

# Culture and Communities Committee

10.00am, Thursday, 5 October 2023

## Culture and Communities: Revenue Budget Monitoring 2023/24 – Month Three 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 adverse outturn variances of £1.5m for the Culture and Wellbeing service and £0.050m for the Parks and Greenspaces service, based on the three-month revenue budget monitoring position;
  - 1.1.2 Place Directorate is forecasting a pressure of £1.95m as at month three;
  - 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 measures will continue to be progressed by Place Directorate to offset budget pressures and to fully deliver approved savings targets to achieve outturn expenditure and income in line with the approved budget for 2023/24;
  - 1.1.5 the ongoing risks to the achievement of a balanced budget projection for services within the remit of the Culture and Communities Committee; and
  - 1.1.6 updates will continue to be provided to members of the Committee during the remainder of the year.

**Paul Lawrence**

**Executive Director of Place**

Contact: Iain Shaw, Principal Accountant

E-mail: [iain.shaw@edinburgh.gov.uk](mailto:iain.shaw@edinburgh.gov.uk) | Tel: 0131 469 3117

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

### 2. Executive Summary

---

- 2.1 This report forecasts adverse outturn variances of £1.5m for the Culture and Wellbeing service and £0.050m for the Parks and Greenspaces service, based on the three-month revenue budget monitoring position.
- 2.2 Measures will continue to be progressed by Place Directorate to offset budget pressures and to fully deliver approved savings targets to achieve outturn expenditure and income in line with the approved revenue budget for 2023/24.
- 2.3 The 2022/23 audited accounts were [approved](#) by the Finance and Resources Committee on 21 September. The accounts have been submitted by the statutory deadline with an unmodified audit opinion issued on the 2022/23 accounts. The audited statements confirm a revenue budget underspend for 2022/23 of £13.7m.
- 2.4 The projected Council-wide revenue budget position, based on month three, was reported to the Finance and Resources Committee on 21 September. At this stage, an overall overspend of £13.2m is being projected, including a forecast overspend of £1.95m for the Place Directorate. Without identification of mitigating actions, this would require application of the 2022/23 underspend to achieve a balanced in-year position, as well as giving rise to recurring pressures for future years.
- 2.5 There is potential for further risks to emerge, including the 2023/24 non-teaching employee pay award. Given these factors, no additional commitments should be taken on until the forecast adverse variances have been 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 £24.666m. Services provided include Cultural Partnerships and Strategy, Winter Festivals, Community Empowerment, Cultural Venues, Heritage, Museums, Libraries, Sport and Wellbeing.
- 4.2 An adverse variance of £1.5m is forecast for Culture and Wellbeing services due to the budget pressures noted at paragraphs 4.3 to 4.6.
- 4.3 The forecast variance includes £0.8m of Library service budget pressures due to:
  - 4.3.1 Previously approved employee budget savings of £0.350m not being achieved and a reduction in external funding, partly mitigated by employee expenditure forecast to be at the same level as 2022/23, resulting in a £0.300m budget pressure;
  - 4.3.2 Additional security costs of £0.140m;
  - 4.3.3 Additional refuse and cleaning costs of £0.050m; and
  - 4.3.4 A forecast reduction in income of £0.310m from fines, photocopying, room rentals and audio/visual rentals.
- 4.4 Winter Festivals – a budget pressure of £0.4m is forecast, due to the expected level of Winter Market rental income and the expected cost of the Hogmanay Festival.
- 4.5 Under a long-standing contractual commitment, the Council meets property costs of the Traverse Theatre's premises at Saltire Court. Additional costs of £0.125m are currently estimated for 2023/24. The Council is liaising with the landlord's property agent seeking to mitigate this cost.
- 4.6 At this stage, income recovery from the Summer Sessions is estimated to be £0.125m less than budget, principally due to constraints on the use of the Ross Bandstand. This budget pressure was reported to Culture and Communities Committee on 4 October 2022 in the report [Terms and Conditions for Operating Events in Parks: West Princes Street Gardens and the Ross Bandstand](#). A further update will be provided to Committee when reporting the Month Five forecast.
- 4.7 Parks and Greenspaces revenue budget is £4.4m for 2023/24. An unmitigated budget pressure of £0.050m is forecast.
- 4.8 Bereavement Services provided by Scientific Services are within the remit of Culture and Communities Committee. The service is forecasting outturn in line with budget.
- 4.9 The forecasts for Culture and Wellbeing, Parks and Greenspaces and Scientific Services are included in the Place Directorate budget pressure of £1.95m at month three.
- 4.10 The projected Council-wide General Fund budget position based on month three, was reported to the Finance and Resources Committee on 21 September in the

report [Revenue Monitoring 2023/24 – month three report](#). A Council-wide overspend of £13.2m is being projected.

- 4.11 Without identification of mitigating actions, the forecast Council-wide overspend of £13.2m will require application of the General Fund revenue underspend for 2022/23 of £13.7m to achieve a balanced position for 2023/24.
- 4.12 There is potential for further risks to emerge, including the 2023/24 non-teaching employee pay award. Given these factors, no additional commitments should be taken on until the forecast adverse variances have been fully mitigated.
- 4.13 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.
- 4.14 The approved revenue budget for 2023/24 requires Culture and Wellbeing services to achieve incremental savings of £0.796m. These are detailed in Appendix 1 (b). It is anticipated that the 'red' assessed organisation review savings will be mitigated 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 measures to offset residual service pressures and risks during 2023/24.
- 5.2 The month three reports 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, early 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 adverse outturn variances of £1.5m for the Culture and Wellbeing service and £0.050m for the Parks and Greenspaces service.
- 6.2 As of month three, an overall Council-wide overspend of £13.2m is forecast. This includes a projected overspend of £1.95m 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 position by the year-end.

## **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 financial outturn based on financial performance and conditions existing on 30 June 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 [Revenue Monitoring 2023/24 – month three report](#), Finance and Resources Committee, 21 September 2023
- 10.2 [Terms and Conditions for Operating Events in Parks: West Princes Street Gardens and the Ross Bandstand](#), Culture and Communities Committee, 4 October 2022

## **11. Appendices**

---

- 11.1 Appendix 1 (a) – Culture and Communities Committee: Revenue Budget Monitoring 2023/24 - Month Three 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	
<b>Culture and Wellbeing</b>				
Cultural Partnerships and Strategy	6,455	6,983	528	Adv
Community Empowerment	570	570	0	-
Heritage, Cultural Venues and Museums	2,341	2,466	125	Adv
Libraries, Sport and Wellbeing	15,111	15,911	800	Adv
Directorate and service-wide costs.	189	229	40	Adv
<b>Total – Culture and Wellbeing</b>	<b>24,666</b>	<b>26,159</b>	<b>1,493</b>	<b>Adv</b>
<b>Parks and Greenspaces</b>	<b>4,366</b>	<b>4,416</b>	<b>50</b>	<b>Adv</b>

## 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	Amber
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
	<b>TOTAL</b>	<b>796</b>	

SUMMARY	£'000	%
Green assessed	170	22
Amber assessed	426	53
Red assessed	200	25
Black Assessed	-	-
<b>TOTAL</b>	<b>796</b>	<b>100</b>