

REPORT FOR EDLC BOARD	
Report Title:	Leisure and Cultural Trust Management Fee / Budget 2017 - 2018
Contact officer:	Mark Grant
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Agenda Item No:	6
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1. INTRODUCTION

- 1.1 The purpose of this report is to advise the Board of the Level of Management from EDC for 2017 / 2018 and the additional Budget pressures allocated to EDLC which were approved at the Council meeting on February 23rd 2017.
- 1.2 East Dunbartonshire Council have advised that the Management Fee for 2017/18 would remain at the previous year's level of £4,930,500
- 1.3 Discussions with the Council also highlighted additional budget pressures which added to the existing budget pressures identified by EDLC officers mean that the Trust will have an operating deficit this financial year with the shortfall being met from EDLC reserves. Details of the budget for this year and projected deficit are detailed in Appendix 1 along with the current reserve levels.

2. BACKGROUND

- 2.1 The Council have advised that EDLC will have to meet additional costs this financial year and these were circulated to the Board in February. The two main areas were the additional cost associated with the implementation of the Pay and Grading Model and allocation of Carbon Reduction Costs to EDLC. The combined cost of these is estimated at £435,500.
- 2.2 The Finance and Audit Sub Committee met on March 1st to discuss the impact of the budget pressures and work was carried out to estimate the level of deficit for this financial year. The budget details contained in Appendix 1 estimate a budget deficit of £318,486.
- 2.3 This deficit figure includes a part year saving of £52,500 for the implementation of the Health and Fitness Service Review which involves two grade 6 posts one of which is currently a vacancy. If this is not progressed the deficit figure would be £370,986.
- 2.4 The cost of release for the Culture Development Service has been calculated at £675K with EDC currently advising that they will only meet 50% of the cost with EDLC required to fund the remaining 50% from reserves. Based on these figures it would be prudent for

the Board to consider if they wish approve the implementation of the review taking account of the significant impact this would have on current EDLC reserve levels.

3. RECOMMENDATIONS

3.1 It is recommended that the Board:-

- a) Notes the details provided on the 2017 /18 Budget.
- b) Agree that the Finance and Audit Committee provide a detailed report on the on-going viability of EDLC with the current level of Management Fee from East Dunbartonshire Council.
- c) Remit the Finance and Audit Committee to meet with Council Representatives after the Summer recess to discuss the impact of the budget pressures and establish future funding levels for EDLC.
- d) Agree a position on the outstanding Services Reviews implementation taking account of the impact on EDLC reserve levels.