

**Report To:** Education & Communities Committee      **Date:** 30 October 2018

**Report By:** Chief Financial Officer and Corporate Director Education, Communities and Organisational Development      **Report No:** FIN/102/18/AP/IC

**Contact Officer:** Iain Cameron      **Contact No:** 01475 712832

**Subject:** Communities 2018/19 Revenue Budget Report- Period 5 to 31 August 2018

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Committee of the 2018/19 Revenue Budget position at Period 5 to 31 August 2018.

## 2.0 SUMMARY

- 2.1 The total Communities Revenue Budget for 2018/19, excluding Earmarked Reserves, is currently £4,578,290. This is a decrease of £71,740 from the approved budget. Appendix 1 provides details of this movement. The latest projection is an overspend of £13,000 which is an decrease in expenditure of £20,000 since the last Committee.
- 2.3 The main variances to highlight for the 2018/19 Revenue Budget are –
- (a) Projected overspend of £24,000 for Libraries & Museum which mainly relates to a shortfall in income.
  - (b) Projected overspend of £20,000 for Sports & Leisure which mainly relates to a £21,000 shortfall for Whinhill Golf Course income.
  - (c) Projected underspend of £20,000 for Community Safety Employee Costs. This is due to an additional Turnover Savings as the result of a seconded employee not being backfilled.
  - (d) Projected underspend of £19,000 for Community Halls Employee Costs due to a number of vacant posts.
- 2.4 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. The spend to date per profiling was expected to be zero at this stage of the year so there is no slippage to report at this time.

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### **3.0 RECOMMENDATIONS**

- 3.1 That the Committee notes the current projected overspend of £13,000 for the 2018/19 Communities Revenue Budget as at Period 5 to 31 August 2018.
- 3.2 That the Committee notes that the projected overspend for the Communities Revenue budget is being contained within the overall Education & Communities Directorate.
- 3.3 That the Committee notes that a report on options to address the shortfall in Whinhill Golf Course income will be presented to the next meeting of the Committee.

**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 Committee of the current position of the 2018/19 Communities Revenue Budget as at Period 5 to 31 August 2018 and highlight the main issues contributing to the projected overspend of £13,000.

## **5.0 2018/19 PROJECTION**

- 5.1 The current Communities Revenue Budget for 2018/19 is £4,578,290. This is a decrease of £71,740 from the approved budget. Appendix 1 provides details of the virements responsible for this decrease.
- 5.2 The main issues to highlight in relation to the projected overspend of £13,000 (0.3%) for the 2018/19 Revenue Budget are :-

### Libraries & Museum: Projected Overspend £24,000

Since the last Committee the projected overspend for Libraries & Museum has reduced by £24,000. Employee Costs, previously projected to overspend by £25,000 are now projected to underspend by £3,000 as a result of a Library Team Leader post becoming vacant.

Libraries & Museum Income is projected to under-recover by £16,000, the same as previously reported to Committee. The balance of the projected overspend relates to Property Costs.

### Sports & Leisure: Projected Overspend £20,000

Whinhill Golf Income is projected to under-recover by £21,000. As part of the 2018/19 Budget process, and in consultation with the Golf Club Committee, this budget was increased by £20,000 to allow the introduction of new member packages and fees. Data provided by Inverclyde Leisure shows that Season Books sold for season 2018 are approximately 10% down compared to the previous year. In line with the decision of 13 March 2018, a report will be submitted to the Committee after consideration by the Members' Budget Working Group.

### Community Safety: Projected Underspend £12,000

Community Safety Employee Costs are projected to underspend by £20,000 due to a seconded employee not being backfilled.

Internal Transport Recharges for Community Safety are projected to overspend by £8,000, mainly due to unplanned maintenance costs.

### Community Halls: Projected Underspend £19,000

The projected underspend for Community Halls is due to the over-recovery of Employee Turnover savings resulting from a number of vacant posts.

## **6.0 EARMARKED RESERVES**

- 6.1 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. The spend to date per profiling was expected to be zero at this stage of the year so there is no slippage to report at this time.

## 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 - 2018/19****Period 5 - 1st April 2018 to 31st August 2018**

Service	Approved Budget	Inflation £000	Virement £000	Movements	Transferred to EMR £000	Revised Budget
	2018/19 £000			Supplementary Budgets £000		2018/19 £000
Libraries & Museum	1,532		(18)			1,514
Sport & Leisure	1,239	(33)				1,206
Community Safety	581		(18)			563
Community Halls	1,054		(3)			1,051
Grants to Voluntary Organisations	244					244
Totals	<u>4,650</u>	<u>(33)</u>	<u>(39)</u>	<u>0</u>	<u>0</u>	<u>4,578</u>

**Movement Details**

£000

External ResourcesInflation

Returned to Inflation Contingency

(33)

(33)Virement

Additional Turnover

(29)

Management Restructure

(10)

(39)Supplementary Budget0(72)

**COMMUNITIES****REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****Period 5 -1st April 2018 to 31st August 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>31-Aug-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>
239	<b>Community Safety</b> Employee Costs	457	180	182	437	(20)	(4.4%)
(44)	<b>Sport &amp; Leisure</b> Golf Income	(73)	(30)	(8)	(52)	21	(28.8%)
<b>Total Material Variances</b>						<b>1</b>	

**COMMUNITIES****REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****Period 5 - 1st April 2018 to 31st August 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	1,688	1,646	(42)	(2.5%)
682	Property Costs	711	711	719	8	1.1%
1,480	Supplies & Services	1,297	1,264	1,260	(4)	(0.3%)
11	Transport Costs	7	7	15	8	114.3%
85	Administration Costs	72	72	72	0	-
1,407	Other Expenditure	1,135	1,135	1,135	0	-
(291)	Income	(299)	(299)	(256)	43	(14.4%)
5,277	TOTAL NET EXPENDITURE	4,650	4,578	4,591	13	0.3%
	Earmarked Reserves	0	0	0	0	
	TOTAL NET EXPENDITURE excluding Earmarked Reserves	4,650	4,578	4,591	13	

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	1,514	1,538	24	1.6%
1,718	Sports & Leisure	1,239	1,206	1,226	20	1.7%
785	Community Safety	581	563	551	(12)	(2.1%)
1,006	Community Halls	1,054	1,051	1,032	(19)	(1.8%)
226	Grants to Vol Orgs	244	244	244	0	-
5,277	TOTAL COMMUNITIES	4,650	4,578	4,591	13	0.3%
	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 5 2018/19</u>	<u>Actual Period 5 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>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	
Community Fund	Grant McGovern	365	0	0	180	185	50% of funding to be used in 2018/19 - spent Jan to Mar 2019. PB process commenced August with first awards paid out from January onwards.
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>	