

Report To: Education & Communities Committee
Date: 5 September 2017

Report By: Chief Financial Officer and Corporate Director Education, Communities and Organisational Development
Report No: FIN/060/17/AP/IC

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Subject: Communities 2017/18 Revenue Budget Report- Period 3 to 30 June 2017

1.0 PURPOSE

- 1.1 To advise the Committee of the 2016/17 Communities Revenue Budget final out turn and the 2017/18 Revenue Budget position at Period 3 to 30 June 2017.

2.0 SUMMARY

- 2.1 In 2016/17, excluding Earmarked Reserves, there was an underspend of £51,000 against a budget figure of £8,621,000. This equates to 0.6% of the total budget and was £6,000 less expenditure than previously reported to the June Committee.

The main variances for 2016/11 were –

- (a) Overspend of £151,000 for Bad Debt Provision due to prior year adjustment being required for the over statement of income in 2015/16.
- (b) Underspend of £69,000 for Safer Communities Employee Costs due to a number of posts remaining vacant until end of the Financial Year.
- (c) Overspend of £29,000 for CCTV Line Rental due to a backdated charge from the supplier that relates to the previous year.
- (d) Underspend of £26,000 for Environmental Health sampling due to the contingency for increased volume of sampling not being required in 2016/17.
- (e) Underspend of £47,000 for Waivers mainly due to a reduction in the volume of Lets due to the introduction of the new waivers policy.
- (f) Underspend of £24,000 for Community Hubs Resources within Community Halls.
- (g) Underspend of £43,000 for Support for Community Facilities due to the full budget not being required as all new facilities were not operational in 2016/17.
- (h) Overspend of £39,000 due to a shortfall in Schools Lets income.

2.2 The total Communities budget for 2017/18 excluding Earmarked Reserves, is currently £8,604,260. The latest projection is an underspend of £65,000.

2.3 The main variances to highlight for the 2017/18 Revenue Budget are –

Libraries & Museum: Projected Underspend £19,000

A projected overspend of £11,000 for Libraries, due mainly to a shortfall in Income from Goods for Resale and an overspend on the Purchase of Books is offset by an underspend of £30,000 for the McLean Museum. The Museum is currently closed for refurbishment resulting in a reduction in the Non Domestic Rates expenditure.

Safer Communities: Projected Underspend £26,000

Employee Costs are projected to underspend by £20,000 due to increased Turnover savings mainly due to the vacant Service Manager post.

The balance of the projected underspend is due to various small variances including the over-recovery of Income for Landlord Registration.

Housing: Projected Underspend £15,000

The projected underspend is due to a vacant Housing Policy Officer post.

2.4 Earmarked Reserves for 2017/18 total £2,862,000 of which £1,297,000 is projected to be spent in the current financial year. To date expenditure of £169,000 (13.0%) has been incurred. The spend to date per profiling was also expected to be £169,000 so there is no slippage to report at this time.

3.0 RECOMMENDATIONS

3.1 That the Committee notes the final out turn for 2016/17.

3.2 That the Committee notes the current projected underspend of £65,000 for the 2017/18 Revenue Budget as at Period 3 to 30 June 2017.

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 current position of the 2017/18 Revenue Budget as well as the 2016/17 final out turn and to highlight the main variances contributing to the £51,000 underspend in 2016/17 and the projected underspend of £65,000 for 2017/18.

5.0 2016/17 OUT TURN

5.1 The final out turn for the Communities 2016/17 Revenue Budget, after adjustments for Earmarked Reserves, was an underspend of £51,000. This was £6,000 less expenditure than reported to the June Committee. The main factors contributing to this underspend were:

	Revised Budget 2016/17 £000	Out Turn 2016/17 £000	Variance To Budget £000	P12 Projected Variance £000	Movement Since P12 Projection £000
Libraries & Museum	1,520	1,510	(10)	(10)	0
Sports & Leisure	1,566	1,706	140	140	0
Safer Communities	3,469	3,355	(114)	(114)	0
Housing	599	587	(12)	(6)	(6)
Community Halls	1,224	1,160	(64)	(64)	0
Grants to Vol Organisations	243	252	9	9	0
TOTAL NET EXPENDITURE	8,621	8,570	(51)	(45)	(6)

The main variances are explained in greater detail below.

5.2 Libraries & Museum:

Total underspend £10,000 (0.7%)

Employee costs underspent by £18,000 mainly due to a movement in the Equal Pay provision within Libraries.

There was a shortfall in Income of £26,000, mainly from Library Books for re-sale.

5.3 Sports & Leisure:

Total overspend £140,000 (8.9%)

This is largely due to a Bad Debt Provision of £151,000 due to a prior year adjustment being required for the over statement of Lets income in the previous year.

5.4 Safer Communities:

Total underspend £114,000 (3.3%)

Employee Costs underspent by £69,000 due to a number of vacant posts.

CCTV Maintenance overspend by £29,000 due to a back dated charge relating to the previous year.

Environmental Health Sampling underspent by £26,000 due to no requirement for the increased sampling contingency in 2016/17.

Income over recovered by £34,000, the majority of which was income from the Registration of Private Landlords.

5.5 Housing:

Total underspend £12,000 (2.0%)

The £12,000 underspend was made up of a number of minor variances including Employee Costs and Administration Costs.

5.6 Community Halls:

Total underspend £64,000 (5.2%)

Waivers for Hall Lets underspent by £48,000 and Hall Lets Income under recovered by £39,000.

Revenue Support for Community Facilities underspend by £43,000 due to the facilities not being operational until part way through Financial Year.

Community Hubs Supplies underspent by £24,000

5.7 Grants to Voluntary Organisations:

Total overspend £9,000 (3.7%)

Payments to various Voluntary Organisations in 2016/17 exceeded the budget by £9,000.

6.0 2017/18 PROJECTION

6.1 The current Communities budget for 2017/18 is £8,604,260. This is the same as the approved Revenue Budget.

6.2 The main variances to highlight in relation to the projected underspend of £65,000 for the 2017/18 Revenue Budget are :-

Libraries & Museum: Projected Underspend £19,000

An underspend of £30,000 for the McLean Museum, which is currently closed for refurbishment resulting in a reduction in the Non Domestic Rates expenditure. This is partly offset by a shortfall in income, again related to the temporary closure.

Safer Communities: Projected Underspend £26,000

Employee Costs are projected to underspend by £20,000 due to increased Turnover savings mainly due to the vacant Service Manager post.

The balance of the projected underspend is due to various small variances including the over-recovery of Income for Landlord Registration.

Housing: Projected Underspend £15,000

The projected underspend is due to a vacant Housing Policy Officer post.

7.0 EARMARKED RESERVES

7.1 Total funding for Earmarked Reserves is £2,862,000 of which £1,297,000 is projected to be spent in 2017/18. The remaining balance of £1,565,000 will be carried forward for use in 2018/19 and beyond. As at Period 3, the expenditure was £169,000 or 13.0% of the 2017/18 projected spend.

The spend to date per profiling was also expected to be £169,000 therefore there is no slippage at this time. Appendix 4 gives a detailed breakdown of the current Earmarked Reserve position.

8.0 VIREMENTS

8.1 There are no virements this Committee cycle.

9.0 IMPLICATIONS

9.1 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					

9.2 Legal

There are no specific legal implications arising from this report.

9.3 Human Resources

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

9.4 Equalities

There are no equalities issues within this report.

9.5 Repopulation

There are no repopulation issues within this report.

10.0 CONSULTATION

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

11.0 BACKGROUND PAPERS

11.1 There are no background papers for this report.

Communities Budget Movement - 2017/18**Period 3 - 1st April 2017 to 30th June 2017**

Service	Approved Budget	Inflation £000	Virement £000	Movements	Transferred to EMR £000	Revised Budget
	2017/18 £000			Supplementary Budgets £000		2017/18 £000
Libraries & Museum	1,485					1,485
Sport & Leisure	1,687					1,687
Safer Communities	3,373					3,373
Housing	690					690
Community Halls	1,126					1,126
Grants to Voluntary Organisations	243					243
Totals	<u>8,604</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,604</u>

Movement Details£000External ResourcesVirements0Inflation00

COMMUNITIES**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****Period 3 -1st April 2017 to 30th June 2017**

<u>Out Turn</u> <u>2016/17</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2017/18</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> <u>30-Jun-17</u> <u>£000</u>	<u>Projection</u> <u>2017/18</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Over / (Under)</u>
26	Libraries & Museum Non-Domestic Rates (NDR)	37	37	30	4	(33)	(89.2%)
2,774	Safer Communities Employee Costs	2,941	725	727	2,921	(20)	(0.7%)
Total Material Variances						(53)	

COMMUNITIES**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****Period 3 - 1st April to 30th June 2017**

2016/17 Actual £000	Subjective Heading	Approved Budget 2017/18 £000	Revised Budget 2017/18 £000	Projected Out-turn 2017/18 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
4,238	Employee Costs	4,274	4,274	4,231	(43)	(1.0%)
656	Property Costs	891	891	850	(41)	(4.6%)
1,700	Supplies & Services	1,553	1,553	1,565	12	0.8%
36	Transport Costs	35	35	35	0	-
255	Administration Costs	85	85	85	0	-
4,144	Other Expenditure	2,170	2,172	2,170	(2)	(0.1%)
(2,453)	Income	(404)	(406)	(397)	9	(2.2%)
8,576	TOTAL NET EXPENDITURE	8,604	8,604	8,539	(65)	(0.8%)
	Earmarked Reserves	0	0	0	0	
	TOTAL NET EXPENDITURE excluding Earmarked Reserves	8,604	8,604	8,539	(65)	

2016/17 Actual £000	Objective Heading	Approved Budget 2017/18 £000	Revised Budget 2017/18 £000	Projected Out-turn 2017/18 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
1,510	Libraries & Museum	1,485	1,485	1,466	(19)	(1.3%)
1,706	Sports & Leisure	1,687	1,699	1,699	0	-
3,355	Safer Communities	3,373	3,373	3,347	(26)	(0.8%)
593	Housing	690	690	675	(15)	(2.2%)
1,160	Community Halls	1,126	1,114	1,109	(5)	(0.4%)
252	Grants to Vol Orgs	243	243	243	0	-
8,576	TOTAL COMMUNITIES	8,604	8,604	8,539	(65)	(0.8%)
	Earmarked Reserves	0	0	0	0	

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Communities

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding 2017/18</u>	<u>Phased Budget To 30/06/17 2017/18</u>	<u>Actual To 30/06/17 2017/18</u>	<u>Projected Spend 2017/18</u>	<u>Amount to be Earmarked for 2018/19 & Beyond</u>	<u>Lead Officer Update</u>
		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	
Support for Owners	Martin McNab	772	0	0	772	0	Scottish Government approval was granted to c/f funding from previous year. Must be completed by 31/03/18.
Renewal of Clune Park	Martin McNab	1,684	119	119	269	1,415	The projected expenditure relates to Legal Fees and Professional fees for Surveyors and Structural Engineers.
Investment Fund for Council Owned Bowling Clubs	Martin McNab	150	0	0	150	0	Funding allocated to Lady Alice toilets upgrade. Expenditure expected to be completed 2017/18. Returned tenders exceed the value of the funding and are currently being scrutinised by officers of the Council.
GTVO - Community Ownership	Martin McNab	150	0	0	0	150	Proposals to be developed.
Summer Playschemes	Martin McNab	56	0	0	56	0	£17k allocated to Play4All and £39k allocated to IL to maintain prices at £2.50 and keep facilities open.
Grants to Vol Orgs	Martin McNab	50	50	50	50	0	Spending now complete - allocated to Round 1 claims in April 2017.
Total		2,862	169	169	1,297	1,565	