, Parks and Greenspaces and Scientific Services.

4. Main report

- 4.1 Culture and Wellbeing service revenue budget for 2023/24 is £25.2m. Services provided include Cultural Partnerships and Strategy, Winter Festivals, Community Empowerment, Cultural Venues, Heritage, Museums, Libraries, Sport and Wellbeing.
- 4.2 An overspend of £1.77m is forecast for Culture and Wellbeing services due to the budget pressures noted at paragraphs 4.3 to 4.6.

- 4.3 The forecast overspend includes £0.80m for the Libraries service. This is a reduction of £0.05m from the position reported to Culture and Wellbeing Committee on 7 December 2023. The movement follows further review of Libraries expenditure and income.
- 4.4 As previously reported to Culture and Communities Committee, an overspend of £0.4m is forecast, due to the expected level of Winter Market rental income and the cost of the Hogmanay Festival.
- 4.5 The Council's long-term contractual commitment to meet the cost of leasing the property occupied by the Traverse Theatre at Saltire Court is forecast to cost £0.160m more than budget. The Council continues to liaise with the landlord's property agent to mitigate these additional costs.
- 4.6 An overspend of £0.37m is forecast for Heritage, Cultural Venues and Museums services. The forecast includes costs for museums staffing and income from Summer Sessions, which, due to constraints on use of the Ross Bandstand, is forecast to be £0.062m less than budget.
- 4.7 Parks and Greenspaces revenue budget is £4.4m for 2023/24. The service forecast is for expenditure to be £0.16m less than budget.
- 4.8 Bereavement Services provided by Scientific Services are within the remit of Culture and Communities Committee. The service is forecasting expenditure to be in line with the approved budget.
- 4.9 The forecasts for Culture and Wellbeing, Parks and Greenspaces and Scientific Services are included in the forecast Place Directorate overspend of £2.601m.
- 4.10 The Council-wide General Fund budget position based on month eight, was reported to the Finance and Resources Committee on 25 January 2024 in the report [Revenue Monitoring 2023/24 – Month Eight position](#). A Council-wide underspend of £0.825m is forecast.
- 4.11 There is potential for further risks to emerge, including inflationary cost increases and demand-led pressures, particularly in homelessness services. Given these factors, forecast overspends should be fully mitigated.
- 4.12 All current and emerging risks will be subject to ongoing tracking, development of mitigating measures where required and review for the remainder of 2023/24.
- 4.13 The approved revenue budget for 2023/24 requires Culture and Wellbeing services to achieve savings of £0.8m. These are detailed in Appendix 1 (b). The approved budget included savings which were to be delivered through an organisational review of Public Safety and Resilience. The review is being developed and it is anticipated that the approved savings will be managed through vacancy savings in 2023/24.

5. Next Steps

- 5.1 Given the range of pressures outlined in this report and the Council-wide report, Executive Directors will be required to bring forward plans to address budget overspends before the start of the new financial year in April.
- 5.2 This month eight report acutely emphasise the importance of proactive management of pressures and delivery of approved savings in maintaining the integrity of the budget framework. Given the extent of subsequent years' funding gaps, action is required to deliver robust savings proposals, aligned to the priorities set out in the Council's business plan.

6. Financial impact

- 6.1 This report forecasts an adverse outturn variance of £1.77m for the Culture and Wellbeing service and a favourable variance of £0.15m for the Parks and Greenspaces service.
- 6.2 As of month eight, an overall Council-wide underspend of £0.825m is forecast. This includes a projected overspend of £2.601m for services delivered by Place Directorate.
- 6.3 The Executive Director of Place and the Place Senior Management Team is committed to developing mitigating measures in consultation with elected members where appropriate, with a view to achieving a balanced and sustainable budget.

7. Equality and Poverty Impact

- 7.1 There are no equality, human rights (including children's rights) and socio-economic disadvantage implications arising as a consequence of this report.

8. Climate and Nature Emergency Implications

- 8.1 There are no Climate and Nature Emergency implications arising as a consequence of this report.

9. Risk, policy, compliance, governance and community impact

- 9.1 Whilst the report provides forecasts of outturn based on financial performance and conditions existing on 30 November 2023, there remains a risk that changing circumstances and events will result in further budget pressures.
- 9.2 All current and emerging risks will be subject to ongoing tracking, development of mitigation measures and review for the remainder of 2023/24.

- 9.3 Financial performance will be tracked by Place Directorate Senior Management Team and service management teams to identify and mitigate emerging financial risks.
- 9.4 There are no health and safety, governance, compliance or regulatory implications arising from this report.

10. Background reading/external references

- 10.1 [Culture and Communities: Revenue Budget Monitoring 2023/24 – Month Five position](#), Culture and Wellbeing Committee, 7 December 2023
- 10.2 [Revenue Monitoring 2023/24 - Month Eight position](#), Finance and Resources Committee, 25 January 2024

11. Appendices

- 11.1 Appendix 1 (a) – Culture and Communities Committee: Revenue Budget Monitoring 2023/24 - Month Eight position
- 11.2 Appendix 1 (b) – Culture and Communities Committee: Approved Revenue Budget Savings 2023/24

Appendix 1 (a) Forecast Revenue Outturn by Service

Service	Revised Budget	Projected Outturn	Projected Variance	Adverse / Favourable
	£'000	£'000	£'000	
Culture and Wellbeing				
Cultural Partnerships and Strategy	6,455	7,040	585	Adv
Community Empowerment	856	856	0	-
Heritage, Cultural Venues and Museums	2,262	2,632	370	Adv
Libraries, Sport and Wellbeing	15,387	16,161	804	Adv
Directorate and service-wide costs.	267	282	15	Adv
Total – Culture and Wellbeing	25,227	26,971	1,774	Adv
Parks and Greenspaces	4,662	4,515	(147)	Fav

Appendix 1 (b) Approved Revenue Budget Savings 2023/24

Service	Saving Description	2023/24 £'000	Red/Amber/Green/Black assessment
Cultural Partnerships and Strategy	Non-core cultural grants	250	Green
Cultural Partnerships and Strategy	Public Safety and Resilience Organisational Review	40	Amber
		200	Red
Community Empowerment	Lifelong Learning Organisational Review	170	Green
Heritage, Cultural Venues and Museums	Fees and Charges uplift	78	Amber
Service Wide	Fees and Charges uplift	58	Amber
	TOTAL	796	

SUMMARY	£'000	%
Green assessed	420	53
Amber assessed	176	22
Red assessed	200	25
Black Assessed	-	-
TOTAL	796	100