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<b>Report To:</b>	<b>Education &amp; Communities Committee</b>	<b>Date:</b>	<b>9 May 2023</b>
<b>Report By:</b>	<b>Chief Financial Officer and Corporate Director Education, Communities &amp; Organisational Development</b>	<b>Report No:</b>	<b>FIN/24/23/AP/IC</b>
<b>Contact Officer:</b>	<b>Iain Cameron</b>	<b>Contact No:</b>	<b>01475 712832</b>
<b>Subject:</b>	<b>Communities Revenue Budget Report - 2022/23 Projected Outturn at 28 February 2023</b>		

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## **1.0 PURPOSE AND SUMMARY**

- 1.1  For Decision  For Information/Noting
- 1.2 To advise Committee of the 2022/23 Revenue Budget position at 28 February 2023.
- 1.3 The total Communities Revenue Budget for 2022/23, excluding Earmarked Reserves, is currently £4,515,000. The latest projection is an underspend of £27,000 (0.6%), which is a reduction in expenditure of £42,000 since Period 9. More details are provided in section 3 of the report and the appendices.
- 1.4 The movement from Period 9 Committee is mainly the result of increased School Lets income and additional Employee Costs turnover savings being achieved.

## **2.0 RECOMMENDATION**

- 2.1 It is recommended that the Committee note the current projected underspend for the 2022/23 Communities Revenue Budget of £27,000 as at 28 February 2023.
- 2.2 Committee is asked to approve virement of £25,000 as detailed in paragraph 3.5 and Appendix 5.

**Alan Puckrin**  
**Chief Financial Officer**

**Ruth Binks**  
**Corporate Director**  
**Education, Communities**  
**& Organisational Development**

### **3.0 BACKGROUND AND CONTEXT**

- 3.1 The purpose of this report is to advise Committee of the current position of the 2022/23 Revenue Budget and to highlight the main variances contributing to the projected underspend of £27,000 for 2022/23.
- 3.2 The current Communities Revenue Budget for 2022/23 is £4,515,000 which is an increase of £168,000 from the Approved Budget. Appendix 1 provides more details of the budget movement.
- 3.3 **2022/23 Projected Outturn (£27,000 underspend 0.6%)**

The main projected variances contributing to the net overspend are listed below and in Appendix 3:

- (a) Projected overspend of £17,000 for Libraries & Museum. Following approval of the virement requested at paragraph 3.5 and Appendix 5, the shortfall in Income will reduce to £27,000. A budget pressure for 2023/24 of £25,000 was also agreed at the Policy & Resources Committee on 15 November 2022. There is a projected underspend of £21,000 in Employee Costs due to vacant posts and a projected overspend of £11,000 due to minor variances within Property Costs and Supplies.
- (b) Projected overspend of £65,000 for Sports and Leisure due to an overspend on Free Swimming for Under 16s. As part of the 2023/25 Budget setting process, it was agreed to amend the policy, increase this budget by £35,000 and return to a fixed funding arrangement with Inverclyde Leisure which will remove the overspend in the new financial year.
- (c) Projected underspend of £49,000 for Community Safety Employee Costs due to vacant posts.
- (d) Projected underspend of £60,000 for Community Halls. Following approval of the virement requested at paragraph 3.5 and Appendix 5, the Income from School Lets budget will over recover by £47,000. Summer Playschemes are projected to underspend by £20,000 due to activities being funded by grant income instead of core budget.

### **3.4 EARMARKED RESERVES**

Appendix 4 gives an update on the operational Earmarked Reserves, ie excluding strategic funding models. Spend to date on these operational Earmarked Reserves is £1.247 million, which is 99.8% of phased budget and 97.0% of total projected spend.

### **3.5 VIREMENTS**

Committee are asked to approve a £25,000 virement as detailed in Appendix 5. The Income from School Lets budget will be increased to reduce the over recovery of income in Community Halls and the Libraries & Museum Income budget will be reduced to decrease the shortfall in income. This virement is permanent in nature and is reflected throughout this report.

### **4.0 PROPOSALS**

- 4.1 The Committee are asked to note the current projected underspend for 2022/23 of £27,000 as at 28 February 2023.

4.2 The Committee are asked to approve the virement of £25,000 requested in paragraph 3.5 and Appendix 5.

## 5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendations are agreed:

SUBJECT	YES	NO	N/A
Financial	x		
Legal/Risk		x	
Human Resources		x	
Strategic (LOIP/Corporate Plan)		x	
Equalities & Fairer Scotland Duty			x
Children & Young People's Rights & Wellbeing			x
Environmental & Sustainability			x
Data Protection			x

## 5.2 Finance

The report has been prepared on the basis that the permanent virement requested in 3.5 is approved.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

## 5.3 Legal/Risk

There are no specific legal implications arising from this report.

## 5.4 Human Resources

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

## 5.5 Strategic

There are no specific strategic implications arising from this report.

## 6.0 CONSULTATION

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

## 7.0 BACKGROUND PAPERS

7.1 There are no background papers for this report.

**Communities Budget Movement - 2022/23****Period 11 - 1st April 2022 to 28th February 2023**

Service	Approved Budget	Movements			Revised Budget	
	2022/23 £000	Inflation £000	Virement £000	Supplementary Budgets £000		Transferred to EMR £000
Libraries & Museum	1,653	93	28		1,774	
Sport & Leisure	870		15		885	
Community Safety	515	34			549	
Community Halls	931	22	(24)		929	
Grants to Voluntary Organisations	378				378	
<b>Totals</b>	<b>4,347</b>	<b>149</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>4,515</b>

**Movement Details**

£000

**External Resources**

**Inflation**  
Non Teachers Pay Inflation

149

**Virement**

Rankin Park from ERR  
Insurance Virement

15  
4**Supplementary Budget**

19

0

168

**COMMUNITIES****REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****Period 11 - 1st April 2022 to 28th February 2023**

2021/22 Actual £000	Subjective Heading	Approved Budget 2022/23 £000	Revised Budget 2022/23 £000	Projected Out-turn 2022/23 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
1,878	Employee Costs	1,881	2,084	2,021	(63)	(3.0%)
573	Property Costs	581	581	583	2	0.3%
1,047	Supplies & Services	1,033	1,049	1,052	3	0.3%
7	Transport Costs	3	3	9	6	200.0%
60	Administration Costs	75	79	79	0	-
2,023	Other Expenditure	1,089	1,105	1,150	45	4.1%
(1,269)	Income	(315)	(386)	(406)	(20)	5.2%
<b>4,319</b>	<b>TOTAL NET EXPENDITURE</b>	<b>4,347</b>	<b>4,515</b>	<b>4,488</b>	<b>(27)</b>	<b>(0.6%)</b>
0	Earmarked Reserves	0	0	0	0	
<b>4,319</b>	<b>TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES</b>	<b>4,347</b>	<b>4,515</b>	<b>4,488</b>	<b>(27)</b>	<b>(0.6%)</b>

2021/22 Actual £000	Objective Heading	Approved Budget 2022/23 £000	Revised Budget 2022/23 £000	Projected Out-turn 2022/23 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
1,664	Libraries & Museum	1,653	1,774	1,791	17	1.0%
968	Sports & Leisure	870	885	950	65	7.3%
462	Community Safety	515	549	500	(49)	(8.9%)
827	Community Halls	931	929	869	(60)	(6.5%)
398	Grants to Vol Orgs	378	378	378	0	-
<b>4,319</b>	<b>TOTAL COMMUNITIES</b>	<b>4,347</b>	<b>4,515</b>	<b>4,488</b>	<b>(27)</b>	<b>(0.6%)</b>
0	Earmarked Reserves	0	0	0	0	
<b>4,319</b>	<b>TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES</b>	<b>4,347</b>	<b>4,515</b>	<b>4,488</b>	<b>(27)</b>	<b>(0.6%)</b>

**COMMUNITIES****REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****Period 11 -1st April 2022 to 28th February 2023**

<u>Out Turn</u> <u>2021/22</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2022/23</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> <u>28-Feb-23</u> <u>£000</u>	<u>Projection</u> <u>2022/23</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Over / (Under)</u>
	<b>Libraries &amp; Museum</b>						
1,198	Employee Costs	1,318	1,035	1,108	1,297	(21)	(1.6%)
(21)	Income	(59)	(54)	(30)	(32)	27	(45.8%)
	<b>Sports &amp; Leisure</b>						
151	U16 Free Swimming	120	110	177	185	65	54.2%
	<b>Community Safety</b>						
416	Employee Costs	508	431	386	459	(49)	(9.6%)
	<b>Community Halls</b>						
17	Playschemes	40	40	20	20	(20)	(50.0%)
(239)	School Lets Income	(164)	(150)	(213)	(211)	(47)	28.7%
<b>Total Material Variances</b>						<b>(45)</b>	

## EARMARKED RESERVES POSITION STATEMENT

## COMMITTEE: Communities

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>c/f Funding 2021/22</u> £000	<u>New Funding 2022/23</u> £000	<u>Write Back General Reserves</u>	<u>Total Funding 2022/23</u> £000	<u>Phased Budget Period 11 2022/23</u> £000	<u>Actual Period 11 2022/23</u> £000	<u>Projected Spend 2022/23</u> £000	<u>Amount to be Earmarked for 2023/24 &amp; Beyond</u> £000	<u>Lead Officer Update</u>
Community Fund (Participatory Budgets)	Tony McEwan	40			40	0	26	26	14	Final expenditure delayed until 2023/24 due to ongoing governance checks.
Community Support Fund	Tony McEwan	50		(50)	0	0	0	0	0	Balance written back as no commitments against this budget.
COVID 19 - Recovery of Cultural Events	Tony McEwan	10			10	0	0	10	0	Funding will pay for external consultant working on Heritage Lottery bid for Libraries. Awaiting Invoice.
Covid - Inverclyde Leisure Recovery	Tony McEwan	798	278		1,076	1,076	1,076	1,076	0	IL have used £798k to offset against payroll costs. Additional funding of £279k was awarded by Sept P&R and was also offset against payroll costs.
Covid Recovery - Lighting Gourrock Amphitheatre	Tony McEwan	29			29	29	0	29	0	Work completed, awaiting charge from Building Services / Roads.
Covid Recovery - Signage for Rankin Park	Tony McEwan	9		(9)	0	0	0	0	0	Balance written back as signs no longer required.
Covid Recovery - Allocation to Localities for Recovery Events	Tony McEwan	120			120	120	120	120	0	Payments to various community groups for events over summer months. Spending complete.
Summer of Fun	Tony McEwan	25			25	25	25	25	0	Contribution to Pictures in the Park and Cultural Events. Spending complete.
<b>Total</b>		<b>1,081</b>	<b>278</b>	<b>(59)</b>	<b>1,300</b>	<b>1,250</b>	<b>1,247</b>	<b>1,286</b>	<b>14</b>	

**COMMUNITIES COMMITTEE****VIREMENT REQUESTS**

Budget Heading		Increase Budget £	(Decrease) Budget £
Libraries Income School Lets Income	1	25,000	(25,000)
		<b>25,000</b>	<b>(25,000)</b>

Note

1 -Increase School Lets Income budget by £25,000 to reduce shortfall in Libraries Income.