
Report To:	Regeneration Committee	Date:	11 March 2010
Report By:	Chief Financial Officer and Corporate Director Regeneration and Resources	Report No:	FIN/13/10/AP/CB
Contact Officer:	Matt Thomson	Contact No:	01475 712256
Subject:	Regeneration and Resources 2009/10 Revenue Budget – Period 9 to 31 December 2009		

1.0 PURPOSE

- 1.1 To advise Committee of the 2009/10 Revenue Budget position at period 9 to 31 December 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 £8,679,000 net of contribution to Earmarked Reserves.
- 2.2 The latest projection is a net underspend of £111,000, a further increase in underspend of £53,000 on that previously reported to Committee.

3.0 RECOMMENDATION

- 3.1 The Committee note the current projected underspend for 2009/10 of £111,000 as at 31 December 2009.
- 3.2 That Committee approve the virements 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 £111,000.

5.2 Economic and Social Regeneration

The current projected out-turn for Economic and Social Regeneration is an underspend of £83,000 (excluding earmarked reserves) which is shown in Appendix 1. This represents a further underspend of £35,000 since last reported to the January 2010 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 £132,000, which is a further underspend of £39,000 mainly due to £21,000 post not previously identified.

Property Costs:

The projected overspend for the year of £32,000 has not changed since last reported to Committee.

Other Expenditure

Spend on events is £26,000 in excess of budget. This is a one off and will be contained within the Directorate.

Income:

There is a projected over-recovery of £9,000 which is an improvement of £22,000 since the previous Committee, and is mainly due to further income from school lets, not previously reported due to timing issues with income receipts.

The following material income variances have been previously reported to Committee:

- £10,000 over-recovery in Hall Lets;
- £10,000 over-recovery in School lets;
- £25,000 under-recovery in leisure pass income; and
- £10,000 under-recovery in audio/visual charges in Libraries.

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 £28,000 which is shown in Appendix 1. This represents a further underspend of £18,000 since last reported to the January 2010 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 overspend of £46,000, a reduction of £12,000 on that previously

reported mainly due to revised projections for manual wage costs. This is detailed as follows:-

Catering - there is a projected underspend of £77,000, a reduction of £17,000 on that previously reported, following the budget virement shown in Appendix 4.

Cleaning - there is a projected overspend of £101,000, an increase of £17,000 on that previously reported, due to revised projections.

Janitors - there is a projected overspend of £6,000 a reduction of £31,000 on that previously reported, following the budget virement shown in Appendix 4.

Public Conveniences - there is a projected overspend of £7,000, an increase of £1,000 on that previously reported, due to increased overtime levels projected to the year end.

Property Resources – there is a projected overspend of £9,000 resulting from a shortfall in turnover savings.

Other Expenditure:

The projected overspend of £24,000, relating to external consultants has not changed since last reported to Committee.

Income

There is a projected over-recovery of £98,000, an improvement of £6,000 since the previous Committee, mainly resulting from revised projections for recharges to Client Services. This is detailed as follows:-

Catering – there is a projected £40,000 additional recharges to Client Services, an improvement of £20,000 since the previous Committee following revised projections to Special Catering and catering provided to Education properties.

Janitors - there is a projected £23,000 additional recharges to Client Services, a reduction of £14,000 since the previous Committee.

Cleaning - the projected £10,000 additional morning cleanings to schools following lets the evening before, has not changed since last reported to Committee.

Property Resources - the projected over-recovery of £25,000 in capital projects fee income remains unchanged.

6.0 OTHER ISSUES

6.1 The 2009/10 budget includes an efficiency saving of £75,000 in relation to Facilities Management. Savings of £49,000 have been met through a restructure as part of the efficiency review. The remaining balance is projected to be achieved in full by the year end through savings on overtime and travel/subsistence within Property Resources.

7.0 VIREMENTS

7.1 Committee are asked to approve virement of £192,000 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	7,280	7,197	(83)	(1.14%)
Property Resources & Facilities Management	2,746	2,700	2,672	(28)	(1.04%)
Corporate Director	136	136	136	0	0.00%
Total	10,327	10,116	10,005	(111)	(1.10%)
Earmarked Reserves		(1,437)	(1,437)	0	0.00%
TOTAL NET EXPENDITURE	10,327	8,679	8,568	(111)	(1.28%)

9.0 EARMARKED RESERVES

9.1 There is a planned £1,437,000 contribution to Earmarked Reserves in the current financial year as detailed in Appendix 3. Spend to date is 65.26% 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 9: 1st April 2009 - 31st December 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	7,280	7,197	(83)	(1.14)%
2,428	Property Resources & Facilities Mgt	2,746	2,700	2,672	(28)	(1.04)%
152	Corporate Director	136	136	136	0	0.00%
7,698	TOTAL NET EXPENDITURE	10,327	10,116	10,005	(111)	(1.10)%
	Transfer to Earmarked Reserves *	0	(1,437)	(1,437)	0	0.00%
7,698	TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES	10,327	8,679	8,568	(111)	(1.28)%

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	10,394	10,308	(86)	(0.83)%
3,083	Property Costs	2,877	2,900	2,932	32	1.10%
1,848	Supplies & Services	2,597	2,737	2,737	0	0.00%
4	Transport Costs	59	47	47	0	0.00%
211	Administration Costs	251	229	229	0	0.00%
9,823	Other Expenditure	9,048	9,028	9,078	50	0.55%
(10,368)	Income	(15,066)	(15,220)	(15,327)	(107)	(0.70)%
10,756	TOTAL NET EXPENDITURE	10,327	10,116	10,005	(111)	(1.10)%
	Transfer to Earmarked Reserves *	0	(1,437)	(1,437)	0	0.00%
10,756	TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES	10,327	8,679	8,568	(111)	(1.28)%

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

REGENERATION**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 9: 1st April 2009 - 31st December 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-Dec-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>
ECONOMIC & SOCIAL REGENERATION							
Employee costs	APT&C	2,124	1,581	1,423	1,948	(176)	(8.29)%
	Employee Costs - Overtime, Travel etc	63	47	33	37	(26)	(41.27)%
	Employee Costs - Manual	560	417	400	630	70	12.50%
Property Costs	Leisure & Communities - Rates	90	90	101	101	11	12.22%
	Leisure & Communities - Water	14	10	14	30	16	114.29%
Other Expenditure	Leisure & Communities - Payments to Other Bodies	0	0	21	26	26	100%
Income	Cultural - Audio/Visual Unit Charges	(19)	(14)	(4)	(9)	10	51.43%
	Leisure & Communities - Leisure Pass	(30)	(22)	(3)	(5)	25	83.33%
	Leisure & Communities - Hall Lets	(196)	(143)	(86)	(206)	(10)	(5.10)%
	Leisure & Communities - School Lets	(48)	(35)	(30)	(83)	(35)	(64.58)%
TOTAL ECONOMIC & SOCIAL REGENERATION		2,558	1,931	1,869	2,469	(90)	(3.51)%
PROPERTY RESOURCES & FACILITIES MANAGEMENT							
Employee costs	Catering -APTC	435	334	308	420	(15)	(3.45)%
	Catering -Manual Wages	1,509	1,062	1,021	1,447	(62)	(4.11)%
	Cleaning -Manual Wages	2,015	1,352	1,420	2,116	101	5.01%
	Property Resources - APT&C	1,756	1,286	1,269	1,740	(16)	(0.91)%
	Legal expenses	0	0	0	25	25	100%
Other Expenditure	Property Resources - External consultants	0	0	12	24	24	100%
Income	Catering - Recharges	(758)	(480)	(511)	(838)	(80)	(10.55)%
	Catering -Special Catering	(90)	(53)	(38)	(50)	40	(44.44)%
	Cleaning - Additional Hours Cleaning	(29)	(19)	(25)	(39)	(10)	34.48%
	Janitors - Recharges to Services	(1,769)	(1,245)	(1,236)	(1,792)	(23)	1.30%
	Property Resources - Recharges to Capital	(1,100)	(733)	(779)	(1,125)	(25)	(2.27)%
TOTAL PROPERTY RESOURCES & FACILITIES MANAGEMENT		1,969	1,504	1,441	1,928	(41)	(2.08)%
TOTAL FOR REGENERATION		4,527	3,435	3,310	4,397	(131)	(2.89)%

EARMARKED RESERVES POSITION STATEMENT

APPENDIX 3

COMMITTEE: Regeneration

Project	Lead Officer/ Responsible Manager	c/f Funding 2008/09 £000	New Funding 2009/10 £000	Total Funding 2009/10 £000	Actual To Period 09 2009/10 £000	Projected Spend 2009/10 £000	Amount to be Earmarked for 2010/11 & Beyond £000	Lead Officer Update
Riverside Inverclyde	Stuart Jamieson	1,052	1,513	2,565	826	1,500	1,065	No requests for funding was received in period 9. However, Finance held a meeting with Riverside Inverclyde in December and were informed that the projected spend of £1.5m is still expected to be attained.
Modern Apprenticeship	Stuart Jamieson	50	100	150	54	70	80	The Service recently advertised for 2 part-skilled Apprentice Joiners with a view to them starting before the end of 2009/10.
Tall Ships	Aubrey Fawcett	70	150	220	0	20	200	The only expected spend is £20k on port fees which was incurred in January 2010.
FSF	Stuart Jamieson	1,150	6,125	7,275	4,888	6,983	292	Reflects the position reported to the Scottish Government in the FSF Mid-Year Expenditure Return.
FSF Community Hubs	Stuart Jamieson	22	506	528	408	528	0	This includes funding of £200k (capital) given by Economic and Social Regeneration for Wellpark Community Facility.
Area Renewal Fund	Aubrey Fawcett	0	500	500	0	219	281	To date £430k has been allocated, however it is expected that only £219k of this will actually be spent in 2009/10 with £205k carried forward into 2010/11. The funding has been allocated as follows: - Retail Assessment for Greenock South West - £19k; - Master planning for Drumfrochar Road/ Broomhill Area - £30k; - Match funding for bid to Town Centre Regeneration Fund for Port Glasgow and Greenock Town Centres - £200k; - Match funding contribution to Gibshill Community Centre project - £100k; and - Clunite Park Resource Centre - £75k
Arts Guild - Further Funding	Aubrey Fawcett	0	500	500	0	0	500	The remaining balance of £76k is expected to be allocated by the year end but not spent until 2010/11.
Hunter Place Toilet - Refurbishment	Joe Lynch	0	20	20	20	20	0	Report was presented to the September Regeneration Committee updating the timescales. As a result £500k will be carried forward.
Facilities Management Efficiency Review	Joe Lynch	0	400	400	83	282	118	Public Convenience now opened A first payment totalling £83k was made in December 2009 and the second payment for £199k will be made in March 2010. This has increased by £56k mainly due to the late acceptance of new terms by seven staff. £75k to be written back to Reserves at the end of 2009/10.
Total		2,344	9,814	12,158	6,279	9,622	2,536	

REGENERATION & RESOURCES COMMITTEE**VIREMENT REQUESTS**

Budget Heading		Increase Budget	(Decrease) Budget
		£000	£000
Supplies & Services - Catering Provisions	1	104	
Income - Catering Recharges to Education			104
Janitors manual wages	2	22	
Catering Salaries			22
Other Expenditure - Payment to Other Bodies	3	29	
Income - Football Fees and Charges			18
Income - External Income			7
Income - School Lets			4
Get Ready for Work Manual Wages	4		37
Get Ready for Work Recharges		37	
Total		192	192

Reasons for virement:

- 1 Increase to provisions budget due to recharges made to the Education Nutrition in Schools budget, previously unreported whilst effects of uptake of additional free meals was evaluated.
- 2 Revised budgets required following Services implementation of the 2009/10 Efficiency Target of £75k.
- 3 Projected cost of free under 16 usage of Inverclyde Leisures Lady Octavia Pitch offset by additional income.
- 4 Reduction in uptake in Get Ready for Work Scheme