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<b>Report To:</b>	<b>Education &amp; Communities Committee</b>	<b>Date:</b>	<b>5 September 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/45/23/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 - Final Outturn 2022/23 and 2023/24 Projected Outturn at 30 June 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 Communities Revenue Budget final outturn and the 2023/24 Revenue Budget position at 30 June 2023.
- 1.3 In 2022/23, excluding Earmarked Reserves, there was an under spend of £34,000 against a revenue budget figure of £4.571m. This equates to 0.7% of the total budget and was £7,000 less expenditure than previously reported to Committee in May 2023. More details are provided in sections 3.3 and 3.4 of the report.
- 1.4 The total Communities Revenue Budget for 2023/24, excluding Earmarked Reserves, is currently £5.836m. The latest projection is an underspend of £391,000. More details are provided in section 3.5 of the report and the appendices.

## 2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Committee note the final outturn for the 2022/23 Communities Revenue Budget and note the current projected underspend for 2023/24 of £391,000 as at 30 June 2023.
- 2.2 It is recommended that the Committee notes that £323,000 of the projected underspend relates to Inverclyde Leisure utility costs and is due to reduced unit rates. This budget is ring fenced and cannot be used for any other purpose. Any excess budget will be returned to the non-pay inflation contingency.
- 2.3 It is recommended that Committee approves the virements of £25,000 from the Community Grants Fund to Community Hall Waivers and £120,000 from the Environment & Regeneration Committee relating to 7 ½ John Wood St.

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

**Ruth Binks**  
**Corporate Director**  
**Education, Communities & ODHR**

### 3.0 BACKGROUND AND CONTEXT

3.1 The purpose of this report is to advise Committee of the current position of the 2023/24 Revenue Budget, as well as the 2022/23 final outturn and to highlight the main variances contributing to the £34,000 underspend for 2022/23 and the projected underspend of £391,000 for 2023/24.

3.2 The current Communities Revenue Budget for 2023/24 is £5.836m which is an increase of £192,000 from the Approved Budget. Appendix 1 provides more details of the budget movement.

### 3.3 2022/23 Outturn

The final outturn for the Communities 2022/23 Revenue Budget, excluding Earmarked Reserves was an under spend of £34,000. This was £7,000 less expenditure than reported to the last Committee in May 2023.

The outturn in specific service areas was as follows:

	Revised Budget 2022/23 £000	Outturn 2022/23 £000	Variance To Budget £000	P11 Projected Variance £000	Movement Since P11 Projection £000
Libraries & Museum	1,829	1,835	6	17	(11)
Sports & Leisure	740	804	64	65	(1)
Community Safety	549	496	(53)	(49)	(4)
Community Halls	1,075	1,009	(66)	(60)	(6)
Community Grants Fund	378	393	15	0	15
<b>TOTAL NET EXPENDITURE</b>	<b>4,571</b>	<b>4,537</b>	<b>(34)</b>	<b>(27)</b>	<b>(7)</b>

3.4 The major variances making up the under spend were as follows -

- (a) Underspend of £62,000 for Employee Costs due to a number of vacant posts within Libraries and School Crossing Patrollers.
- (b) Overspend of £29,000 for Office Accommodation and Property Insurance
- (c) Overspend of £64,000 for Under 16s Free Swimming.
- (d) Underspend of £28,000 for Summer Playschemes due to grant funding being substituted for core budget.
- (e) Overspend of £23,000 due to movement in the Bad Debt Provision.

(f) Under recovery of £25,000 for Libraries & Museum Income.

(g) Over recovery of £80,000 for Lets of Schools 3G pitches.

### **3.5 2023/24 Projected Outturn (£391,000 underspend 6.7%)**

The main projected variances contributing to the net underspend are listed below:

- (a) Projected overspend of £49,000 for Electricity and projected underspend of £374,000 for Gas within Sports & Leisure. This relates to Inverclyde Leisure utility bills which Inverclyde Council became responsible for from 1 April 2023. There was a reduction in the Inverclyde Leisure Management Fee as a result. This underspend is due to a reduction in the cost of gas since the budget was finalised. These savings will be treated as a windfall and the excess budget returned to the non-pay inflation contingency.
- (b) Projected underspend of £42,000 for Community Safety Employee Costs due to vacant posts.
- (c) Projected overspend of £45,000 for Community Halls Employee Costs mainly due to overtime being worked by Letting Officers. There is a corresponding over recovery of School Lets income, per (d) below.
- (d) Projected over recovery in Income of £45,000 for School Lets mainly due to Schools 3G pitches lets.

### **3.6 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 zero, which is in line with the anticipated spend at this period.

### **3.7 Virements**

Committee are asked to approve virements of £145,000 as detailed below and in Appendix 5:

- (a) For several years £25,000 of the Community Grants Fund budget has been allocated to fund Waivers for Community Groups using various Inverclyde Leisure halls. A virement of £25,000 is requested to move this budget to a separate cost centre within Community Halls.
- (b) A virement of £120,000 is requested to move funding for 7½ John Wood Street Port Glasgow from Economic Regeneration to Communities. This virement has already been approved by the Environment and Regeneration Committee.

## **4.0 PROPOSALS**

4.1 That Committee note the final outturn for the 2022/23 Communities Revenue Budget and note the current projected underspend for 2023/24 of £391,000 as at 30 June 2023.

4.2 That Committee approve the virements as detailed in Paragraph 3.7 and Appendix 5..

## **5.0 IMPLICATIONS**

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

<b>SUBJECT</b>	<b>YES</b>	<b>NO</b>
Financial	X	
Legal/Risk	X	
Human Resources		X
Strategic (Partnership Plan/Council Plan)		X
Equalities, Fairer Scotland Duty & Children/Young People's Rights & Wellbeing		X
Environmental & Sustainability		X
Data Protection		X

## 5.2 Finance

A virement of £25,000 is detailed in Appendix 5.

One off Costs

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

Annually Recurring Costs/ (Savings)

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

## 5.3 Legal/Risk

The approved Governance Documents set out the roles and responsibilities of Committees and officers in ensuring budgets are not overspent and the process to be followed in the event an overspend is unavoidable.

## 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 - 2023/24****Period 3 - 1st April 2023 to 30th June 2023**

Service	Approved Budget	Movements			Revised Budget 2023/24 £000
	2023/24 £000	Inflation £000	Virement £000	Supplementary Budgets £000	
Libraries & Museum	1,804	7	65		1,876
Sport & Leisure	2,117				2,117
Community Safety	477				477
Community Halls	877		145		1,022
Community Grants Fund	369		(25)		344
<b>Totals</b>	<b>5,644</b>	<b>7</b>	<b>185</b>	<b>0</b>	<b>5,836</b>

**Movement Details****External Resources****Inflation**

NDR

7

7

**Virement**7 1/2 John Wood Street (from E&R)  
School Libraries to Public Libraries120  
65

185

**Supplementary Budget**

0

192

**COMMUNITIES****REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****Period 3 - 1st April 2023 to 30th June 2023**

2022/23 Actual £000	Subjective Heading	Approved Budget 2023/24 £000	Revised Budget 2023/24 £000	Projected Out-turn 2023/24 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
2,031	Employee Costs	1,853	1,922	1,936	14	0.7%
668	Property Costs	2,245	2,252	1,902	(350)	(15.5%)
1,041	Supplies & Services	712	722	717	(5)	(0.7%)
8	Transport Costs	3	3	3	0	-
68	Administration Costs	75	75	75	0	-
1,183	Other Expenditure	995	1,121	1,116	(5)	(0.4%)
(462)	Income	(239)	(259)	(304)	(45)	17.4%
<b>4,537</b>	<b>TOTAL NET EXPENDITURE</b>	<b>5,644</b>	<b>5,836</b>	<b>5,445</b>	<b>(391)</b>	<b>(6.7%)</b>
0	Earmarked Reserves	0	0	0	0	
<b>4,537</b>	<b>TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES</b>	<b>5,644</b>	<b>5,836</b>	<b>5,445</b>	<b>(391)</b>	<b>(6.7%)</b>

2022/23 Actual £000	Objective Heading	Approved Budget 2023/24 £000	Revised Budget 2023/24 £000	Projected Out-turn 2023/24 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
1,835	Libraries & Museum	1,804	1,876	1,865	(11)	(0.6%)
804	Sports & Leisure	2,117	2,117	1,779	(338)	(16.0%)
496	Community Safety	477	477	435	(42)	(8.8%)
1,009	Community Halls	877	1,022	1,022	0	-
393	Community Grants Fund	369	344	344	0	-
<b>4,537</b>	<b>TOTAL COMMUNITIES</b>	<b>5,644</b>	<b>5,836</b>	<b>5,445</b>	<b>(391)</b>	<b>(6.7%)</b>
0	Earmarked Reserves	0	0	0	0	
<b>4,537</b>	<b>TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES</b>	<b>5,644</b>	<b>5,836</b>	<b>5,445</b>	<b>(391)</b>	<b>(6.7%)</b>

**COMMUNITIES**

**REVENUE BUDGET MONITORING REPORT**

**MATERIAL VARIANCES**

**Period 3 -1st April 2023 to 30th June 2023**

<u>Out Turn</u> <u>2022/23</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2023/24</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> <u>30-Jun-23</u> <u>£000</u>	<u>Projection</u> <u>2023/24</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Over / (Under)</u>
	<b>Sports &amp; Leisure</b>						
0	Inverclyde Leisure Electricity	580	97	53	629	49	8.4%
0	Inverclyde Leisure Gas	982	10	6	608	(374)	(38.1%)
	<b>Community Safety</b>						
458	Employee Costs	440	99	88	398	(42)	(9.5%)
	<b>Community Halls</b>						
278	Employee Costs	237	53	60	282	45	19.0%
(249)	School Lets Income	(204)	(51)	0	(249)	(45)	22.1%
<b>Total Material Variances</b>						<b>(367)</b>	

## EARMARKED RESERVES POSITION STATEMENT

## COMMITTEE: Communities

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>c/f Funding 2022/23</u> £000	<u>New Funding 2023/24</u> £000	<u>Write Back General Reserves</u>	<u>Total Funding 2023/24</u> £000	<u>Phased Budget Period 3 2023/24</u> £000	<u>Actual Period 3 2023/24</u> £000	<u>Projected Spend 2023/24</u> £000	<u>Amount to be Earmarked for 2024/25 &amp; Beyond</u> £000	<u>Lead Officer Update</u>
Community Fund (Participatory Budgets)	Tony McEwan	14			14	0	0	14	0	Will now be used to purchase mobile CCTV unit for Safer Communities per discussions with Community Councils.
COVID 19 - Recovery of Cultural Events	Tony McEwan	8			8	0	0	8	0	Final payment to Robinson Heritage Consulting. Work to be completed by September 2023.
Covid Recovery - Lighting Gourrock Amphitheatre	Tony McEwan	29			29	0	0	29	0	Funding for additional work to be carried out by Roads. Work expected to be completed 2023/24.
IL Smoothing Reserve	Tony McEwan	400			400	0	0	200	200	Contingency of £400k over 3 year period to allow for IL income to recover. Will only be paid out if required. Currently IL anticipating £200k will be required in 2023/24.
<b>Total</b>		<b>451</b>	<b>0</b>	<b>0</b>	<b>451</b>	<b>0</b>	<b>0</b>	<b>251</b>	<b>200</b>	



**COMMUNITIES COMMITTEE**

**VIREMENT REQUESTS**

Budget Heading		Increase Budget £	(Decrease) Budget £
Hall Waivers Community Grants Fund (CGF)	1	25,000	(25,000)
CLD PTOB - 7½ John Wood Street Funding Regeneration PTOB - 7 1/2 John Wood St Funding	2	120,000	(120,000)
		<b>145,000</b>	<b>(145,000)</b>

Note

1- £25,000 of CGF budget is used to fund Waivers awarded to Community Organisations using IL Halls. This virement moves this budget under Community Halls.

2- £120,000 of funding for 7½ John Wood Street Port Glasgow transferred from E&R Regeneration to Communities CLD.