
Report To:	Regeneration Committee	Date:	12 March 2009
Report By:	Chief Financial Officer and Corporate Director Regeneration and Resources	Report No:	FIN/19/09/AP/CB
Contact Officer:	Matt Thomson	Contact No:	01475 712256
Subject:	2008/09 Revenue Budget – Period 9 to 31 December 2008		

1.0 PURPOSE

- 1.1 To advise Committee of the 2008/09 Revenue Budget position at period 9 to 31 December 2008 for Economic & Social Regeneration, Corporate Director and Property Resources & Facilities Management.

2.0 SUMMARY

- 2.1 The revised 2008/09 budget for Economic & Social Regeneration, Property Resources & Facilities Management and the Corporate Director is £10,582,000,(which includes a single status budget of £626,000), with a further £1,199,000 brought forward as Earmarked Reserves.

The latest projection, excluding Earmarked Reserves, is an underspend of £21,000, which is unchanged on that previously reported to the January Committee.

3.0 RECOMMENDATION

- 3.1 The Committee note the current projected underspend for 2008/09 of £21,000 as at 31 December 2008.
- 3.2 That Committee approve a virement as detailed in paragraph 7.1 and Appendix 4 and note that the virement will be remitted to Policy & Resources for approval due to a budget transfer to Legal & Administration.

Alan Puckrin
Chief Financial Officer

Aubrey Fawcett
Corporate Director
Regeneration & Resources

4.0 BACKGROUND

4.1 The purpose of this report is to advise Committee of the current position of the 2008/09 Budget and to highlight the main issues contributing to the projected underspend.

5.0 2008/09 CURRENT POSITION

5.1 There has been no change to the position since last reported to Members at the January Committee. However, there have been the following material movements;

- £27,000 increase in overspend within Economic and Social Regeneration; and
- £27,000 improvements within Property Resources and Facilities Management.

5.2 Economic & Social Regeneration

5.3 The current projected out-turn for Economic and Social Regeneration is an overspend of £35,000 (excluding earmarked reserves) which is shown in Appendix 1. This represents an increase in overspend of £27,000 since last reported to the January Committee.

5.4 The table below provides a more detailed breakdown of the overspend on a subjective basis:

Subjective Heading	Projected Over (Under) Spend £000
Employee Costs (excluding earmarked reserves of £48,000)	(32)
Property Costs	14
Administration Costs	(6)
Income	59
Overspend	35

5.5 The main issues to the current projected overspend for Economic and Social Regeneration are:

Employee Costs:

There is a projected underspend of £32,000 which is a decrease in underspend of £16,000 since last reported to Members at the January Committee which is due to minor revisions and adjustments to forecasts and spends.

Property Costs:

The projected overspend of £14,000 has not changed since last reported to Committee.

Income:

There is a projected under-recovery of £59,000. This represents an increase in under-recovery of £11,000 since the previous Committee and is due to the following:

- A further decrease in Leisure Pass Income of £3,000;
- £2,000 under-recovery in sales of withdrawn library books;
- Decrease of £8,000 in income related to library charges for audio & visual items;
- An under-recovery of £2,000 in telephone usage charges at Libraries;
- A further decrease in Museum sales, fees and charges of £2,000;
- An £8,000 under-recovery in Golf fees and charges;
- £5,000 under-recovery in land rent;
- £18,000 over-recovery in Football fees and charges; and
- £1,000 over-recovery in Track and Field fees and charges.

5.6 Property Resources and Facilities Management

5.7 The current projected out-turn for Property Resources and Facilities Management inclusive of the contribution from Catering and Cleaning (see 5.11 below) is an underspend of £52,000 which is shown in Appendix 1.

5.8 The table below provides a more detailed breakdown of the material variances within Property Resources & Facilities Management, excluding the contribution from Catering and Cleaning, on a subjective basis:

Subjective Heading	Projected Over (Under) Spend £000
Employee Costs	11
Property Costs	(42)
Other Expenditure	50
Income	(25)
Overspend	(6)

5.9 The main issues affecting Property Resources and Facilities Management are:

Employee Costs:

There is a projected overspend of £11,000. This represents an increase of £3,000 since the previous Committee and is due to minor revisions and adjustments to forecasts and spends.

Property Costs:

The projected underspend of £42,000 due to a reduction in Central Repairs & Maintenance costs has not changed since last reported to Committee.

Other Expenditure:

The projected over spend of £50,000 relating to use of external consultants has not changed since last reported to Committee.

Income:

There is a projected over-recovery of £25,000. This represents an increase of £13,000 since the previous Committee and is mainly due to minor revisions and adjustments to forecasts.

5.10 Catering and Cleaning

5.11 The table below highlights a £46,000 underspend in Catering and Cleaning.

Subjective Heading	Projected Over (Under) Spend £000
Employee Costs	(51)
Property Costs	9
Supplies & Services	(34)
Income	30
Underspend	(46)

5.12 The main issues to the projected Catering and Cleaning under-spend are:

Employee Costs:

There is a projected under-spend of £51,000. This represents a further reduction of £31,000 since the previous Committee and is due to a number of minor revisions and adjustments to forecasts.

Property Costs:

There is a projected overspend of £9,000 on Catering Cleaning Materials/Equipment. This represents an increase of £9,000 since the previous Committee and is in line with previous year. This is to be offset by a reduction in Supplies & Services.

Supplies & Services Costs:

There is a projected under-spend of £34,000, a further reduction of £9,000 from that previously reported which is due to an unbudgeted receipt of marketing initiative/discount income for the previous financial year from the ABC Consortium.

Income:

There is a projected under-recovery of £30,000. This represents a further under-recovery of £10,000 since the previous Committee and is due to minor revisions and adjustments to forecasts.

5.13 A detailed breakdown of the material variances is included as Appendix 2.

6.0 OTHER ISSUES

6.1 There is a planned £1,950,000 contribution to Earmarked Reserves in the current financial year as detailed in Appendix 3. Spend to date is 65% of projected spend.

7.0 VIREMENTS

7.1 Committee are asked to approve virement of £1,000 as detailed in Appendix 4. The virement is included in Appendix 1 attached. As the virement involves a transfer of budget for Professional Fees to Legal & Administration, Committee is requested to remit this to Policy and Resources seeking its approval.

8.0 IMPLICATIONS

8.1 Financial:

The current projected out-turns per Service excluding Earmarked Reserves are:

Service	Approved Budget 2008/09 £'000	Revised Budget 2008/09 £'000	Projected Out-turn 2008/09 £'000	Projected Over/(Under- Spend) £'000	Percentage Variance %
Economic & Social Regeneration	7,607	7,730	7,765	35	0.45%
Property Resources & Facilities Management	2,286	2,696	2,644	(52)	(1.93%)
Corporate Director	156	156	152	(4)	(2.56%)
TOTAL NET EXPENDITURE	10,049	9,137	8,611	(21)	(0.23%)

8.2 Equalities:

There are no equality issues arising from the report.

9.0 **CONSULTATION**

9.1 The report has been jointly prepared by the Corporate Director of Regeneration & Resources and the Chief Financial Officer.

REGENERATION

APPENDIX 1

REVENUE BUDGET MONITORING REPORT

PERIOD 09: 1st April 2008 - 31st December 2008

Service	Approved Budget 2008/09 £000	Revised Budget 2008/09 £000	Projected Out-turn 2008/09 £000	Projected Over/(Under) Spend 2008/09 £000	Percentage Variance %
Economic & Social Regeneration	7,607	7,730	7,765	35	0.45%
Property Resources & Facilities Mgt	2,286	2,696	2,644	(52)	(1.93)%
Corporate Director	156	156	152	(4)	(2.56)%
TOTAL NET EXPENDITURE	10,049	10,582	10,561	(21)	(0.20)%
Transfer to Earmarked Reserves *	0	(1,445)	(1,950)	0	
TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES	10,049	9,137	8,611	(21)	(0.23)%

Subjective Heading	Approved Budget 2008/09 £000	Revised Budget 2008/09 £000	Projected Out-turn 2008/09 £000	Projected Over/(Under) Spend 2008/09 £000	Percentage Variance %
Employee Costs	6,156	6,384	6,359	(25)	(0.38)%
Property Costs	3,037	2,922	2,894	(28)	(0.96)%
Supplies & Services	1,826	1,834	1,834	0	0.00%
Transport Costs	7	7	7	0	0.00%
Administration Costs	229	227	221	(6)	(2.64)%
Other Expenditure	9,720	9,696	9,746	50	0.52%
Income	(10,543)	(10,399)	(10,365)	34	0.33%
Contribution from Trading Accounts	(383)	(89)	(135)	(46)	(51.98)%
TOTAL NET EXPENDITURE	10,049	10,582	10,561	(21)	(0.20)%
Transfer to Earmarked Reserves *	0	(1,445)	(1,950)	0	
TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES	10,049	9,137	8,611	(21)	(0.23)%

* Per Appendix 3: New funding transferred to earmarked reserves during 2008/09

REGENERATION**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 09: 1st April 2008 - 31st December 2008**

<u>Out Turn</u> <u>2007/08</u> <u>£000</u>	<u>Budget Heading</u>	<u>Budget</u> <u>2008/09</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u> <u>£000</u>	<u>Actual to</u> <u>31-Dec-08</u> <u>£000</u>	<u>Projection</u> <u>2008/09</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>%</u>
	ECONOMIC & SOCIAL REGENERATION						
2,081	Employee costs APT&C	2,208	1,659	1,647	2,172	(36)	(2.79)%
28	Property Costs Water Charges - Halls	13	10	20	27	14	107.69%
957	Other Expenditure Economic Development - RI	2,555	1,916	965	1,785	(770)	(30.14)%
(211)	Income Hall lets - Halls	(191)	(143)	(106)	(220)	(29)	(15.18)%
(12)	Sports & Leisure - Leisure Pass	(29)	(22)	(2)	(9)	20	68.97%
(44)	Sports & Leisure - Football Fees & Charges	-	-	(13)	(18)	(18)	(100.00)%
(23)	Eco Dev - Recharge to FSF	-	-	-	(28)	(28)	(100.00)%
(26)	Eco Dev - Skillseekers	(63)	(47)	(35)	(50)	13	20.63%
(73)	Eco Dev - Business Store Income	(71)	(53)	0	(1)	70	98.59%
2,677	TOTAL ECONOMIC & SOCIAL REGENERATION	4,422	3,320	2,476	3,658	(764)	(17.28)%
	PROPERTY RESOURCES & FACILITIES MANAGEMENT						
1,589	Property costs Central Repairs - Repairs & Maintenance	1,650	1,100	1,026	1,608	(42)	(2.55)%
47	Other Expenditure Property Resources - External consultants	0	0	36	50	50	100%
(1,120)	Income Property Resources - Recharges to Capital	(1,100)	(733)	(630)	(1,132)	(32)	(2.91)%
516	TOTAL PROPERTY RESOURCES & FACILITIES MANAGEMENT	550	367	432	526	(24)	(4.36)%
	CONTRIBUTION FROM CATERING & CLEANING						
2,041	Employee costs Cleaning - Manual Wages	2,051	1,466	1,392	2,029	(22)	(1.07)%
275	Catering - APTC	468	344	301	410	(58)	(12.39)%
1,320	Catering - Manual Wages	1,451	1,078	1,078	1,480	29	2.00%
657	Supplies & Services Costs Catering - Provisions	651	495	483	631	(20)	(3.07)%
(2,383)	Income Cleaning - SLA	(2,206)	(1,655)	(1,612)	(2,196)	10	0.45%
(644)	Catering -Variable Bid	(630)	(479)	(396)	(610)	20	3.17%
1,266	TOTAL CONTRIBUTION FROM CATERING & CLEANING	1,785	1,249	1,246	1,744	(41)	(2.30)%
4,459	TOTAL FOR REGENERATION	6,757	4,936	4,154	5,928	(829)	(12.27)%

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: REGENERATION

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>c/f Funding 2007/08</u>	<u>New Funding 2008/09</u>	<u>Total Funding 2008/09</u>	<u>Actual Spend to 31-Dec-08</u>	<u>Projected Spend 2008/09</u>	<u>Amount to be Earmarked for 2009/10</u>	<u>Lead Officer Update</u>
		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	
Working For Families	Stuart Jamieson	24	0	24	24	24	0	Fully Spent.
Riverside Inverclyde - Running Costs	Stuart Jamieson	715	1,840	2,555	965	1,785	770	The £770k earmarked for 2009/10 represents the projected spend as per project plans. Funding of £310k was drawdown in December 08.
Modern Apprenticeship	Stuart Jamieson	0	80	80	13	32	48	Modern Apprenticeship scheme has now commenced and spend is ongoing.
Tall Ships	Stuart Jamieson	90	0	90	0	90	0	The full budget is expected to be spent for the year end. Expenditure will be spent on the following: Port fees, Traffic Management and Legal and Admin fees.
Fairer Scotland Fund	Stuart Jamieson	0	6,470	6,470	4,187	5,843	627	The £627k earmarked for 2009/10 represents the projected spend as per latest project plans.
Greenock Cut	Joe Lynch	370	0	370	30	45	325	Funds to be commuted as proposals are agreed.
Revenue expenditure transferred from Capital	Joe Lynch	0	330	330	0	150	180	Costs will be transferred at Year End.
Total		1,199	8,720	9,919	5,219	7,969	1,950	

REGENERATION & RESOURCES COMMITTEE**VIREMENT REQUESTS**

Budget Heading	Increase Budget	(Decrease) Budget
	£000	£000
Legal & Administration Professional Fees	1	
Property Resources Professional Fees		1
Total	1	1

Reasons for virement :

Transfer of the cost of professional fees for two staff who moved to the Physical Investment Team.