

**Report To:** Regeneration Committee      **Date:** 14 January 2010  
**Report By:** Chief Financial Officer and  
Corporate Director Regeneration      **Report No:** FIN/84/09/AP/CB  
and Resources  
**Contact Officer:** Alan Puckrin      **Contact No:** 01475 712223  
**Subject:** Proposed Budget Clyde Muirshiel Park Authority 2010/11

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### **1.0 PURPOSE**

- 1.1 The purpose of the report is for the Committee to consider and approve the revised budget for Clyde Muirshiel Park Authority for financial year 2010/11 and note the indicative budget for 2011/12.

### **2.0 SUMMARY**

- 2.1 The current budgeted contribution was agreed at the Policy and Resources Committee on 13 January 2009 and is part of the two year budget set for financial years 2009/10 and 2010/11.
- 2.2 The Revenue Estimates Report of December 2009 to the Joint Committee for Clyde Muirshiel Park Authority identifies cost reductions to the current budgeted level of resources, resulting in savings of £500 in 2009/10 and £6,800 in 2010/11, as a result of the policy decision to freeze the contribution level from Local Authorities.

### **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that Committee consider and approve the revised budget estimates for Clyde Muirshiel Park Authority for financial year 2010/11 and note the indicative budget for 2011/12.

Alan Puckrin  
Chief Financial Officer

#### 4.0 BACKGROUND

4.1 Inverclyde Council, along with Renfrewshire and North Ayrshire Councils provide joint funding to the Clyde Muirshiel Park Authority.

The purpose of the report is for the Committee to consider and approve the revised budget for Clyde Muirshiel Park Authority for financial year 2010/11 and note the indicative budget for 2011/12.

#### 5.0 CURRENT POSITION

5.1 The Council agreed the current budgeted contribution, £272,600 for 2009/10 and £278,900 for 2010/11 at the Policy and Resources Committee on 13 January 2009.

5.2 Clyde Muirshiel Park Authority has submitted a revised level of contribution of £272,100 for 2009/10 and £272,100 for financial year 2010/11 and £261,200 for 2011/12. This results in savings of £500 in 2009/10 and £6,800 in 2010/11 and is direct result of the policy decision to freeze the current level of contribution from each of the three participating local authorities.

This will not impact on the level of service delivery by Clyde Muirshiel Park Authority.

#### 6.0 PROPOSALS

6.1 The budgeted level of contribution be revised to reflect the requested level of resourcing, per above and the attached report Revenue Estimates Report 2010/11 at Appendix 1.

This is subject to the Joint Committee of Clyde Muirshiel Park Authority approving the recommendation to freeze contributions on 11 December 2009.

#### 7.0 VIREMENTS

7.1 There are no virement requests within this report.

#### 8.0 IMPLICATIONS

8.1 Financial Implications - Annually Recurring Costs / (Savings)

Cost Centre	Budget Heading	Budget Years	Proposed Saving in This Report	Virement From	Other Comments
Leisure and Community	Contributions to Clyde Muirshiel Park	2009/10	(£500)	n/a	n/a
		2010/11	(£6,800)	n/a	n/a

#### 9.0 EQUALITIES

9.1 There are no equality issues arising from this report.

#### 10.0 CONSULTATIONS

10.1 Consultation has taken place between the Chief Financial Officer, Corporate Director Regeneration and Resources and Clyde Muirshiel Park Authority.

**CLYDE MUIRSHIEL PARK AUTHORITY**

To: JOINT COMMITTEE

On: 11 December 2009

**Report by Treasurer**

**REVENUE ESTIMATES 2010/11**

**1. SUMMARY**

- 1.1 The following report has been prepared by the Park Treasurer to present the Revenue Estimates of the Clyde Muirshiel Park Authority (CMPA) for the financial year 2010/11 and for the purposes of establishing the 2010/11 requisition to be built into the Revenue Estimate process of the constituent authorities.
- 1.2 In the current economic climate all local authority expenditure will be under extreme pressure to ensure best value across services with expectations of reductions in expenditure over at least the next Comprehensive Spending Review period, 2011/12 to 2013/14. The CMPA will inevitably be exposed to these significant expenditure constraints and should begin to make appropriate plans, on the basis of an expectation of reducing requisition levels over this period.

**2. RECOMMENDATIONS**

- 2.1 It is recommended that Members:-
- (a) consider the Revenue Estimates of the Joint Committee for the financial year 2010/11 per Appendix 1 based on the continuing level of service agreed by the Park Authority for the financial year 2009/10 and member Councils and agree the requisitions payable by each member Council per Appendix 1 page 4,
  - (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,
  - (c) agree that the Park Manager bring back a further report to a future Joint Committee, reflecting any change in circumstance which will impact on delivery of service,
  - (d) note the revenue budget plan for 2010/13 per Appendix 2 and the indicative levels of local authority contributions for financial years 2011/12 and 2012/13 based on current levels of service, and

- (e) agree that the Park Manager, in conjunction with the Treasurer, 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.

### **3. BACKGROUND INFORMATION**

#### **3.1 Base Budget Review**

- 3.1.1 The base budget has been constructed on the basis of the cost of the current level of service provided by the Park Authority. It should be noted that the current pay deal ends on the 31<sup>st</sup> March 2010 and will be the subject of future negotiations between employers and trade unions. Due to the current financial climate, it is not expected that any pay settlement will reach levels previously awarded. For budget planning purposes, an assumed maximum pay award of 1% has been applied to payroll costs and in line with practice in previous years no inflation has been applied to non-payroll expenditure lines.

#### **3.2 Budget Management**

- 3.2.1 The Park Manager will continue to manage expenditure by the "bottom line" budget methodology in order that the effective management of the Park Authority operational finances continues. Any significant factors which affect the expenditure, income or service delivery would be reported to members at the earliest opportunity.

#### **3.3 Revised Terms and Conditions**

- 3.3.1 The host authority, Renfrewshire Council, implemented a new terms and conditions package for Council employees on 1<sup>st</sup> October 2009, which includes those employed at Clyde Muirshiel Park. These changes have had an impact in two key areas, namely overtime payments and allowances. From a financial perspective, the main impact has been on allowances that a number of Park employees currently receive, which will no longer be paid.

#### **3.4 Working Balances**

- 3.4.1 The Park Authority has a working balance of £75,606 per the audited 2008/09 Accounts, of which £10,000 is set aside for specific purposes. This is above the prudent level of working balances recommended by the Treasurer.
- 3.4.2 Implementation of the new terms and conditions package is forecast to cost £123,000 in compensation payments, offset by a part year saving of £36,000 from allowances and overtime not being paid. The difference of £87,000 will be deducted from the Park's working balances in 2009/10.
- 3.4.3 The Park is targeting an operating underspend in the current year of £22,000. Achieving this will result in the general reserves reducing to zero at the end of 2009/10.
- 3.4.4 The Treasurer recommends maintaining general reserves in the region of £50,000. In order to achieve this in 2010/11, the Park is estimated to return a surplus of approximately £52,000 in order to return the balances to the recommended levels.

### 3.5 **Savings**

- 3.5.1 It is anticipated that the Park Manager will continue, subject to the constraints outlined above, with the practice of maximising retail income generation to assist in the funding of the Park activities in order to maintain expenditure on core areas.
- 3.5.2 It is expected that effort will continue by the Park Manager and his staff to maximise grant funded opportunities.

### 3.6 **Requisitions Payable by Member Councils**

- 3.6.1 The Park Authority recommended a budget for 2009/10 which assumed £1,102,000 would be paid by member authorities. The Revenue Estimates as submitted propose freezing the requisition for member authorities, keeping the total requisition at £1,102,000 for 2010/11.

### 3.7 **Estimates 2011/12 and 2012/13**

- 3.7.1 In order to provide members with an estimate of the level of requisition required to maintain the stated level of service for the financial years 2011/12 and 2012/13, the following assumptions have been applied. (See Appendix 2):
- a. 1% inflation on employee costs is estimated for each year;
  - b. Superannuation costs continue to rise by a further 1% each year;
  - c. No inflation has been assumed on non payroll related costs, however it has been assumed that income generated will increase at a level of 2.5%;
  - d. No temporary interest will be generated;
  - e. The level of usage of the Park facilities by each member Council will remain at the levels currently determined by each respective Council's policy on educational and social issues and relevant funding available to support this. The effect of any changes in Council policy or potential funding streams and the financial impact will be reported to members at a future committee.
- 3.7.2 To maintain general reserve balances of around £50,000 to £60,000 a reduction in requisitions of £44,100 (4%) in 2011/12 and no movement in 2012/13 is proposed.

### 3.8 **Future Developments**

- 3.8.1 Any developments which influence future year estimates will be reported to future Joint Committees, together with the resultant financial implications.

### 3.9 **2010/2011 Requisition Analysis**

- 3.9.1 The requisition amongst the 3 constituent authorities for 2010/2011 will amount to £1,102,000, unchanged from the 2009/10 requisition levels. The requisition is explained as follows:-

	£'000
<b>2009/10 Requisition</b>	<b>1,102</b>
Payroll inflation	10
Superannuation increase	17
Increase in income	(7)
Impact of new terms and conditions	(73)
Budgeted replenishment of balances	53
 <b>2010/11 REQUISITION</b>	 <b>1,102</b>

### **3.10 Revenue Estimates**

3.10.1 The Revenue Estimates and requisition analysis are attached.

3.10.2 Members wishing any further information should contact the Treasurer.

**CLYDE MUIRSHIEL PARK AUTHORITY**

**ESTIMATES OF EXPENDITURE AND INCOME**

**FOR THE YEAR ENDING 31 MARCH 2011**

**ESTIMATES OF EXPENDITURE AND INCOME FOR THE YEAR ENDED 31 MARCH 2011**

**CLYDE MUIRSHIEL PARK AUTHORITY**

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Estimates of Expenditure and Income for the Year Ended 31st March 2011  
Clyde Muirshiel Park Authority

Line No.	Expenditure	2009/10 Estimates	Impact of T&Cs	Unavoidable Adjustments	Inflation Adjustment	2010/11 Estimates
		£	£	£	£	£
1	<b>Employee Costs</b>	<b>1,043,800</b>	<b>-72,600</b>	<b>17,000</b>	<b>9,600</b>	<b>997,800</b>
2	Salaries - aptc	372,900	-11,500		3,600	365,000
3	Salaries - manual	81,100	-9,900		700	71,900
4	Salaries - rangers	391,900	-51,200		3,400	344,100
5	Superannuation - aptc	58,600		9,300	700	68,600
6	Superannuation - manual	15,100		-300	100	14,900
7	Superannuation - rangers	63,300		8,000	700	72,000
8	Pension increases	300			0	300
9	NI - aptc	20,900			200	21,100
10	NI - manual	4,500			0	4,500
11	NI - rangers	24,400			200	24,600
12	Training	7,000			0	7,000
13	Travel & subsistence - others	3,800			0	3,800
14	<b>Property Costs</b>	<b>59,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>59,500</b>
15	Cleaning materials	2,000			0	2,000
16	Electricity	21,900			0	21,900
17	Furniture & fittings	2,000			0	2,000
18	Gas	2,100			0	2,100
19	Property insurance	14,300			0	14,300
20	Rates	10,800			0	10,800
21	Rents & leases	1,400			0	1,400
22	Other property costs	5,000			0	5,000
23	<b>Supplies &amp; Services</b>	<b>148,900</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>148,900</b>
24	Clothing / uniforms	8,900			0	8,900
25	Materials - parks	16,000			0	16,000
26	Office equipment	3,600			0	3,600
27	Office equipment rental	2,500			0	2,500
28	Resaleable items	81,900			0	81,900
29	Tools, equipment	14,200			0	14,200
30	Other supplies & services	21,800			0	21,800
31	<b>Contractors</b>	<b>8,300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,300</b>
32	Work by contractors	8,300			0	8,300
33	<b>Transport</b>	<b>44,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>44,400</b>
34	Internal transport - leasing	33,200			0	33,200
35	External fuel	9,800			0	9,800
36	External hires	400			0	400
36	Other transport	1,000			0	1,000
37	<b>Administration Costs</b>	<b>62,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>62,500</b>
38	Advertising	9,300			0	9,300
39	Conference / course expenses	1,400			0	1,400
40	Insurance	8,800			0	8,800
41	Postage	1,100			0	1,100
42	Printing and stationery	2,600			0	2,600
43	Support Service Charges	30,100			0	30,100
43	Telephones	7,700			0	7,700
44	Other administration costs	1,500			0	1,500
45	<b>Payments to Other Bodies</b>	<b>1,200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,200</b>
46	Audit fees	1,200			0	1,200
47	<b>Unallocated Savings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
48	Unallocated Savings	0			0	0
49	<b>Total Expenditure</b>	<b>1,368,600</b>	<b>-72,600</b>	<b>17,000</b>	<b>9,600</b>	<b>1,322,600</b>

Estimates of Expenditure and Income for the Year Ended 31st March 2011  
Clyde Muirshiel Park Authority

Line No.	Income	2009/10 Estimates £	Impact of T&Cs £	Unavoidable Adjustments £	Inflation Adjustment £	2010/11 Estimates £
1	<b>Other Income</b>	<b>1,368,600</b>	0	0	6,700	<b>1,375,300</b>
2	Shop Retail Income	155,600			3,900	159,500
3	Sales, fees & charges	111,000			2,800	113,800
4	Temporary interest	0			0	0
5	Transfer from Excess Member Contributions	0			0	0
6	<b>Requisition Payable by Member Councils</b>	<b>1,102,000</b>		0	0	<b>1,102,000</b>
7	<b>Total income</b>	<b>1,368,600</b>	0	0	6,700	<b>1,375,300</b>
8	<b>Total Expenditure</b>	<b>1,368,600</b>	<b>-72,600</b>	<b>17,000</b>	<b>9,600</b>	<b>1,322,600</b>
9	<b>Net Expenditure</b>	<b>0</b>	<b>-72,600</b>	<b>17,000</b>	<b>2,900</b>	<b>-52,700</b>

1	<b>Application of Balances</b>					
2	Surplus brought forward	75,600	-87,100			-11,500
3	Surplus / (deficit) for year	22,000				74,700
4	<b>Surplus / (deficit) carried forward</b>	<b>97,600</b>				<b>63,200</b>

## Estimates of Expenditure and Income for the Year Ended 31st March 2011

## Clyde Muirshiel Park Authority

## Requisition Payable by Member Authorities

		2009/10 Agreed	2010/11 £ Draft	2011/2012 £ Indicative	2012/2013 £ Indicative	Requisition Payment 2010/11	
						£	£
RENFREWSHIRE	60.72%	669,100	669,100	642,400	642,400	167,200	167,300
INVERCLYDE	24.69%	272,100	272,100	261,200	261,200	68,100	68,000
NORTH AYRSHIRE	14.59%	160,800	160,800	154,300	154,300	40,200	40,200
		1,102,000	1,102,000	1,057,900	1,057,900		

Due Dates	
01-Apr-10	01-Jul-10 01-Oct-10 31-Dec-10

CLYDE MUIRSHIEL PARK AUTHORITYREVENUE ESTIMATES 2009/10 TO 2012/13OVERVIEW

	Revised 2009/10	2010/11	2011/12	2012/13
	£	£	£	£
<b>Expenditure</b>				
Employee Costs	1,043,800	997,800	1,002,000	1,018,000
Property Costs	59,500	59,500	59,500	59,500
Supplies and Services	148,900	148,900	148,900	148,900
Contractors	8,300	8,300	8,300	8,300
Transport	44,400	44,400	44,400	44,400
Administration Costs	62,500	62,500	62,500	62,500
Payment to Other Bodies	1,200	1,200	1,200	1,200
<b>Total Expenditure</b>	<b>1,368,600</b>	<b>1,322,600</b>	<b>1,326,800</b>	<b>1,342,800</b>
<b>Income</b>				
<u>Other Income</u>				
Shop Retail Income	155,600	159,500	163,500	167,600
Sales, Fees & Charges	111,000	113,800	116,600	119,500
<b>Total Other Income</b>	<b>266,600</b>	<b>273,300</b>	<b>280,100</b>	<b>287,100</b>
<b>Total Income</b>	<b>266,600</b>	<b>273,300</b>	<b>280,100</b>	<b>287,100</b>
<b>Net Expenditure</b>	<b>1,102,000</b>	<b>1,102,000</b>	<b>1,057,900</b>	<b>1,057,900</b>
<b>Funded by :</b>				
Contributions	1,102,000	1,102,000	1,057,900	1,057,900
Transfer from/(to) Balances	(22,000)	(52,700)	(11,200)	(2,200)
<b>Total Funding</b>	<b>1,080,000</b>	<b>1,049,300</b>	<b>1,046,700</b>	<b>1,055,700</b>
<b>Application of Balances</b>				
Surplus / (deficit) b/forward	75,600	600	53,300	64,500
Less ringfenced funding	(10,000)			
Terms and conditions cost	(123,000)			
Part year saving	36,000			
Projected underspend	22,000	52,700	11,200	2,200
<b>Surplus carried forward</b>	<b>600</b>	<b>53,300</b>	<b>64,500</b>	<b>66,700</b>
<b>Requisition Analysis</b>				
	<i>Agreed</i>	<i>Recommended</i>	<i>Indicative</i>	<i>Indicative</i>
Inverclyde	272,100	272,100	261,200	261,200
North Ayrshire	160,800	160,800	154,300	154,300
Renfrewshire	669,100	669,100	642,400	642,400
	<b>1,102,000</b>	<b>1,102,000</b>	<b>1,057,900</b>	<b>1,057,900</b>