
Report To:	Education & Communities Committee	Date:	13 June 2017
Report By:	Chief Financial Officer and Corporate Director Education, Communities and Organisational Development	Report No:	FIN/35/17/AP/IC
Contact Officer:	Iain Cameron	Contact No:	01475 712832
Subject:	Communities 2016/17 Revenue Budget Report- Probable Out Turn as at 31 March 2017		

1.0 PURPOSE

- 1.1 To advise Committee of the 2016/17 Probable Out-turn for the Revenue Budget at 31 March 2017.

2.0 SUMMARY

- 2.1 The total Communities budget for 2016/17, excluding Earmarked Reserves, is currently £8,620,590. This is an increase of £275,110 from the approved budget. Appendix 1 provides details of this movement. The latest projection is an underspend of £45,000 (0.5%), which is a reduction in expenditure of £62,000 since the last Committee.
- 2.2 The main variances to highlight for the 2016/17 Revenue Budget are –
- (a) Projected overspend of £151,000 due to a prior year adjustment being required following a review of historical debt related to school / pitch lets income. The review was carried out in conjunction with Inverclyde Leisure and concluded that there was an over statement of income in 2015/16.
 - (b) Projected underspend of £69,000 for Safer Communities Employee Costs due to a number of posts remaining vacant until the end of the Financial Year.
 - (c) Projected overspend of £29,000 for CCTV Line Rental due to a backdated charge from the supplier which relates to previous years.
 - (d) Projected underspend of £26,000 for Environmental Health sampling due to the contingency for increased volume of samples not being required in 2016/17.
 - (e) Projected underspend of £47,000 for Waivers mainly due to a reduction in volume due to the introduction of the new waivers policy.
 - (f) Projected underspend of £24,000 for Community Hubs Resources within Community Halls.
 - (g) Projected underspend of £43,000 for Support for Community Facilities. The full budget is not required until 2017/18 when the new facilities will be fully operational.
 - (h) Projected shortfall in Schools and Halls Lets Income of £39,000.

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- 2.3 Earmarked Reserves for 2016/17 total £3,304,000 of which £599,000 is projected to be spent in the current financial year. Spend to date per profiling was expected to be £1,425,000, therefore slippage is £826,000 or 58.0%. The majority of the slippage relates to Support For Owners. This work was originally expected to be completed by March 2017 but following permission from the Scottish Government, the work has now been scheduled for completion in 2017/18.

3.0 RECOMMENDATIONS

- 3.1 That the Committee notes the probable out-turn for the 2016/17 Revenue Budget as at 31 March 2017 is an underspend of £45,000.

Alan Puckrin
Chief Financial Officer

Wilma Bain
Corporate Director Education, Communities
and Organisational Development

4.0 BACKGROUND

- 4.1 The purpose of this report is to advise the Committee of the probable out-turn of the 2016/17 Revenue Budget as at 31 March 2017 and highlight the main issues contributing to the underspend of £45,000.

5.0 2016/17 PROJECTION

- 5.1 The current Communities budget for 2016/17 is £8,620,590. This is an increase of £275,110 from the approved Revenue Budget. Appendix 1 provides details of the virements responsible for this increase.
- 5.2 The main issues to highlight in relation to the probable underspend of £45,000 for the 2016/17 Revenue Budget are :-

Sports & Leisure: Projected Overspend £140,000

The Sports & Leisure budget is projected to overspend by £140,000.

A prior year adjustment of £151,000 is required to be made for Lets Income at the end of Financial Year 2016/17. A review of all historical debt was carried out in conjunction with Inverclyde Leisure and concluded that an overstatement of income was made at the end of 2015/16. The Sports & Leisure overall projected overspend has increased by £26,000 since last Committee.

Safer Communities: Projected Underspend £114,000

The Safer Communities Budget is projected to underspend by £114,000.

Employee Costs are projected to underspend by £69,000 as a result of vacant posts, largely arising from the vacant Service Manager post.

CCTV Line Rental is projected to overspend by £29,000 due to backdated charges from the Supplier relating to previous years.

Environmental Health sampling carried out by Glasgow City Council is projected to underspend by £26,000. The number of samples analysed is less than budget due to the contingency for increased volume of samples not being required in 2016/17.

The overall Safer Communities projected underspend has increased by £106,000 since last Committee.

Community Halls: Projected Underspend £64,000

The Community Halls budget is projected to underspend by £64,000.

The Support for Community Facilities budget is projected to underspend by £43,000 due to the full budget not being required until 2017/18 when the new facilities will be fully operational.

Community Hubs Resources budget is projected to underspend by £24,000.

Waivers for Schools and Halls use are projected to underspend by £47,000 and Income from School Lets are projected to have a shortfall of £39,000.

The overall Community Halls projected underspend has increased by £4,000 since the last Committee.

6.0 EARMARKED RESERVES

6.1 Total funding for Earmarked Reserves is £3,304,000 of which £599,000 is projected to be spent in 2016/17. The remaining balance of £2,705,000 will be carried forward for use in 2017/18 and beyond.

The spend to date per profiling was expected to be £1,425,000, therefore slippage is £826,000 or 58.0%. The majority of the slippage relates to Support For Owners. This work was originally expected to be completed by March 2017 but following permission from the Scottish Government, the work has now been scheduled for completion in 2017/18.

7.0 VIREMENTS

7.1 There are no virements this Committee cycle.

8.0 IMPLICATIONS

8.1 Finance

All financial implications are discussed in detail within the report above.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs / (Savings)

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

8.2 Legal

There are no specific legal implications arising from this report.

8.3 Human Resources

There are no specific human resources implications arising from this report.

8.4 Equalities

There are no equalities issues within this report.

8.5 Repopulation

There are no repopulation issues within this report.

9.0 CONSULTATION

9.1 The paper has been jointly prepared by the Chief Financial Officer and the Corporate Director Education, Communities and Organisational Development.

10.0 BACKGROUND PAPERS

10.1 There are no background papers for this report.

Communities Budget Movement - 2016/17**Probable Out-Turn as at 31st March 2017**

Service	Approved Budget	Inflation £000	Virement £000	Movements	Transferred to EMR £000	Revised Budget
	2016/17 £000			Supplementary Budgets £000		2016/17 £000
Libraries & Museum	1,508	(5)	17			1,520
Sport & Leisure	1,710	33	(177)			1,566
Safer Communities	3,354		115			3,469
Housing	602		(3)			599
Community Halls	929		295			1,224
Grants to Voluntary Organisations	243					243
Totals	<u>8,346</u>	<u>28</u>	<u>247</u>	<u>0</u>	<u>0</u>	<u>8,621</u>

Movement Details

£000

External Resources**Virements**

From ED Committee - CLD Streetmates Upload Correction	70
From ED Committee - Funding Waivers	69
Re-Align Cleaning Budgets	(3)
Re-Align Insurance Budgets	12
From Contingency - CCTV	65
From ED Committee - Funding School Lets Income Shortfall	26
From ED Committee - Libraries Spydus System	15
From E&R Committee - Parking	(7)
	<u>247</u>

Inflation

Reduction in Gas Budget	(7)
IL Living Wage Increase	33
Increase SWAN Line Charges	2
	<u>28</u>

275

COMMUNITIESREVENUE BUDGET MONITORING REPORTMATERIAL VARIANCESProbable Out-Turn as at 31st March 2017

<u>Out Turn</u> <u>2015/16</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2016/17</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> <u>31-Mar-17</u> <u>£000</u>	<u>Projection</u> <u>2016/17</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Over / (Under)</u>
0	Sports & Leisure Bad Debt Provision	0	0	151	151	151	-
	Safer Communities						
2,655	Employee Costs	2,993	2,993	2,924	2,924	(69)	(2.3%)
0	CCTV Line Rental	103	103	132	132	29	28.2%
65	Environ Health Sampling	90	90	64	64	(26)	(28.9%)
	Community Halls						
110	Waivers	110	110	63	63	(47)	(42.7%)
0	Community Hubs Resources	24	24	0	0	(24)	(100.0%)
10	Support For Comm Facilities	100	100	57	57	(43)	(43.0%)
(209)	Lets Income	(165)	(165)	(126)	(126)	39	(23.6%)
Total Material Variances						10	

COMMUNITIES**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****Probable Out Turn as at 31st March 2017**

2015/16 Actual £000	Subjective Heading	Approved Budget 2016/17 £000	Revised Budget 2016/17 £000	Projected Out-turn 2016/17 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
4,058	Employee Costs	4,271	4,334	4,238	(96)	(2.2%)
716	Property Costs	728	662	656	(6)	(0.9%)
1,775	Supplies & Services	1,652	1,719	1,700	(19)	(1.1%)
39	Transport Costs	35	35	36	1	2.9%
300	Administration Costs	56	225	255	30	13.3%
4,154	Other Expenditure	2,084	4,129	4,144	15	0.4%
(2,694)	Income	(480)	(2,483)	(2,453)	30	(1.2%)
8,348	TOTAL NET EXPENDITURE	8,346	8,621	8,576	(45)	(0.5%)
	Earmarked Reserves	0	0	0	0	
	TOTAL NET EXPENDITURE excluding Earmarked Reserves	8,346	8,621	8,576	(45)	

2015/16 Actual £000	Objective Heading	Approved Budget 2016/17 £000	Revised Budget 2016/17 £000	Projected Out-turn 2016/17 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
1,452	Libraries & Museum	1,508	1,520	1,510	(10)	(0.7%)
1,936	Sports & Leisure	1,710	1,566	1,706	140	8.9%
3,019	Safer Communities	3,354	3,469	3,355	(114)	(3.3%)
863	Housing	602	599	593	(6)	(1.0%)
837	Community Halls	929	1,224	1,160	(64)	(5.2%)
241	Grants to Vol Orgs	243	243	252	9	3.7%
8,348	TOTAL COMMUNITIES	8,346	8,621	8,576	(45)	(0.5%)
	Earmarked Reserves	0	0	0	0	

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Communities

Project	Lead Officer/ Responsible Manager	Total Funding 2016/17 £000	Phased Budget To 31/03/17 2016/17 £000	Actual To 31/03/17 2016/17 £000	Projected Spend 2016/17 £000	Amount to be Earmarked for 2017/18 & Beyond £000	Lead Officer Update
Support for Owners	Martin McNab	921	921	149	149	772	Scottish Government have now given permission for any remaining funding to be c/f for a second year and used in 2017/18. Estimated that this will be £772k. Work previously identified to commence before 31st March has been delayed until 17/18. Mainly work at Broomhill.
Renewal of Clune Park	Martin McNab	2,000	226	323	323	1,677	Expenditure to date relates to Home Loss Payments, Legal Fees (internal & external) and Architects / Engineers fees.
Support for Community Facilities	Martin McNab	29	29	29	29	0	£12k payment made to Grosvenor Bowling Club and £17k payment made to Branchton Community Centre. Spending now completed.
Investment Fund for Council Owned Bowling Clubs	Martin McNab	156	150	6	6	150	£150k has been allocated for refurb of Lady Alice toilets. Following issues discovered at survey stage work now not expected to be completed until 2017/18.
Summer Playschemes	Martin McNab	98	49	42	42	56	£17k Employee costs for Play4All and £25k invoice for IL to maintain price at £2.50 and open additional centres has now been paid. Balance is c/f for use in Summer 2017.
Grants to Vol Orgs	Martin McNab	100	50	50	50	50	£50k allocated to first round of applications 16/17 and £50k c/f for use in 17/18
Total		3,304	1,425	599	599	2,705	