

Report To: Education & Communities Committee
Date: 1 September 2020

Report By: Chief Financial Officer and Corporate Director Education, Communities and Organisational Development
Report No: FIN/66/20/AP/IC

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Subject: Communities 2020/21 Revenue Budget Report- Period 3 to 30 June 2020

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Committee of the 2019/20 Communities Revenue Budget final outturn and the 2020/21 Revenue Budget position at Period 3 to 30 June 2020.

2.0 SUMMARY

- 2.1 In 2019/20, excluding Earmarked Reserves and Centrally funded Employee Costs, there was an overspend of £8,000 against a budget figure of £4.544m This equates to 0.2% of the total budget and was £32,000 more expenditure than previously reported to Committee in March 2020.

The main variances for 2019/20 were –

- (a) Underspend of £29,000 for Employee Costs, the majority of which related to School Crossing Patrollers and Libraries where there were a number of vacant posts.
- (b) Underspend of £18,000 for Property Costs, mostly Non-Domestic Rates (NDR) empty relief for the Museum.
- (c) Underspend of £13,000 for Rankin Park Cycle Track maintenance, underspend of £15,000 for Community Safety expenditure and underspend of £13,000 due to movement in School Lets Bad Debt Provision.
- (d) Shortfall in Income for Libraries & Museum (£46,000), School Lets (£25,000) and Whinhill Golf (£17,000)

2.2 The total Communities budget for 2020/21, excluding Earmarked Reserves, is currently £4,501,730. The latest projection is an overspend of £796,000. Included within this projection are costs of £866,000 relating to the Council's response to the Covid-19 pandemic. The net projection excluding the Covid-19 related costs is an underspend of £70,000.

2.3 The main variances to highlight for the 2020/21 Revenue Budget are –

Libraries & Museum: Projected Overspend £37,000

Libraries & Museum projected outturn for 2020/21 includes £42,000 of costs associated with the Council's response to the Covid-19 pandemic. As a result of building closures during lockdown and anticipated lower footfall for the remainder of the Financial Year, it is projected that Income will under recover by £42,000. The projected outturn excluding Covid-19 costs is an underspend of £5,000 due to minor Property Costs variances.

Sports & Leisure: Projected Overspend £740,000

Sports & Leisure projected outturn for 2020/21 includes £750,000 of costs associated with the Council's response to the Covid-19 pandemic. Additional payments of £820,000 have been proposed for Inverclyde Leisure to support their cashflow during lockdown. These payments are partially offset by an underspend of £70,000 on Sports Waivers due to reduced bookings as a result of Covid-19. The projected outturn excluding Covid-19 costs is an underspend of £10,000 relating to Rankin Park Cycle Track maintenance.

Community Safety: Projected Underspend £32,000

There are no Covid-19 costs for Community Safety.

Community Safety Employee Costs are projected to underspend by £25,000 due to a number of vacancies within School Crossing Patrollers. The balance relates to minor variances.

Community Halls: Projected Overspend £51,000

Community Halls projected outturn for 2020/21 includes £74,000 of costs associated with the Council's response to the Covid-19 pandemic. Hall Lets Income is projected to under recover by £99,000 as a result of facilities being closed during lockdown. This is partially offset by an underspend of £25,000 for Hall Lets Waivers. The projected outturn, excluding Covid-19 costs, is an underspend of £23,000 which is due to an underspend of £8,000 for Community Hubs Employee Costs and a £15,000 underspend for Community Hubs Resources.

2.4 Earmarked Reserves for 2020/21 total £159,000, of which £106,000 is projected to be spent in the current Financial Year. To date there has been no expenditure. Spend to date per profiling was also expected to be nil and there is no slippage to report at this time.

3.0 RECOMMENDATIONS

- 3.1 That the Committee notes the final outturn for the 2019/20 Communities Revenue Budget.
- 3.2 That the Committee notes the current projected overspend of £796,000 for the 2020/21 Communities Revenue Budget as at Period 3 to 30 June 2020.
- 3.3 That the Committee approves the virement of £66,000 as detailed in paragraph 8.1 and appendix 5.
- 3.4 That the Committee notes the current projected overspend of £796,000 includes costs of £866,000 relating to the Council's response to the Covid-19 pandemic and net of these costs there is a projected underspend of £70,000.

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 2020/21 Revenue Budget as well as the 2019/20 final outturn and to highlight the main variances contributing to the £8,000 overspend in 2019/20 and the projected overspend of £796,000 for 2020/21.

5.0 2019/20 OUTTURN

5.1 The final outturn for the Communities 2019/20 Revenue Budget, after adjustments for Earmarked Reserves and centrally funded Employee Costs, was an overspend of £8,000. This was £32,000 more expenditure than reported to the last Committee in March 2020. The performance in specific service areas was:

	Revised Budget 2019/20 £000	Outturn 2019/20 £000	Variance To Budget £000	P9 Projected Variance £000	Movement Since P9 Projection £000
Libraries & Museum	1,593	1,586	(7)	(7)	0
Sports & Leisure	1,170	1,184	14	9	5
Community Safety	541	516	(25)	(17)	(8)
Community Halls	988	1,014	26	(9)	35
Grants to Vol Organisations	252	252	0	0	0
TOTAL NET EXPENDITURE	4,544	4,552	8	(24)	32

The main variances are explained in greater detail below.

5.2 Libraries & Museum:

Total underspend £7,000 (0.4%)

Employee costs underspent by £14,000 due to increased Turnover Savings.
Property Costs underspent by £34,000 mainly due to Non-Domestic Rates (NDR) empty relief for the McLean Museum.
Income under recovered by £46,000 - £29,000 for Libraries and £17,000 for Museum
The balance of the overspend is made up of minor variances.

5.3 Sports & Leisure:

Total overspend £14,000 (1.2%)

Income from Whinhill Golf under recovered by £17,000. This was offset by minor variances including Rankin Park Cycle Track Maintenance and Property Insurance.

5.4 Community Safety:

Total underspend £25,000 (4.6%)

Employee Costs underspend by £14,000, mainly due to vacancies within School Crossing Patrollers.

Community Safety Resources underspent by £11,000.

5.5 Community Halls:

Total overspend £26,000 (2.6%)

Property Costs overspent by £10,000 mainly due to Letting Officer costs.

Movement in the Bad Debt Provision for School Lets was an underspend of £13,000.

School Lets Income under recovered by £25,000.

Balance of the overspend relates to minor variances.

5.6 Grants to Voluntary Organisations:

Total Spend on budget

Grants to Voluntary Organisations outturned on budget

6.0 **2020/21 PROJECTION**

6.1 The current Communities budget for 2020/21 is £4,501,730. This is a decrease of £18,700 from the Approved Budget. Appendix 1 provides more details of the budget by Service area. The latest projection is an overspend of £796,000 including costs of £866,000 relating to the Council's response to the Covid-19 pandemic. Excluding these Covid-19 related costs there is a projected underspend of £70,000.

6.2 Libraries & Museum: Projected Overspend £37,000

Libraries & Museum projected outturn for 2020/21 includes £42,000 of costs associated with the Council's response to the Covid-19 pandemic. As a result of building closures during lockdown and anticipated lower footfall for the remainder of the Financial Year, it is projected that Income will under recover by £42,000. The projected outturn excluding Covid-19 costs is an underspend of £5,000 due to minor Property Costs variances.

Sports & Leisure: Projected Overspend £740,000

Sports & Leisure projected outturn for 2020/21 includes £750,000 of costs associated with the Council's response to the Covid-19 pandemic. Additional payments of £820,000 have been proposed for Inverclyde Leisure to support their cashflow during lockdown. These payments are partially offset by an underspend of £70,000 on Sports Waivers due to reduced bookings as a result of Covid-19. The projected outturn excluding Covid-19 costs is an underspend of £10,000 relating to Rankin Park Cycle Track maintenance

Community Safety: Projected Underspend £32,000

There are no Covid-19 costs for Community Safety.

Community Safety Employee Costs are projected to underspend by £25,000 due to a number of vacancies within School Crossing Patrollers. The balance relates to minor variances.

Community Halls: Projected Overspend £51,000

Community Halls projected outturn for 2020/21 includes £74,000 of costs associated with the Council's response to the Covid-19 pandemic. Hall Lets Income is projected to under recover by £99,000 as a result of facilities being closed during lockdown. This is partially offset by an underspend of £25,000 for Hall Lets Waivers. The projected outturn, excluding Covid-19 costs, is an underspend of £23,000 which is due to an underspend of £8,000 for Community Hubs Employee Costs and a £15,000 underspend for Community Hubs Resources.

Grants to Voluntary Organisations: Projected On Budget

Grants to Voluntary Organisations are projected to be on budget

7.0 EARMARKED RESERVES

7.1 Earmarked Reserves for 2020/21 total £159,000, of which £106,000 is projected to be spent in the current Financial Year. To date there has been no expenditure. Spend to date per profiling was also expected to be nil and there is no slippage to report at this time.

8.0 VIREMENTS

8.1 The Committee is asked to approve the virement of £66,000 from the Communities Committee to the Education Committee as detailed in Appendix 5. As part of the Council's response to the Covid-19 pandemic, budget originally intended for summer playschemes will be used to help fund food payments to families in receipt of free school meals.

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**

Equalities

(a) Has an Equality Impact Assessment been carried out?

	YES
X	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report’s recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report’s recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO

9.5 **Repopulation**

There are no repopulation issues with 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 - 2020/21**Period 3 - 1st April 2020 to 30th June 2020**

Service	Approved Budget	Movements				Revised Budget
	2020/21 £000	Inflation £000	Virement £000	Supplementary Budgets £000	Transferred to EMR £000	2020/21 £000
Libraries & Museum	1,610					1,610
Sport & Leisure	1,112		47			1,159
Community Safety	557					557
Community Halls	989		(40)			949
Grants to Voluntary Organisations	252		(26)			226
Totals	4,520	0	(19)	0	0	4,501

Movement Details

£000

External Resources**Inflation**

0

Virement

Remove Whinhill Golf Income
 Decrease IL Management Fee for Whinhill
 GTVO to Education Committee
 Playschemes to Education Committee

77
 (30)
 (26)
 (40)

(19)

Supplementary Budget

0

(19)

COMMUNITIES**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****Period 3 - 1st April 2020 to 30th June 2020**

2019/20 Actual £000	Subjective Heading	Approved Budget 2020/21 £000	Revised Budget 2020/21 £000	Projected Out-turn 2020/21 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
1,689	Employee Costs	1,730	1,731	1,698	(33)	(1.9%)
730	Property Costs	737	737	732	(5)	(0.7%)
1,213	Supplies & Services	1,157	1,127	1,937	810	71.9%
2	Transport Costs	3	3	3	0	-
78	Administration Costs	79	79	79	0	-
1,131	Other Expenditure	1,121	1,054	937	(117)	(11.1%)
(291)	Income	(307)	(230)	(89)	141	(61.3%)
4,552	TOTAL NET EXPENDITURE	4,520	4,501	5,297	796	17.7%
	Earmarked Reserves	0	0	0	0	
	Additional Funding Covid-19			(866)	(866)	
	TOTAL NET EXPENDITURE excluding Earmarked Reserves	4,520	4,501	4,431	(70)	

2019/20 Actual £000	Objective Heading	Approved Budget 2020/21 £000	Revised Budget 2020/21 £000	Projected Out-turn 2020/21 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
1,586	Libraries & Museum	1,610	1,610	1,647	37	2.3%
1,184	Sports & Leisure	1,112	1,159	1,899	740	63.8%
516	Community Safety	557	557	525	(32)	(5.7%)
1,014	Community Halls	989	949	1,000	51	5.4%
252	Grants to Vol Orgs	252	226	226	0	-
4,552	TOTAL COMMUNITIES	4,520	4,501	5,297	796	17.7%
	Earmarked Reserves	0	0	0	0	

COMMUNITIES**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****Period 3 -1st April 2020 to 30th June 2020**

<u>Out Turn</u> <u>2019/20</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2020/21</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> <u>30-Jun-20</u> <u>£000</u>	<u>Projection</u> <u>2020/21</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Over / (Under)</u>
(25)	Libraries & Museum Libraries & Museum Income	(57)	(14)	0	(15)	42	(73.7%)
141	Sports & Leisure Waivers	141	35	0	71	(70)	(49.6%)
709	IL Management Fee	654	164	250	1,474	820	125.4%
28	Community Halls Waivers	25	6	0	0	(25)	(100.0%)
(107)	School Lets Income	(135)	(34)	0	(36)	99	(73.3%)
472	Community Safety Employee Costs	498	125	104	473	(25)	(5.0%)
	Covid 19 Material Variances					866	
Total Material Variances		1,126	282	354	1,967	841	

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Communities

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding 2020/21</u> £000	<u>Phased Budget Period 3 2020/21</u> £000	<u>Actual Period 3 2020/21</u> £000	<u>Projected Spend 2020/21</u> £000	<u>Amount to be Earmarked for 2021/22 & Beyond</u> £000	<u>Lead Officer Update</u>
Community Fund	Tony McEwan	159	0	0	106	53	£65k funding 18 months post from P7 and £87k payments to be made to various Community Groups P10. £48k pays for last 12 months of post.
Total		159	0	0	106	53	

COMMUNITIES COMMITTEE**VIREMENT REQUESTS**

Budget Heading	Increase Budget		(Decrease) Budget
		£	£
Education Committee - Covid-19 Food Payments Grants to Voluntary Organisations (GTVO) Halls - Playschemes	1	66,000	(26,000) (40,000)
		66,000	(66,000)

Note

1- £66,000 of Playscheme funding vired to Education Committee for Food Payments