
Report To:	Education & Communities Committee	Date:	5 November 2024
Report By:	Chief Financial Officer and Corporate Director Education, Communities & Organisational Development	Report No:	FIN/62/24/AP/IC
Contact Officer:	Iain Cameron	Contact No:	01475 712832
Subject:	2024/25 Communities Revenue Budget Update		

1.0 PURPOSE AND SUMMARY

- 1.1 For Decision For Information/Noting
- 1.2 The purpose of this report is to advise Committee of the projected position of the 2024/25 Communities Revenue Budget.
- 1.3 The total Communities Revenue Budget for 2024/25, excluding Earmarked Reserves, is currently £5.660m. The latest projection is an overspend of £46,000 (0.8%), a reduction in projected spend of £18,000 since Period 3 Committee, mainly due to an under recovery of turnover saving target within Libraries & Museum. The projected overspend excludes £80,000 of additional costs for Inverclyde Leisure utilities, as these will be funded from earmarked reserves for 2024/25, as previously reported.
- 1.4 The Corporate Director continues to examine opportunities to reduce the projected overspend.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Committee note that the Committee's Revenue Budget is currently projected to overspend in 2024/25 by £46,000 (0.8%).
- 2.2 It is recommended that the Committee notes that the Corporate Director continues to seek ways to reduce the overspend and progress will be reported to the next meeting of the Committee.

Alan Puckrin
Chief Financial Officer

Ruth Binks
Corporate Director
Education, Communities & OD

3.0 BACKGROUND AND CONTEXT

3.1 The purpose of this report is to advise Committee of the current position of the 2024/25 Revenue Budget and to highlight the main variances contributing to the projected overspend of £46,000 for 2024/25.

3.2 The current Communities Revenue Budget for 2024/25 is £5.660m which is in line with the Approved Budget. Appendix 1 shows the breakdown of this budget across divisions.

3.3 2024/25 Projected Outturn (£46,000 overspend 0.8%)

(a) The main projected variance contributing to the net overspend is an under achievement of turnover savings target of £38,000, mainly within Libraries & Museum; a reduction in net spend of £20,000 from Period 3. This information is contained in Appendix 3.

(b) Committee should be aware that there is a projected overspend within Inverclyde Leisure utilities budgets (electricity and gas). The overspend will be funded from earmarked reserves this financial year, in line with the treatment of utilities overspends for Council properties. The expectation is that these costs will reduce in 2025/26.

(c) In line with the decisions of the 13 August Policy & Resources Committee, the Corporate Director has developed savings proposals, with limited impact on service delivery, as part of a corporate exercise to address the overall revenue overspend in 2024/25. These will be considered by elected members later in 2024.

3.4 Earmarked Reserves

Appendix 4 gives an update on the Committee's operational earmarked reserve. Spend to date on this reserve is nil, which is in line with projected spend. The sole earmarked reserve this financial year relates to Community Grants and there will be no spend until 2025/26, at which time there will be a saving on the core budget, for which the reserve will act as substitute funding for a period of three years.

3.5 Virements

There are no virements this Committee cycle.

4.0 PROPOSALS

4.1 It is proposed that Committee note the current projected overspend for 2024/25 of £46,000 and that action will continue to be taken by the Corporate Director to reduce the overspend.

5.0 IMPLICATIONS

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

SUBJECT	YES	NO
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

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

The Financial Regulations state that the responsibility for ensuring Revenue Budgets are not exceeded lies with the Committee and Chief Officer (Corporate Director). Actions are being progressed by the Corporate Director to bring the Committee and Council back within budget.

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 - 2024/25

Service	Approved Budget	Movements				Revised Budget
	2024/25 £000	Inflation £000	Virement £000	Supplementary Budgets £000	Transferred to EMR £000	2023/24 £000
Libraries & Museum	1,892					1,892
Sport & Leisure	2,088		(40)			2,048
Community Safety	446					446
Community Halls	953		25			978
Community Grants Fund	281		15			296
Totals	<u>5,660</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,660</u>

Movement Details

£000

External Resources

Inflation

0

Virement

0

Supplementary Budget

0

0

COMMUNITIES

REVENUE BUDGET MONITORING REPORT

CURRENT POSITION

2023/24 Actual £000	Subjective Heading	Approved Budget 2024/25 £000	Revised Budget 2024/25 £000	Projected Out-turn 2024/25 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
2,163	Employee Costs	1,865	1,909	1,947	38	2.0%
2,149	Property Costs	2,268	2,268	2,271	3	0.1%
942	Supplies & Services	616	616	621	5	0.8%
7	Transport Costs	3	3	3	0	-
73	Administration Costs	75	75	71	(4)	(5.3%)
1,060	Other Expenditure	1,083	1,108	1,107	(1)	(0.1%)
(542)	Income	(250)	(319)	(314)	5	(1.6%)
5,852	TOTAL NET EXPENDITURE	5,660	5,660	5,706	46	0.8%
0	Earmarked Reserves	0	0	0	0	
5,852	TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES	5,660	5,660	5,706	46	0.8%

2023/24 Actual £000	Objective Heading	Approved Budget 2024/25 £000	Revised Budget 2024/25 £000	Projected Out-turn 2024/25 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
2,068	Libraries & Museum	1,892	1,892	1,927	35	1.8%
2,002	Sports & Leisure	2,088	2,048	2,053	5	0.2%
478	Community Safety	446	446	448	2	0.4%
960	Community Halls	953	978	982	4	0.4%
344	Community Grants Fund	281	296	296	0	-
5,852	TOTAL COMMUNITIES	5,660	5,660	5,706	46	0.8%
0	Earmarked Reserves	0	0	0	0	
5,852	TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES	5,660	5,660	5,706	46	0.8%

COMMUNITIES

REVENUE BUDGET MONITORING REPORT

MATERIAL VARIANCES

<u>Out Turn</u> <u>2023/24</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2024/25</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> <u>31-Aug-24</u> <u>£000</u>	<u>Projection</u> <u>2024/25</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Over / (Under)</u>
1,441	Libraries & Museum Employee Costs	1246	478	485	1277	31	2.5%
Total Material Variances						31	

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Communities

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding 2024/25</u> <u>£000</u>	<u>Phased Budget 31-Aug-24 2024/25</u> <u>£000</u>	<u>Actual 31-Aug-24 2024/25</u> <u>£000</u>	<u>Projected Spend 2024/25</u> <u>£000</u>	<u>Amount to be Earmarked for 2025/26 & Beyond</u> <u>£000</u>	<u>Lead Officer Update</u>
Community Grants	Tony McEwan	75	0	0	0	75	Funding £25k per annum reduction in Community Grants fund from 2025/26 for 3 years.
Total		75	0	0	0	75	