

## CLYDE MUIRSHIEL PARK AUTHORITY

**To:** Joint Committee

**On:** 19 February 2016

**Item 3**

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**Report by:** The Treasurer

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**Heading:** 2016-17 Revenue Estimates

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### 1. Summary

- 1.1 The following report has been prepared by the Park Treasurer to present the Revenue Estimates and to establish the requisition of the Clyde Muirshiel Park Authority (CMPA) for the financial year 2016/17.
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### 2 Recommendations

- 2.1 It is recommended that members:

- (a) approve the Revenue Estimates of the Joint Committee for the financial year 2016/17 per Appendix 2, and agree the requisitions payable by each member council per Appendix 1, and
  - (b) note any decision on requisitions will be subject to ratification by member Councils and instruct the Park Manager to report back on the implications for Park Services should any member council agree any alteration to the level of requisition recommended by the Park Authority.
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### 3 Background

- 3.1 At its meeting of 20 February 2015, the Joint Committee was advised of the initial findings of a review into the Park's Management and Governance Structure. In anticipation of the outcome of the early stages of this review, which is expected to support the delivery of savings through the rationalisation of costs and income generation, requisition levels for member authorities for 2015/16 were reduced by 5.8%. A further reduction in requisition of 14.3% is proposed.

- 3.2 A review of the staffing structure in early 2015/16 resulted in the release of 4 members of staff under the Voluntary Early Retirement/Voluntary Redundancy scheme which facilitated the achievement of the majority of the savings required to deliver the proposed reduction in requisition for 2016/17.

## **4 Budget Assumptions**

- 4.1 The budget has been constructed on the basis of the following assumptions:-
- inflation on Employee Costs is assumed at 1.0% per annum for 2016/17;
  - costs related to legislative changes ending the current contracted out employers' national insurance arrangements from 1 April 2016 have been included;
  - no inflation adjustment to all non-pay expenditure lines as per the practise adopted in previous years;
  - adjustments to budget lines to reflect operational experience and historic trends; and
  - income from Sales, Fees and Charges reflects the Pricing Policy approved by the Joint Committee on 4 December 2015.
- 4.2 The Park Manager will continue to control expenditure on a "bottom line" basis in order that the effective management of the Park's operational finances continues. Any significant factors which affect either expenditure or income would be reported to Members at the earliest opportunity.

## **5 Financial Overview**

- 5.1 It is recognised that over the medium term, local government in Scotland is likely to face a further contraction in available resources, relating predominately to the provision of revenue grant from the Scottish Government. In this context it is recognised that this is likely to have a consequential impact of the level of requisition funding available to the Park Authority. This was demonstrated by the local government grant settlement position for 2016/17 announced by the Scottish Government in December 2015. Figures for 2017/18 and beyond potentially are not expected to emerge until the second half of 2016. In this context and recognising the uncertainty over the level of financial contraction which local government is likely to face over the medium term, no indicative budget figures are provided for 2017/18. It would be anticipated that at this point next year a 2017/18 budget and medium term planning figures will be presented in the context of a firmer medium term financial outlook for member councils. The requisition income available to the Park Authority has therefore been modelled on the previous planning assumptions reported in February 2015.
- 5.2 The audited accounts for the year ended 31 March 2015 confirmed the level of working balances as £19,767. At its meeting of 20 February 2015, the Joint Committee approved that expenditure for financial year 2015/16 should be contained within available resources and that no draw would be made on reserves. It is currently projected that a surplus of £21,000 will be achieved in financial year 2015/16 which will be returned to reserves. This will leave a

balance of £40,767 going forward into 2016/17, which is 5.0% of the Park's turnover.

- 5.3 Implementation of the outcomes from the review of the Park's Management and Governance Structure will continue over the medium term and any savings identified will be considered in meeting the requirements for further efficiency savings when preparing future years budgets.
- 5.4 The Park Manager, in conjunction with the Treasurer, will present a report to a future meeting of the Joint Committee should its remit and finances be materially affected by any future member council policy decisions.



# Estimates of Expenditure and Income for the Year Ended 31st March 2017

## Clyde Muirshiel Park Authority

### Requisition Payable by Member Authorities

		2015/2016	2016/2017 £	Requisition Payment 2016/17	
		Agreed	Proposed	£ 1st April 2016	£ 1st July, October & December 16
RENFREWSHIRE	60.72%	490,700	420,700	105,100	105,200
INVERCLYDE	24.69%	199,500	171,000	42,600	42,800
NORTH AYRSHIRE	14.59%	117,900	101,100	25,200	25,300
		808,100	692,800		

  

Due Dates	
01-Apr-16	01-Jul-16 01-Oct-16 31-Dec-16



## Clyde Muirshiel Park Authority

## Revenue Estimates for 2016/17

	Approved 2015/16 £	Probable 2015/16	Recommended 2016/17 £
<b>Expenditure</b>			
Employee costs	825,400	828,400	729,500
Property Costs	55,200	55,400	55,200
Supplies & Services	147,700	148,600	147,700
Contractors	14,800	14,800	14,800
Transport	41,700	66,800	41,700
Administration Costs	70,900	71,400	70,900
Payments to Other Bodies	600	600	600
<b>Total Budgeted Expenditure</b>	<b>1,156,300</b>	<b>1,186,000</b>	<b>1,060,400</b>
<b>Income</b>			
Shop Retail Income	181,200	175,000	186,200
Sales, fees & charges	144,000	173,600	158,400
Other Income	23,000	50,300	23,000
Total Generated Income	348,200	398,900	367,600
Requisition Payable by Member Councils	808,100	808,100	692,800
<b>Total Budgeted Income</b>	<b>1,156,300</b>	<b>1,207,000</b>	<b>1,060,400</b>
<b>Budgeted (Surplus)/Deficit for Year</b>	<b>0</b>	<b>(21,000)</b>	<b>0</b>
<b>Reserves</b>			
Reserves brought forward	19,767	19,767	40,767
Budgeted surplus/(deficit) for year	(0)	21,000	0
Reserves carried forward	<b>19,767</b>	<b>40,767</b>	<b>40,767</b>
		5.04%	5.88%

## Further analysis of Requisitions

## Requisitions per council

Renfrewshire	490,700	490,700	420,700
Inverclyde	199,500	199,500	171,000
North Ayrshire	117,900	117,900	101,100
	<b>808,100</b>	<b>808,100</b>	<b>692,800</b>
Reduction in requisitions			14.3%
<b>Requisition Movement in Year</b>	<b>2015/16</b>	<b>Inflation</b>	<b>2016/17</b>
Renfrewshire	490,700	(70,000)	420,700
Inverclyde	199,500	(28,500)	171,000
North Ayrshire	117,900	(16,800)	101,100
	<b>808,100</b>	<b>(115,300)</b>	<b>692,800</b>