

Report To: Education & Communities Committee
Date: 3 September 2019

Report By: Chief Financial Officer and Corporate Director Education, Communities and Organisational Development
Report No: FIN/71/19/AP/IC

Contact Officer: Iain Cameron
Contact No: 01475 712832

Subject: Communities 2019/20 Revenue Budget Report- Period 3 to 30 June 2019

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Committee of the 2018/19 Communities Revenue Budget final outturn and the 2019/20 Revenue Budget position at Period 3 to 30 June 2019.

2.0 SUMMARY

- 2.1 In 2018/19, excluding Earmarked Reserves and Centrally funded Employee Back Pay, there was an underspend of £16,000 against a budget figure of £5.750m This equates to 0.3% of the total budget and was £20,000 less expenditure than previously reported to Committee.

The main variances for 2018/19 were –

- (a) Underspend of £33,000 for Employee Costs, the majority of which related to the over-recovery of Turnover Savings in Libraries and Community Hubs.
- (b) Overspend of £33,000 for Property Costs, mostly Non-Domestic Rates (NDR) and Cleaning Costs within Libraries and Museum.
- (c) Underspend of £23,000 for Community Halls Resources.
- (d) Underspend of £30,000 for Payments to Third Party due to service no longer being delivered.
- (e) Overspend of £35,000 due to a shortfall in Libraries & Museum Income.
- (f) Overspend of £23,000 due to a shortfall in Whinhill Golf Income.
- (g) Underspend of £21,000 due to over recovery of School Lets Income.

2.2 The total Communities budget for 2019/20, excluding Earmarked Reserves, is currently £4,509,090. The latest projection is an overspend of £36,000 (0.8%.)

2.3 The main variances to highlight for the 2019/20 Revenue Budget are –

Libraries & Museum: Projected Overspend £48,000

Libraries & Museum Employee Costs are projected to overspend by £20,000 due to the under achievement of Turnover Savings.

Libraries & Museum Income is projected to be under budget by £32,000 mainly due to the continued closure of the Museum shop during the refurbishment period.

Sports & Leisure: Projected Overspend £11,000

Income from Whinhill Golf Course is currently projected to under-recover by £19,000. This overspend is partially offset by an underspend of £8,000 for Rankin Park Cycle Track Maintenance.

Community Safety: Projected Underspend £8,000

The projected underspend relates to minor variances.

Community Halls: projected Underspend £15,000

Income from School Lets is projected to over-recover by £10,000.
The balance of the underspend relates to minor variances.

2.4 Earmarked Reserves for 2019/20 total £359,000 all of which is projected to be spent in the current Financial Year. To date, expenditure of £145,000 has been incurred. Spend to date per profiling was also expected to be £145,000 and there is no slippage to report at this time.

3.0 RECOMMENDATIONS

3.1 That the Committee notes the final outturn for the 2018/19 Communities Revenue Budget.

3.2 That the Committee notes the current projected overspend of £36,000 for the 2019/20 Communities Revenue Budget as at Period 3 to 30 June 2019.

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 2019/20 Revenue Budget as well as the 2018/19 final out turn and to highlight the main variances contributing to the £16,000 underspend in 2018/19 and the projected overspend of £36,000 for 2019/20.

5.0 2018/19 OUT TURN

5.1 The final outturn for the Communities 2018/19 Revenue Budget, after adjustments for Earmarked Reserves and centrally funded Employee Back Pay, was an underspend of £16,000. This was £20,000 less expenditure than reported to the last Committee. The performance in specific service areas was:

	Revised Budget 2018/19 £000	Outturn 2018/19 £000	Variance To Budget £000	P11 Projected Variance £000	Movement Since P11 Projection £000
Libraries & Museum	1,545	1,573	28	33	(5)
Sports & Leisure	1,443	1,474	31	17	14
Community Safety	582	552	(30)	(36)	6
Community Halls	1,050	1,006	(44)	(8)	(36)
Grants to Vol Organisations	252	251	(1)	(2)	1
TOTAL NET EXPENDITURE	4,872	4,856	(16)	4	(20)

The main variances are explained in greater detail below.

5.2 Libraries & Museum:

Total overspend £28,000 (1.8%).

Employee costs underspent by £11,000 due to increased Turnover Savings.

Property Costs overspent by £20,000 mainly due to Cleaning and Non-Domestic Rates (NDR).

Libraries Income from Sale of Books and Photocopying under-recovered by £22,000 and Museum Income under-recovered by £13,000.

The balance of the overspend is made up of minor variances.

5.3 Sports & Leisure:

Total overspend £31,000 (2.1%).

Income from Whinhill Golf under recovered by £23,000.
The balance of the underspend is made up of minor variances.

5.4 Community Safety:

Total underspend £30,000 (5.2%).

Payments to a Third Party underspent by £30,000. This service ended in June 2018 and the budget was removed as a saving as part of the budget setting process for 2019/20.

5.5 Community Halls:

Total underspend £44,000 (4.2%).

Community Hubs Employee Costs underspent by £16,000, mainly due to vacancies associated with the closure of the Paton Street facility.
Letting Officers overspent by £9,000 and Administration Costs overspent by £8,000.
Community Halls Resources budget underspent by £23,000.
Income from School Lets over-recovered by £21,000.

5.6 Grants to Voluntary Organisations:

Total underspend £1,000 (0.4%).

Underspend was due to a minor variance.

6.0 2019/20 PROJECTION

6.1 The current Communities budget for 2019/20 is £4,509,090. This is the same as the Approved Budget. Appendix 1 provides more details of the budget by Service area. The latest projection is an overspend of £36,000.

6.2 Libraries & Museum: Projected Overspend £48,000

Libraries & Museum Employee Costs are projected to overspend by £20,000 due to the current under achievement of Turnover Savings.
Libraries & Museum Income is projected to be under budget by £32,000 mainly due to the continued closure of the Museum shop during the refurbishment period.

Sports & Leisure: Projected Overspend £11,000

Income from Whinhill Golf Course is currently projected to under-recover by £19,000. Inverclyde Leisure have still to transfer season book income to Inverclyde Council and the projection will be revised if necessary once this is completed. The income shortfall is partially offset by an underspend of £8,000 for Rankin Park Cycle Track Maintenance.

Community Safety: Projected Underspend £8,000

The projected underspend relates to minor variances.

Community Halls: Projected Underspend £15,000

Income from School Lets is projected to over recover by £10,000.
The balance of the underspend relates to minor variances.

7.0 EARMARKED RESERVES

7.1 Earmarked Reserves for 2019/20 total £359,000 all of which is projected to be spent in the current financial year. To date expenditure of £145,000 has been incurred. Spend to date per profiling was also expected to be £145,000 and there is no slippage to report at this time.

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 - 2019/20

Period 3 - 1st April 2019 to 30th June 2019

Service	Approved Budget 2019/20 £000	Movements			Revised Budget 2019/20 £000
		Inflation £000	Virement £000	Supplementary Budgets £000	
Libraries & Museum	1,550				1,550
Sport & Leisure	1,171				1,171
Community Safety	552				552
Community Halls	984				984
Grants to Voluntary Organisations	252				252
Totals	4,509	0	0	0	4,509

Movement Details

External Resources

Inflation

Virement

Supplementary Budget

£000

0

0

0

0

COMMUNITIESREVENUE BUDGET MONITORING REPORTMATERIAL VARIANCESPeriod 3 -1st April 2019 to 30th June 2019

<u>Out Turn</u> <u>2018/19</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2019/20</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> <u>30-Jun-19</u> <u>£000</u>	<u>Projection</u> <u>2019/20</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Over / (Under)</u>
1,092	Libraries & Museum Employee Costs	1,074	256	269	1,094	20	1.9%
Total Material Variances						20	

COMMUNITIES**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****Period 3 - 1st April 2019 to 30th June 2019**

2018/19 Actual £000	Subjective Heading	Approved Budget 2019/20 £000	Revised Budget 2019/20 £000	Projected Out-turn 2019/20 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
1,715	Employee Costs	1,677	1,677	1,691	14	0.8%
756	Property Costs	719	719	712	(7)	(1.0%)
1,383	Supplies & Services	1,216	1,216	1,211	(5)	(0.4%)
4	Transport Costs	3	3	3	0	-
79	Administration Costs	73	73	73	0	-
1,270	Other Expenditure	1,113	1,113	1,106	(7)	(0.6%)
(351)	Income	(292)	(292)	(251)	41	(14.0%)
4,856	TOTAL NET EXPENDITURE	4,509	4,509	4,545	36	0.8%
	Earmarked Reserves	0	0	0	0	
	TOTAL NET EXPENDITURE excluding Earmarked Reserves	4,509	4,509	4,545	36	

2018/19 Actual £000	Objective Heading	Approved Budget 2019/20 £000	Revised Budget 2019/20 £000	Projected Out-turn 2019/20 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
1,573	Libraries & Museum	1,550	1,550	1,598	48	3.1%
1,475	Sports & Leisure	1,171	1,171	1,182	11	0.9%
552	Community Safety	552	552	544	(8)	(1.4%)
1,005	Community Halls	984	984	969	(15)	(1.5%)
251	Grants to Vol Orgs	252	252	252	0	-
4,856	TOTAL COMMUNITIES	4,509	4,509	4,545	36	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 2019/20</u> £000	<u>Phased Budget Period 3 2019/20</u> £000	<u>Actual Period 3 2019/20</u> £000	<u>Projected Spend 2019/20</u> £000	<u>Amount to be Earmarked for 2021/22 & Beyond</u> £000	<u>Lead Officer Update</u>
Community Fund	Tony McEwan	344	145	145	344	0	0 First tranche of payments made, balance to be spent by end of FY.
Gourock Pool Extension	Tony McEwan	15	0	0	15	0	Funding to extend opening of Gourock Pool until end of September 2019.
Total		359	145	145	359	0	