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<b>Report To:</b>	<b>Education &amp; Communities Committee</b>	<b>Date:</b>	<b>4 September 2018</b>
<b>Report By:</b>	<b>Chief Financial Officer and Corporate Director Education, Communities and Organisational Development</b>	<b>Report No:</b>	<b>FIN/79/18/AP/IC</b>
<b>Contact Officer:</b>	<b>Iain Cameron</b>	<b>Contact No:</b>	<b>01475 712832</b>
<b>Subject:</b>	<b>Communities 2018/19 Revenue Budget Report- Period 3 to 30 June 2018</b>		

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## 1.0 PURPOSE

- 1.1 To advise Committee of the 2017/18 Communities Revenue Budget final outturn and the 2018/19 Revenue Budget position at Period 3 to 30 June 2018.

## 2.0 SUMMARY

- 2.1 Modifications to the Committee and Senior Management structures were approved by Inverclyde Council on 22 February 2018. As a result of these changes, Housing and the majority of Safer Communities were transferred to the Environment, Regeneration and Resources Directorate. It should be noted that these changes are not reflected in the 2017/18 outturn report but are included in the 2018/19 projection report.
- 2.2 In 2017/18, excluding Earmarked Reserves, there was an underspend of £213,000 against a budget figure of £8.543m This equates to 2.5% of the total budget and was £20,000 less expenditure than previously reported to Committee.

The main variances for 2017/18 were –

- (a) Underspend of £158,000 for Employee Costs, the majority of which related to the over recovery of Turnover Savings in Housing and Safer Communities.
- (b) Underspend of £48,000 for Property Costs, mostly Utilities and Cleaning costs within Libraries and Museum.
- (c) Overspend of £52,000 for a Line Rental within Safer Communities due to a delay in implementation of new contract pending a budget decision.
- (d) Underspend of £15,000 for Environmental Health sampling mainly due to the demand lead contingency for increased volume of sampling not being fully required in 2017/18.
- (e) Underspend of £18,000 for Grants to Voluntary Organisations payments.
- (f) Overspend of £36,000 due to a shortfall in Income for Libraries and Museum.
- (g) Underspend of £33,000 due to an over recovery of Income within Safer Communities, mostly from Registration of Private Landlords and Pest Control.

2.3 The total Communities budget for 2018/19, excluding Earmarked Reserves, is currently £4,617,030. The latest projection is an overspend of £33,000.

2.4 The main variances to highlight for the 2018/19 Revenue Budget are –

Libraries & Museum: Projected Overspend £48,000

Libraries & Museum Employee Costs are projected to overspend by £25,000 due to the non-achievement of Turnover Savings.

Libraries & Museum Income is projected to be under budget by £16,000 mainly due to the closure of the Museum shop during the refurbishment period.

Sports & Leisure: Projected Underspend £7,000

The budget for the maintenance of Rankin Park Mountain Bike Track is projected to underspend by £7,000.

Community Halls: Projected Underspend £8,000

The projected underspend is due to the over recovery of Employee Turnover savings.

2.5 Earmarked Reserves for 2018/19 total £381,000 of which £196,000 is projected to be spent in the current financial year. To date no expenditure has been incurred. Spend to date per profiling was also expected to be zero and there is no slippage to report at this time.

### **3.0 RECOMMENDATIONS**

3.1 That the Committee notes the final outturn for the 2017/18 Communities Revenue Budget.

3.2 That the Committee notes the current projected overspend of £33,000 for the 2018/19 Communities Revenue Budget as at Period 3 to 30 June 2018.

**Alan Puckrin**  
Chief Financial Officer

**Ruth Binks**  
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 2018/19 Revenue Budget as well as the 2017/18 final out turn and to highlight the main variances contributing to the £213,000 underspend in 2017/18 and the projected £33,000 overspend outturn for 2018/19.

## 5.0 2017/18 OUTTURN

5.1 Modifications to the Committee and Senior Management structures were approved by Inverclyde Council on 22 February 2018. As a result of these changes, Housing and the majority of Safer Communities were transferred to the Environment, Regeneration and Resources Directorate. It should be noted that the 2017/18 outturn report does not include these changes.

5.2 The final outturn for the Communities 2017/18 Revenue Budget, after adjustments for Earmarked Reserves, was an underspend of £213,000. This was £20,000 less expenditure than reported to the last Committee. The main factors contributing to this underspend were:

	Revised Budget 2017/18 £000	Outturn 2017/18 £000	Variance To Budget £000	P11 Projected Variance £000	Movement Since P11 Projection £000
Libraries & Museum	1,494	1,493	(1)	35	(36)
Sports & Leisure	1,710	1,713	3	0	3
Safer Communities	3,284	3,170	(114)	(150)	36
Housing	747	723	(24)	(23)	(1)
Community Halls	1,064	1,005	(59)	(37)	(22)
Grants to Vol Organisations	244	226	(18)	(18)	0
<b>TOTAL NET EXPENDITURE</b>	<b>8,543</b>	<b>8,330</b>	<b>(213)</b>	<b>(193)</b>	<b>(20)</b>

The main variances are explained in greater detail below.

### 5.3 Libraries & Museum:

Total underspend £1,000 (0.07%)

Employee costs overspent by £10,000 due to the non-achievement of Turnover Savings. Property Costs underspent by £53,000 mainly due to savings in Cleaning and Utilities. Income from Libraries from Sale of Books and Photocopying under recovered by £20,000 and Museum Income under recovered by £16,000.

#### 5.4 Sports & Leisure:

Total overspend £3,000 (0.2%).

All variances were minor.

#### 5.5 Safer Communities:

Total underspend £114,000 (3.5%).

Employee Costs underspent by £125,000 due to a number of vacant posts.

CCTV Maintenance overspent by £52,000 due to delays with implementation of a new contract.

Environmental Health Sampling underspent by £15,000 mainly due to the demand lead contingency for increased volume of sampling not being fully required in 2017/18. Income over recovered by £33,000, the majority of which was income from the Registration of Private Landlords and Pest Control. These were adjusted from 18/19 as part of the approved budget process.

#### 5.6 Housing:

Total underspend £24,000 (3.2%).

The £24,000 was due to Employee Costs underspending as a result of a number of vacant posts within the Service.

#### 5.7 Community Halls:

Total underspend £59,000 (5.5%).

Community Hubs Employee Costs underspent by £19,000, mainly due to the temporary closure of the Paton Street facility.

Waivers for Hall Lets budget underspent by £13,000 and Support for Community Facilities budget underspent by £11,000.

Income from School Lets over recovered by £13,000.

These were adjusted from 2018/19 as part of the approved budget process.

#### 5.8 Grants to Voluntary Organisations:

Total underspend £18,000 (7.4%).

Payments to Voluntary Organisations in 2017/18 underspent by £18,000 due mainly to the closure of one of the groups being supported.

### **6.0 2018/19 PROJECTION**

6.1 The current Communities budget for 2018/19 is £4,617,030. This is a reduction of £33,000 from the Approved Budget. Appendix 1 provides more details of the movement.

6.2 Modifications to the Committee and Senior Management structures were approved by Inverclyde Council on 22 February 2018. As a result of these changes, Housing and the majority of Safer Communities were transferred to the Environment, Regeneration & Resources Directorate and are not included in the 2018/19 Projection.

6.3 The level of Turnover Savings allocated to Employee Costs budget is currently being reviewed by the Corporate Management Team. An update on any impact on the Communities Revenue Budget will be provided at the next Committee.

- 6.4 The main variances to highlight in relation to the projected overspend of £33,000 for the 2018/19 Revenue Budget are :-

Libraries & Museum: Projected Overspend £48,000

Libraries & Museum Employee Costs are projected to overspend by £25,000 due to the non-achievement of Turnover Savings.

Libraries & Museum Income is projected to be short of budget by £16,000 mainly due to the closure of the Museum shop during the refurbishment period.

Sports & Leisure: Projected Underspend £7,000

The budget for the maintenance of Rankin Park Mountain Bike Track is projected to underspend by £7,000.

Community Halls: Projected Underspend £8,000

The projected underspend is due to the over recovery of Employee Turnover savings.

## 7.0 EARMARKED RESERVES

- 7.1 Earmarked Reserves for 2018/19 total £381,000 of which £196,000 is projected to be spent in the current financial year. To date no expenditure has been incurred. Spend to date per profiling was also expected to be zero and there is no slippage to report 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 - 2018/19****Period 3 - 1st April 2018 to 30th June 2018**

Service	Approved Budget	Inflation £000	Movements			Revised Budget
	2018/19 £000		Virement £000	Supplementary Budgets £000	Transferred to EMR £000	2018/19 £000
Libraries & Museum	1,532					1,532
Sport & Leisure	1,239	(33)				1,206
Community Safety	581					581
Community Halls	1,054					1,054
Grants to Voluntary Organisations	244					244
Totals	<u>4,650</u>	<u>(33)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,617</u>

**Movement Details**

£000

External ResourcesInflation

Returned to Inflation Contingency

(33)

(33)Virement0Supplementary Budget0(33)

**COMMUNITIES****REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****Period 3 -1st April 2018 to 30th June 2018**

<u>Out Turn</u> <u>2017/18</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2018/19</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> <u>30-Jun-18</u> <u>£000</u>	<u>Projection</u> <u>2018/19</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Over / (Under)</u>
1,053	<b>Libraries &amp; Museum</b> Employee Costs	1,055	255	256	1,080	25	2.4%
<b>Total Material Variances</b>						<b>25</b>	



**COMMUNITIES****REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****Period 3 - 1st April 2018 to 30th June 2018**

2017/18 Actual £000	Subjective Heading	Approved Budget 2018/19 £000	Revised Budget 2018/19 £000	Projected Out-turn 2018/19 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
1,903	Employee Costs	1,727	1,727	1,744	17	1.0%
682	Property Costs	711	711	718	7	1.0%
1,480	Supplies & Services	1,297	1,264	1,257	(7)	(0.6%)
11	Transport Costs	7	7	7	0	-
85	Administration Costs	72	72	72	0	-
1,407	Other Expenditure	1,135	1,135	1,135	0	-
(291)	Income	(299)	(299)	(283)	16	(5.4%)
5,277	<b>TOTAL NET EXPENDITURE</b>	4,650	4,617	4,650	33	0.7%
	Earmarked Reserves	0	0	0	0	
	<b>TOTAL NET EXPENDITURE excluding Earmarked Reserves</b>	4,650	4,617	4,650	33	

2017/18 Actual £000	Objective Heading	Approved Budget 2018/19 £000	Revised Budget 2018/19 £000	Projected Out-turn 2018/19 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
1,542	Libraries & Museum	1,532	1,532	1,580	48	3.1%
1,718	Sports & Leisure	1,239	1,206	1,199	(7)	(0.6%)
785	Community Safety	581	581	581	0	-
1,006	Community Halls	1,054	1,054	1,046	(8)	(0.8%)
226	Grants to Vol Orgs	244	244	244	0	-
5,277	<b>TOTAL COMMUNITIES</b>	4,650	4,617	4,650	33	0.7%
	Earmarked Reserves	0	0	0	0	

## EARMARKED RESERVES POSITION STATEMENT

## COMMITTEE: Communities

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding 2018/19</u>	<u>Phased Budget Period 3 2018/19</u>	<u>Actual Period 3 2018/19</u>	<u>Projected Spend 2018/19</u>	<u>Amount to be Earmarked for 2019/20 &amp; Beyond</u>	<u>Lead Officer Update</u>
		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	
Community Fund	Grant McGovern	365	0	0	180	185	50% of funding to be used in 2018/19 with first awards paid out from January 2019. Spend to be determined as a Participatory Budget pilot. £15k has already been allocated to Auchmountain Glen project.
Gourock Pool Extension	Grant McGovern	16	0	0	16	0	Funding to extend opening of Gourock Pool until end of September 2018.
<b>Total</b>		<b>381</b>	<b>0</b>	<b>0</b>	<b>196</b>	<b>185</b>	