

## CLYDE MUIRSHIEL PARK AUTHORITY

**To:** Joint Committee

**On:** 4 September 2020

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**Report by:** The Treasurer

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**Heading:** Revenue Budget Monitoring Report to 24 July 2020

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### 1. Summary

- 1.1 Gross Expenditure is currently £83,000 underspent and income is £109,000 under recovered resulting in a net overspend of £26,000. This is summarised in point 4.
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### 2 Recommendations

- 2.1 It is recommended that members consider the report, and note the decisions of Inverclyde and Renfrewshire Councils to terminate the agreement governing the joint committee with effect from 1 April 2021.
- 2.2 Agree that in winding up the joint committee, all available reserve and project balances be utilised to address the current year projected deficit, with any residual balance being distributed in proportion to the agreed requisition contributions for 2020/21. In the event that there are insufficient reserve balances to meet the actual deficit incurred, further agree that additional funding be provided by requisitioning councils in proportion to the requisition contributions in 2020/21 to address the shortfall.
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### 3 Budget Adjustments Since Last Report

- 3.1 There have been no budget adjustments since the start of the financial year.
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## 4 Budget Performance

<b>4.1 Current Position</b> <i>Previously Reported</i>	<b>Net Overspend £26,000</b> <i>N/A</i>
<b>Projected Year End Position</b> <i>Previously Reported</i>	<b>Net Overspend £166,700</b> <i>N/A</i>

The current net overspend of £26,000, which is projected to climb to £166,700, is due to the Covid-19 pandemic which resulted in the closure of The Park at the end of March 2020. The outdoor spaces have now re-opened, but the income generating activities remain closed, except for a takeaway café service at Castle Semple which re-opened mid-July.

At the Joint Committee meeting on the 19 June 2020 it was agreed that only 50% of the reserves balance of £112,036 held as at the 31 March 2020 could be utilised to meet the projected overspend, any overspend above this value of £56,000 would need to be approved by the Joint Committee.

At this stage in the financial year the projected year end overspend of £166,700 is above the agreed threshold and the total value of the current reserves balance. The projected outturn is based on no commercial income being generated in 2020/21. The takeaway café service at Castle Semple has just re-opened and the overall profit from this service has yet to be finalised. Any changes to these projections will be detailed in future reports to the Joint Committee.

In addition, it is currently anticipated that historic project balances will be released in the course of 2020/21 which will also be directed to address the in year projected deficit. This may result in a position where total project balances, when added to the full general reserve balance of £112,036 would meet the current projected overspend. In this event, any residual reserve balance would require to be returned to requisitioning councils, and it is proposed that in this event, balances are returned in proportion to the requisition payments made in 2020/21.

In the event that the total of project balances and general reserves is insufficient to meet the actual deficit incurred, then it is proposed that funding to address the remaining deficit be provided by requisitioning councils, again in proportion to the requisition payments made in 2020/21.

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RENFREWSHIRE COUNCIL  
REVENUE BUDGET MONITORING STATEMENT 2020/21  
1st April 2020 to 24th July 2020

JOINT COMMITTEE : CLYDE MUIRSHIEL PARK AUTHORITY

Description  (1)	Agreed Annual Budget	Year to Date Budget	Year to Date Actual	Adjustments	Revised Actual	Budget Variance		
	(2)	(3)	(4)	(5)	(6) = (4 + 5)	(7)		
	£000's	£000's	£000's	£000's	£000's	£000's	%	
Employee Costs	587	175	146	(1)	145	30	17.4%	underspend
Premises Related	35	10	13	(4)	9	1	10.0%	underspend
Supplies and Services	174	49	0	5	5	44	89.8%	underspend
Transport Costs	33	10	5	0	5	5	50.0%	underspend
Support Services	38	1	(2)	0	(2)	3	300.0%	underspend
Transfer Payments	2	0	(1)	1	0	0	0.0%	breakeven
<b>GROSS EXPENDITURE</b>	<b>869</b>	<b>245</b>	<b>161</b>	<b>1</b>	<b>162</b>	<b>83</b>	<b>34.0%</b>	<b>underspend</b>
Contributions from Local Authorities	(436)	(218)	(218)	0	(218)	0	0.0%	breakeven
Other Income	(349)	(109)	(65)	65	0	(109)	-100.0%	under-recovery
<b>INCOME</b>	<b>(785)</b>	<b>(327)</b>	<b>(283)</b>	<b>65</b>	<b>(218)</b>	<b>(109)</b>	<b>-33.3%</b>	<b>under-recovery</b>
<b>TRANSFER (TO)/FROM RESERVES</b>	<b>84</b>	<b>(82)</b>	<b>(122)</b>	<b>66</b>	<b>(56)</b>	<b>(26)</b>	<b>-31.2%</b>	<b>overspend</b>

	£000's
Bottom Line Position to 24th July 2020 is an overspend of	<u>(26)</u>
Anticipated Year End Budget Position is an overspend of	<u>(83)</u>
Opening Reserves	(112)
Projected Draw on Reserves	<u>167</u>
Projected Closing Reserves	<u>55</u>

**Glossary of Terms**

**Employee Costs** - Includes direct employee costs such as salary costs, overtime and indirect employee Costs such as training, recruitment advertising.

**Premises Related** - This group includes expenses directly related to the running of premises and land. Includes rates, rents and leases, utilities, contract cleaning.

**Supplies & Services** - This includes all direct supplies and service expenses incurred by the committee. Also includes administrative costs such as stationary, postages, printing in addition to ICT equipment, telephony equipment and non recruitment related advertising.

**Support Services** - Includes central support charges e.g Renfrewshire Council SLA.

**Transfer Payments** - Includes costs of payments to individuals for which no good or services are received in return e.g Apprenticeship Levy (previously reported under employee costs).

**Transport Costs** - This group includes all costs associated with the provision, hire or use of transport, including travelling allowances. Includes taxi and car hire costs, Includes staff mileage (previously reported employee costs).