

DATA LABEL: PUBLIC



CULTURE AND LEISURE POLICY DEVELOPMENT AND SCRUTINY PANEL

2021/22 FINANCIAL PERFORMANCE – MONTH 6 MONITORING REPORT

REPORT BY HEAD OF FINANCE AND PROPERTY SERVICES

A. PURPOSE OF REPORT

To provide the Panel with an update on the financial performance of the Culture and Leisure portfolio.

B. RECOMMENDATION

It is recommended that the Panel:

1. Notes the financial performance of the Culture and Leisure portfolio as at month 6;
2. Notes that the Culture and Leisure portfolio position at month 6 is part of the overall council budget position which was reported to Council Executive on 16 November 2021;
3. Notes any actions required to be taken by Heads of Service and budget holders to manage spend within available resources.

C. SUMMARY OF IMPLICATIONS

I Council Values	Focusing on customers' needs, being honest, open and accountable, making best use of resources, working in partnership.
II Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)	Local Government (Scotland) Act 1973, Section 95; Local Government in Scotland Act 2003, section 1-14.
III Implications for Scheme of Delegations to Officers	No implications at this stage.
IV Impact on performance and performance indicators	Effective budget management is an essential element of service performance. Additional financial reporting provides elected members with information to allow for proper scrutiny of performance of services.
V Relevance to Single Outcome Agreement	The revenue budget provides resources necessary to help deliver the Single Outcome Agreement. Effective prioritisation of resources is essential to achieving key outcomes.
VI Resources – (Financial, Staffing and Property)	An underspend of £19,000 is the forecast position for the Culture & Leisure portfolio revenue budget in 2021/22.
VII Consideration at PDSP	A financial performance report is presented to the Panel twice yearly on an ongoing basis.

VIII Other Consultations

Depute Chief Executive, Head of Operational Services, Head of Education (Learning, Policy & Resources) and Head of Education (Quality Assurance).

D. TERMS OF REPORT

D.1 Introduction

This report provides an update on the general fund revenue financial performance in respect of the Culture and Leisure Policy Development and Scrutiny Panel (PDSP) portfolio of services. The council's revenue budget is operationally managed at a Head of Service level, and the financial position included within this report formed part of the overall council position which was reported to Council Executive on 16 November 2021. This report also includes the position on the delivery of approved budget reduction measures relevant to the Culture and Leisure portfolio for 2021/22.

The budget monitoring process is undertaken in line with the council's budgetary control framework and procedures, which place particular focus on a risk based and pro-active approach to budget monitoring.

This report focuses on the financial performance of council services which further enhances the information presented to elected members to allow scrutiny of service and financial performance. The report contains reference to key performance measures for service areas which are contained within Service Management Plans and referenced in the 2019/20 Local Government Benchmarking Framework (LGBF) data-set. LGBF data for 2020/21 will be collated by the Improvement Service and will be made available later in the financial year. The cost information for the LGBF for 2020/21 and 2021/22 will be materially impacted by Covid-19 related changes to expenditure and income.

D.2 Financial Information for 2021/22 Month 6 Position

The table below summarises the position in relation to service expenditure for the portfolio area. As part of the monitoring exercise, a number of key risks and service pressures have been identified and these are noted in the narrative for the relevant service area.

Service	Budget £'000	Month 6 Forecast £'000	Variance £'000
GENERAL FUND REVENUE			
Learning, Policy & Performance			
Adult Learning & Youth Services	2,290	2,282	(8)
Learning, Policy & Resources - Total	2,290	2,282	(8)
Strategic Resources			
Culture & Sports	3,143	3,132	(11)
Strategic Resources - Total	3,143	3,132	(11)
TOTAL GENERAL FUND REVENUE	5,433	5,414	(19)

D.3 Summary of Main Issues in Service Expenditure Budgets and Impact on Performance

D.3.1 General Fund Revenue – Learning, Policy & Performance

Adult Learning & Youth Services

The Adult Learning and Youth Services budget is forecast to make a small underspend of £8,000 in 2021/22. During the summer months the service was responsible for the delivery

of the Scottish Government funded initiative Summer of Play which supported a range of activities for children and young people and their families over the summer.

In relation to service performance, the percentage of pupils entering positive destinations is 94.81% in West Lothian, a significant increase from previous years and largely the result of the dedicated More Choices More Chances (MCMC) team working closely with secondary schools and other Developing the Young Workforce partners. In terms of community-based youth work, the number of youth work opportunities offered through virtual youth groups, home learning packs, and the Summer Keyworker Childcare Hubs delivered by the Work with Young People (WwYP) team, for quarter 2, 2020/21 was 4,196 against a target of 2,900.

D.3.2 General Fund Revenue – Strategic Resources

Culture & Sports

Overall, a small projected underspend within Culture & Sports of £11,000. This is from small savings made from staffing costs within the service.

Within Arts, a breakeven position is projected. An under recovery of income at Burgh Halls is forecast as a result of Covid-19 restrictions. This will be offset by additional funding as agreed by Council in February 2021. Income generating services have resumed however, they are not anticipated to reach pre-pandemic performance this financial year and there is a risk that this may continue into 2022/23. A review of operations is underway to inform development of a longer-term business recovery plan for the venue. Income and expenditure will continue to be monitored in conjunction with FMU through established processes.

West Lothian Leisure's (WLL) latest forecast shows a projected deficit of £273,000 for 2021/22 and a minimum cash balance of £990,000 in February 2022. This is an improvement on the original budgeted figures as WLL was able to open its venues sooner than budgeted, it's Membership, Club and Pay per Visit income has built up faster than budgeted and strong cost control has been undertaken by WLL. The council has agreed a £3 million contingency to help WLL cope with the continuing demands of Covid-19 over 2021/22 and 2022/23. Quarterly Business Gateway Reviews are being undertaken to assess WLL's need for additional funding from this reserve and payments will be made accordingly. To date, payments of £375,000 has been made in each of Quarters 1, 2 & 3 in 2021/22. The projected figures noted above for 2021/22 include £1.5 million of this £3 million contingency. October 2021 usage of WLL facilities/activities was 63% of pre Covid-19 levels and membership numbers are around 80% of pre Covid-19 levels, indicating signs of recovery.

In terms of service performance in Culture and Sport the LGBF includes two indicators relating to Sport. The first is the cost per attendance at sports facilities and the council is ranked 13th out of 32 local authorities with a unit cost of £2.22. This indicator includes costs for both the council and West Lothian Leisure facilities. It is anticipated that this cost will reduce in coming years as West Lothian Leisure rolls out its business plan which will aim to reduce spend and maximise income. The second measure relates to the percentage of adults satisfied with leisure facilities. For West Lothian Council this percentage is 77.87% and this compares favourably to the Scottish national average of 71.43%.

D.3.8 General Fund Revenue – Monitoring of approved budget reductions

For the Culture and Leisure portfolio, savings in 2021/22 were delivered in full. The savings to be delivered for the portfolio area in 2022/23 have largely been achieved. WLL is aware of the requirement to deliver a phased reduction to their management fee, and this is incorporated in their financial plan.

E. SUMMARISED BUDGET POSITION FOR 2021/22

The month 6 position is an underspend of £19,000 within the General Fund Revenue budget for the Culture and Leisure portfolio.

F. FUTURE BUDGET ISSUES AND RISKS

There remains significant risks and uncertainties associated with the financial assumptions in the council's budget which continue to be monitored, including the continuing impact of Covid-19 and the recovery from it. The 2021/22 pay award is a risk as agreement has still to be reached between COSLA and the trade unions.

Looking ahead, there remains risk and uncertainty around the financial position and it is essential that savings are progressed to implementation and where material pressures remain, mitigating actions are taken to ensure existing pressures are managed on a recurring basis. Future pay awards will also be a key risk going forward.

Specifically for the Culture and Leisure portfolio, the key risks and uncertainties include:

- Requirement to fully implement the business plan at Linlithgow Burgh halls to mitigate the recurring budget pressure.
- WLL's ability to achieve financial sustainability after the Covid-19 pandemic.

G. CONCLUSION

The forecast position for the Culture and Leisure portfolio is an underspend of £19,000. As noted, the position for the Culture and Leisure portfolio is part of the overall outturn forecast position for 2021/22 which was reported to Council Executive on 16 November 2021.

H. BACKGROUND REFERENCES

1. Council Executive 2021/22 General Fund Revenue Budget – Month 6 Monitoring Report – 16 November 2021
2. Local Government Benchmarking Framework

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