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<b>Report To:</b>	<b>Regeneration Committee</b>	<b>Date:</b>	<b>29 October 2009</b>
<b>Report By:</b>	<b>Chief Financial Officer and Corporate Director Regeneration and Resources</b>	<b>Report No:</b>	<b>FIN/58/10/AP/CB</b>
<b>Contact Officer:</b>	<b>Hugh MacMaster</b>	<b>Contact No:</b>	<b>01475 712163</b>
<b>Subject:</b>	<b>Regeneration and Resources 2009/10 Revenue Budget – Period 5 to 31 August 2009</b>		

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## **1.0 PURPOSE**

- 1.1 To advise Committee of the 2009/10 Revenue Budget position at period 5 to 31 August 2009 for Economic & Social Regeneration, Property Resources & Facilities Management and Corporate Director.

## **2.0 SUMMARY**

- 2.1 The revised 2009/10 budget for Economic & Social Regeneration, Property Resources & Facilities Management and the Corporate Director is £9,103,000 which excludes Earmarked Reserves.
- 2.2 The latest projection, excluding Earmarked Reserves, is an underspend of £103,000, an increase in underspend of £52,000 on that previously reported to Committee.

## **3.0 RECOMMENDATION**

- 3.1 The Committee note the current projected underspend for 2009/10 of £103,000 as at 31 August 2009.
- 3.2 That Committee approve the virement as detailed in paragraph 7.1 and Appendix 4.

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 2009/10 Budget and to highlight the main issues contributing to the projected underspend.

## **5.0 2009/10 CURRENT POSITION**

5.1 The current projection for 2009/10 is an underspend of £103,000.

### **5.2 Economic and Social Regeneration**

The current projected out-turn for Economic and Social Regeneration is an underspend of £47,000 (excluding earmarked reserves) which is shown in Appendix 1. This represents a further underspend of £16,000 since last reported to the September Committee.

The main issues relating to the current projected underspend for Economic and Social Regeneration are detailed below and in Appendix 2:

#### **Employee Costs:**

There is a projected underspend of £74,000, an increase in underspend of £18,000 since last reported to Members at the September Committee due to:

- £9,000 underspend due to delays in filling vacant posts; and
- £9,000 underspend in overtime, based on spend to date.

#### **Income:**

There is a projected under-recovery of £27,000 an increase of £2,000 since the previous Committee, due to low usage of public pay phones at libraries which is comparable to 2008/09 out-turn.

### **5.3 Property Resources and Facilities Management**

The current projected out-turn for Property Resources and Facilities Management inclusive of the contribution from Catering and Cleaning is an underspend of £56,000 which is shown in Appendix 1. This represents a further underspend of £36,000 since last reported to the September Committee.

The main issues to the current projected underspend for Property Resources and Facilities Management are detailed below and in Appendix 2.

#### **Employee Costs:**

There is a projected underspend of £33,000, previously unreported, due to vacant posts.

#### **Supplies & Services Costs:**

The projected overspend of £16,000 has not changed since last reported to Committee.

#### **Transport Costs**

The Vehicle Management budget has not yet been amended to reflect the revised charging policy approved by Policy and Resources Committee in June 2009. This will be actioned in October 2009 and reported to the next Committee, as will any revisions to projected costs.

In the interim, an underspend of £3,000 has been projected in line with the 2008/09 out-turn.

### Administration Costs:

There is a projected overspend of £25,000, previously unreported, relating to a one-off cost for an Employment Tribunal, which has now been settled. This will be offset by an increase in capital projects' fee income, as reported below.

### Income:

There is a projected over-recovery of £25,000, previously unreported, due to an over-recovery in capital projects fee income to offset the above Employment Tribunal settlement.

The remaining £36,000 over-recovery in income, relates to Catering as previously reported.

## **6.0 OTHER ISSUES**

6.1 The Head of Property Resources & Facilities Management reported to the Policy & Resources Committee in September about the recently completed efficiency review into Facilities Management.

The 2009/10 budget includes an efficiency saving of £75,000 in relation to Facilities Management and it is projected that this will be achieved in full.

## **7.0 VIREMENTS**

7.1 Committee are asked to approve virement of £18,000 as detailed in Appendix 4. The virement is included in Appendix 1 and has been reflected throughout this report.

## **8.0 IMPLICATIONS**

8.1 The current projected out-turn, per Service, excluding Earmarked Reserves, is:

Service	Approved Budget 2009/10 £'000	Revised Budget 2009/10 £'000	Projected Out-turn 2009/10 £'000	Projected Over/(Under-Spend) £'000	Percentage Variance %
Economic & Social Regeneration	7,445	7,457	7,410	(47)	(0.63%)
Property Resources & Facilities Management	2,746	2,746	2,690	(56)	(2.04%)
Corporate Director	136	136	136	0	0
<b>Total</b>	<b>10,327</b>	<b>10,339</b>	<b>10,236</b>	<b>(103)</b>	<b>(1.00%)</b>
Earmarked Reserves		(1,236)	(1,236)		
<b>TOTAL NET EXPENDITURE</b>	<b>10,327</b>	<b>9,103</b>	<b>9,000</b>	<b>(103)</b>	<b>(1.13%)</b>

## **9.0 EARMARKED RESERVES**

9.1 There is a planned £2,036,000 contribution to Earmarked Reserves in the current financial year as detailed in Appendix 3. Spend to date is 23% of projected spend.

## **10.0 EQUALITIES**

10.1 There are no equality issues arising from the report.

## **11.0 CONSULTATION**

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

**REGENERATION**

APPENDIX 1

**REVENUE BUDGET MONITORING REPORT**

**PERIOD 5: 1st April 2009 - 31st August 2009**

2008/09 Actual £000	Service	Approved Budget 2009/10 £000	Revised Budget 2009/10 £000	Projected Out- turn 2009/10 £000	Projected Over/(Under) Spend 2009/10 £000	Percentage Variance %
5,118	Economic & Social Regeneration	7,445	7,457	7,410	(47)	(0.63)%
2,428	Property Resources & Facilities Mgt	2,746	2,746	2,690	(56)	(2.04)%
152	Corporate Director	136	136	136	0	0.00%
<b>7,698</b>	<b>TOTAL NET EXPENDITURE</b>	<b>10,327</b>	<b>10,339</b>	<b>10,236</b>	<b>(103)</b>	<b>(1.00)%</b>
	Transfer to Earmarked Reserves *	0	(1,236)	(1,236)	0	
<b>7,698</b>	<b>TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES</b>	<b>10,327</b>	<b>9,103</b>	<b>9,000</b>	<b>(103)</b>	<b>(1.13)%</b>

2008/09 Actual £000	Subjective Heading	Approved Budget 2009/10 £000	Revised Budget 2009/10 £000	Projected Out- turn 2009/10 £000	Projected Over/(Under) Spend 2009/10 £000	Percentage Variance %
6,155	Employee Costs	10,561	10,579	10,472	(107)	(1.01)%
3,083	Property Costs	2,877	2,859	2,859	0	0.00%
1,848	Supplies & Services	2,597	2,597	2,613	16	0.62%
4	Transport Costs	59	59	56	(3)	(5.08)%
211	Administration Costs	251	251	276	25	9.96%
9,823	Other Expenditure	9,048	9,060	9,060	0	0.00%
(10,368)	Income	(15,066)	(15,066)	(15,100)	(34)	0.23%
<b>10,756</b>	<b>TOTAL NET EXPENDITURE</b>	<b>10,327</b>	<b>10,339</b>	<b>10,236</b>	<b>(103)</b>	<b>(1.00)%</b>
	Transfer to Earmarked Reserves *	0	(1,236)	(1,236)	0	
<b>10,756</b>	<b>TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES</b>	<b>10,327</b>	<b>9,103</b>	<b>9,000</b>	<b>(103)</b>	<b>(1.13)%</b>

\* Per Appendix 3: New funding transferred to earmarked reserves during 2009/10

**REGENERATION****REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 5: 1st April 2009 - 31st August 2009**

<u>Budget Heading</u>		<u>Budget</u> <u>2009/10</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u> <u>£000</u>	<u>Actual to</u> <u>31-Aug-09</u> <u>£000</u>	<u>Projection</u> <u>2009/10</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>%</u>
<b>ECONOMIC &amp; SOCIAL REGENERATION</b>							
Employee costs	APT&C	2,264	962	833	2,217	(47)	(2.08)%
	Manual	560	237	205	542	(18)	(3.21)%
Income	Cultural - Audio/Visual Unit Charges	(19)	(8)	(4)	(9)	10	51.43%
	Leisure & Communities - Leisure Pass	(30)	(13)	(3)	(5)	25	83.33%
	Leisure & Communities - Hall Lets	(196)	(82)	(86)	(206)	(10)	(5.10)%
	Leisure & Communities - School Lets	(48)	(20)	(30)	(58)	(10)	(20.83)%
<b>TOTAL ECONOMIC &amp; SOCIAL REGENERATION</b>		<b>2,531</b>	<b>1,076</b>	<b>915</b>	<b>2,481</b>	<b>(50)</b>	<b>(1.99)%</b>
<b>PROPERTY RESOURCES &amp; FACILITIES MANAGEMENT</b>							
Employee costs	Property Resources - APT&C	1,571	669	655	1,538	(33)	(2.10)%
Supplies & Services costs	Catering - Drinking Milk	82	21	29	98	16	19.51%
Administration costs	Legal expenses	0	0	0	25	25	100%
Income	Catering - Recharges	(628)	(136)	(210)	(658)	(30)	(4.78)%
	Catering -Drinking Milk Recharges	(93)	(24)	(32)	(109)	(16)	17.20%
	Catering -Special Catering	(90)	(38)	(18)	(80)	10	(11.11)%
	Property Resources - Recharges to Capital	(1,100)	(183)	(165)	(1,125)	(25)	(2.27)%
<b>TOTAL PROPERTY RESOURCES &amp; FACILITIES MANAGEMENT</b>		<b>(258)</b>	<b>309</b>	<b>259</b>	<b>(311)</b>	<b>(53)</b>	<b>20.54%</b>
<b>TOTAL FOR REGENERATION</b>		<b>2,273</b>	<b>1,385</b>	<b>1,174</b>	<b>2,170</b>	<b>(103)</b>	<b>(4.55)%</b>

EARMARKED RESERVES POSITION STATEMENT

APPENDIX 3

COMMITTEE: Regeneration

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>c/f Funding 2008/09</u>	<u>New Funding 2009/10</u>	<u>Total Funding 2009/10</u>	<u>Actual To Period 05 2009/10</u>	<u>Projected Spend 2009/10</u>	<u>Amount to be Earmarked for 2010/11 &amp; Beyond</u>	<u>Lead Officer Update</u>
		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	
Riverside Inverclyde	Stuart Jamieson	1,052	1,513	2,565	169	1,500	1,065	A request for funding totalling £285k was received in period 5.
Modern Apprenticeship	Stuart Jamieson	50	100	150	26	129	21	The Service advertised for two admin apprenticeships and a trainee accountant in July with a view to starting in September/October. Recruitment process ongoing.
Tall Ships	Aubrey Fawcett	70	150	220	23	70	150	Spend is online with projection.
FSF	Stuart Jamieson	1,150	6,125	7,275	1,975	7,125	150	The Service is currently looking at the phasing of the projected spend to identify any further slippage.
FSF Community Hubs	Stuart Jamieson	22	506	528	92	528	0	The Service is currently reviewing their spending profile. However, the Service anticipates that some of the new funding will not be utilised and will be clawed back to FSF for redistribution to other projects.  Previously FSF Community Hubs was accounted for as 4 individual projects; - Auchmountain; - Paton Street (£22k brought forward); - Central Greenock; and - Clune Park.
Arts Guild - Further Funding	Aubrey Fawcett	0	500	500	0	0	500	Report was presented to the September Regeneration Committee updating the timescales. As a result £500k will be carried forward.
Area Renewal Fund	Aubrey Fawcett	0	500	500	0	350	150	The following amounts have been allocated to date: Retail Assessment for Greenock South West - £25k Master planning for Drumfrochar Road/ Broomhill Area - £30k Match funding for bid to Town Centre Regeneration Fund for Port Glasgow and Greenock Town Centre's - £200k Match funding contribution to Gibshill Community Centre project - £100k and Clune Park Resource Centre - £75k  The remaining balance of £70k is expected to be allocated by the year end but not spent until 2010/11.  However, only £350k will actually be spent in 2009/10
Hunter Place Toilet - Refurbishment	Joe Lynch	0	20	20	19	20	0	Works complete awaiting Scottish Power connection on 22 September 2009.
Facilities Management Efficiency Review	Joe Lynch	0	400	400	0	400	0	This is required to fund the implementation of the efficiency review.
<b>Total</b>		<b>2,344</b>	<b>9,814</b>	<b>12,158</b>	<b>2,304</b>	<b>10,122</b>	<b>2,036</b>	

**REGENERATION & RESOURCES COMMITTEE****VIREMENT REQUESTS**

<b>Budget Heading</b>	<b>Increase Budget</b>	<b>(Decrease) Budget</b>
	£000	£000
Property Resources Salaries	18	
Central Repairs General Revenue Works Allocation		18
<b>Total</b>	<b>18</b>	<b>18</b>

Reasons for virement:

50% funding for CEEF post (the remaining 50% funding is charged directly to the fund).