

Report To: Education & Communities Committee
Date: 30 October 2012

Report By: Chief Financial Officer & Corporate Director Education, Communities & Organisational Development
Report No: FIN/82/12/AP/IC

Contact Officer: Iain Cameron
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Subject: Communities 2012/13 Revenue Budget Report- Period 5 to 31 August 2012 & Capital Report 2012/16 - Progress

1.0 PURPOSE

- 1.1 To advise Committee of the 2012/13 Revenue Budget position at Period 5 to 31 August 2012.
- 1.2 To update the Committee in respect of the status of the projects forming the Communities Capital Programme 2012/16 and to highlight the overall financial position.

2.0 SUMMARY

- 2.1 The Education & Communities Committee of 4 September 2012 was informed that the projected out-turn for 2012/13 Revenue Budget as at Period 3 was an underspend of £85,000. The latest projection as at Period 5 is an underspend of £108,000 (1.3% of the total Communities Budget.) This represents an increase in underspend of £23,000 since the last report.
- 2.2 The total Communities budget for 2012/13 is £8,265,140. A further £3,366,000 brought forward as Earmarked Reserves will also be used to fund various Housing initiatives.

3.0 RECOMMENDATIONS

- 3.1 That the Committee note the current projected underspend of £108,000 for the 2012/13 Revenue Budget as at 31 August 2012.
- 3.2 That Committee note the progress of the projects forming the Communities Capital Programme 2012/16.

Alan Puckrin
Chief Financial Officer

Albert Henderson
Corporate Director Education, Communities & OD

4.0 BACKGROUND

4.1 This report is to advise Committee of the current position of the 2012/13 Revenue Budget to Period 5, 31 August 2012 and highlight the main issues contributing to the projected underspend of £108,000. The report also highlights progress of the Communities Capital Programme 2012/16.

5.0 2012/13 PROJECTION

5.1 The main issues to highlight in relation to the 2012/13 projected underspend of £108,000 are:

Sports & Leisure: - Underspend £74,000

The 2012/13 budget for Waivers granted for pitch hires is £63,000. Based on the 2011/12 expenditure and information received from Inverclyde Leisure this year this budget is projected to overspend by £122,000. The overspend will be contained by an over recovery of income generated from the pitches. The projected out-turn for pitch income is £196,000 more than the budget of £93,000.

There is no change from the projection to the last Committee.

Officers from Safer Communities and Finance are continuing to liaise with IL to improve the management information in respect of waivers and income. Until this matter is resolved the above projections are caveated.

Safer Communities: Underspend £2,000

Employee Costs are projected to overspend by £16,000. Overspend due to incremental drift and the non achievement of turn over savings will be partially offset by a reduction in overtime costs. The projected overspend is £22,000 less than reported to last Committee.

Based on latest information from Renfrewshire Council, the Civil Contingency budget for 2012/13 will underspend by £12,000. This projection has not changed since last Committee.

Community Halls: Underspend £43,000

The 2012/13 budget for Waivers granted for School and Community Hall Lets is £60,000. Based on the expenditure for 2011/12 and information received from Inverclyde Leisure this year this budget is projected to overspend by £100,000. The overspend will be contained by an over recovery of income generated from the Lets. The projected out turn for Lets income is £142,000 more than the budget of £48,000. There is no change from the projection to the last Committee.

The same caveat applies to this projection as the Sports & Leisure income projection above.

Housing : Overspend £5,000

A budget of £72,000 is in place to fund the Prudential Borrowing required for the Clune Park Regeneration project. There are no plans to spend this budget until Financial Year 2014/15 and as such the £72,000 in the 2012/13 budget will be added to the Clune Park earmarked reserve at the year end.

There is also a projected overspend of £5,000 for Employee Costs as a result of non achievement of turnover savings within Housing.

6.0 VIREMENTS

6.1 There are no virements requested at this stage although one will be required later in the year relating to Waivers and Lets income.

7.0 IMPLICATIONS

7.1 The current projected out-turn per Service is:

| 2011/12 Actual £000 | Service | Approved Budget 2012/13 £000 | Revised Budget 2012/13 £000 | Projected Out-turn 2012/13 £000 | Projected over/(under) spend £000 |
|------------------------|--------------------|------------------------------------|-----------------------------------|---------------------------------------|---|
| 1,521 | Libraries & Museum | 1,495 | 1,495 | 1,501 | 6 |
| 1,650 | Sports & Leisure | 1,663 | 1,663 | 1,589 | (74) |
| 3,510 | Safer Communities | 3,419 | 3,416 | 3,414 | (2) |
| 635 | Housing | 811 | 811 | 816 | 5 |
| 468 | Community Halls | 498 | 498 | 455 | (43) |
| 178 | Grants to Vol Orgs | 199 | 381 | 381 | 0 |
| | Earmarked Reserves | | (72) | (72) | 0 |
| 7,962 | Total Communities | 8,085 | 8,192 | 8,084 | (108) |

See Appendix 2 for additional detail.

8.0 EARMARKED RESERVES

8.1 Appendix 3 gives a detailed breakdown of the current earmarked reserves position. Total funding is £4,982,000 of which £1,705,000 is projected to be spent in 2012/13. The remaining balance of £3,277,000 will be carried forward to 2013/14 and beyond. As at Period 5 the expenditure was £244,000 or 14.3% of the 2012/13 projected spend. There has been no additional spend since last Committee.

9.0 CAPITAL PROGRAMME

9.1 The Communities Capital Programme consists of various Housing projects under the Scheme of Assistance (SOA) that was previously reported to the Safe Sustainable Communities Committee. The projected spend for 2012/16 is £4.049m of which £1.653m relates to the current Financial Year as detailed in Appendix 4. Expenditure to date at the end of Period 5 to August 2012 is currently 18.8% of the 2012/13 projected spend.

9.2 Appendix 5 provides a detailed overall summary for the total Scheme of Assistance (SOA) expenditure by project category.

10.0 CONCLUSIONS

10.1 The Committee is currently reporting a projected underspend of £108,000 for the 2012/13 Communities Revenue Budget.

11.0 EQUALITIES

11.1 There are no Equalities issues.

12.0 CONSULTATION

12.1 The report has been jointly prepared by the Corporate Director Education, Communities & Organisational Development and the Chief Financial Officer.

COMMUNITIES**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 5 : 1st April 2012 - 31st August 2012**

| <u>Out Turn</u> <u>2011/12</u> <u>£000</u> | <u>Budget</u> <u>Heading</u> | <u>Budget</u> <u>2012/13</u> <u>£000</u> | <u>Proportion</u> <u>of Budget</u> | <u>Actual to</u> <u>31-Aug-12</u> <u>£000</u> | <u>Projection</u> <u>2012/13</u> <u>£000</u> | <u>(Under)/Over</u> <u>Budget</u> <u>£000</u> | <u>Percentage</u> <u>Over / (Under)</u> |
|--|---------------------------------|--|---------------------------------------|---|--|---|--|
| | Sports & Leisure | | | | | | |
| 185 | Pitch Waivers | 63 | 26 | 74 | 185 | 122 | 193.7% |
| (290) | Football Pitch Income | (93) | (39) | (78) | (289) | (196) | 210.8% |
| | Safer Communities | | | | | | |
| 3,037 | Employee Costs | 2,937 | 1,216 | 1,215 | 2,953 | 16 | 0.5% |
| 68 | Civil Contingency Charge | 75 | 75 | 63 | 63 | (12) | (16.0%) |
| | Community Halls | | | | | | |
| 159 | Lets Waivers | 60 | 25 | 134 | 160 | 100 | 166.7% |
| (189) | Lets Income | (48) | (20) | (125) | (190) | (142) | 295.8% |
| Total Material Variances | | | | | | (112) | |

COMMUNITIES**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 5 : 1st April 2012 - 31st August 2012**

| 2011/12 Actual £000 | Subjective Heading | Approved Budget 2012/13 £000 | Revised Budget 2012/13 £000 | Projected Out-turn 2012/13 £000 | Projected Over/(Under) Spend £000 | Percentage Over/(Under) |
|---------------------------|---|---------------------------------------|--------------------------------------|--|--|----------------------------|
| 4,290 | Employee Costs | 4,165 | 4,195 | 4,222 | 27 | 0.6% |
| 541 | Property Costs | 508 | 508 | 510 | 2 | 0.4% |
| 1,937 | Supplies & Services | 1,917 | 1,917 | 1,912 | (5) | (0.3%) |
| 56 | Transport Costs | 53 | 53 | 53 | 0 | - |
| 150 | Administration Costs | 56 | 74 | 74 | 0 | - |
| 3,417 | Other Expenditure | 1,803 | 1,946 | 2,155 | 209 | 10.7% |
| (2,429) | Income | (417) | (429) | (770) | (341) | 79.5% |
| 7,962 | TOTAL NET EXPENDITURE | 8,085 | 8,264 | 8,156 | (108) | (1.3%) |
| | Earmarked Reserves | 0 | (72) | (72) | 0 | |
| | TOTAL NET EXPENDITURE excluding Earmarked Reserves | 8,085 | 8,192 | 8,084 | (108) | |

| 2011/12 Actual £000 | Objective Heading | Approved Budget 2012/13 £000 | Revised Budget 2012/13 £000 | Projected Out-turn 2012/13 £000 | Projected Over/(Under) Spend £000 | Percentage Over/(Under) |
|---------------------------|--------------------|---------------------------------------|--------------------------------------|--|--|----------------------------|
| 1,521 | Libraries & Museum | 1,495 | 1,495 | 1,501 | 6 | 0.4% |
| 1,650 | Sports & Leisure | 1,663 | 1,663 | 1,589 | (74) | (4.4%) |
| 3,510 | Safer Communities | 3,419 | 3,416 | 3,414 | (2) | (0.1%) |
| 635 | Housing | 811 | 811 | 816 | 5 | 0.6% |
| 468 | Community Halls | 498 | 498 | 455 | (43) | (8.6%) |
| 178 | Grants to Vol Orgs | 199 | 381 | 381 | 0 | - |
| 7,962 | TOTAL COMMUNITIES | 8,085 | 8,264 | 8,156 | (108) | (1.3%) |
| | Earmarked Reserves | 0 | (72) | (72) | 0 | |

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Communities

| <u>Project</u> | <u>Lead Officer/ Responsible Manager</u> | <u>c/f Funding 2011/12</u> £000 | <u>New Funding 2012/13</u> £000 | <u>Total Funding 2012/13</u> £000 | <u>Actual To Period 5 2012/13</u> £000 | <u>Projected Spend 2012/13</u> £000 | <u>Amount to be Earmarked for 2013/14 & Beyond</u> £000 | <u>Lead Officer Update</u> |
|------------------------|--|--|--|--|---|--|--|---|
| Strategic Housing Fund | John Arthur | 1,164 | 0 | 1,164 | 0 | 0 | 1,164 | Funding is for Strategic Housing functions, especially Contaminated Land costs on RCH sites. No projected spend in 12/13. |
| Support for Owners | John Arthur | 1,510 | 454 | 1,964 | 234 | 1,515 | 449 | The c/fwd balance is made up of £647k from the 09/10 RTB receipts and £863k from the 10/11 RTB receipts. Anticipated new funding of £454k (grant offer due). Projected spend of £1.515m based on the expected take-up of grants (against committed works with 100% take-up of £1.775m). RCH are preparing further investment SHQS programmes for 12/13 which include lift replacement in 2 highrise flats (estimate £250k) and external SHQS works (estimate to be advised). Projected amount to be earmarked (£449k) would be utilised if these additional programmes are completed. |
| Renewal of Clune Park | John Arthur | 682 | 1,162 | 1,844 | 0 | 180 | 1,664 | Funding to be used for project management, acquisition and demolition costs. Projected spend of £180k for 2012/13 is for Regeneration Plan for Clune Park acquiring properties. To date 74 Closing Orders have been served and District Valuer is progressing with valuations required for purchase of properties. |
| GTVO - Playschemes | John Arthur | 10 | 0 | 10 | 10 | 10 | 0 | Spending now complete. |
| Total | | 3,366 | 1,616 | 4,982 | 244 | 1,705 | 3,277 | |

SCHEME OF ASSISTANCE SUMMARY

COMMITTEE: EDUCATION & COMMUNITIES

Appendix 5

| | Budget 2012/13 £000 | Proportion of Budget £000 | Actual to 31/08/12 £000 | Projection 2012/13 £000 | (Under)/ Over Budget £000 | Percentage Over / (Under) £000 |
|--|---------------------------|---------------------------------|-------------------------------|-------------------------------|---------------------------------|---|
| <u>Assistance To Support Independent Living</u> | | | | | | |
| Care & Repair (including Small Repair Service) | 246 | 103 | 64 | 246 | 0 | 0.0% |
| Grant Assistance - Adaptions | 820 | 342 | 231 | 820 | 0 | 0.0% |
| <u>House Conditions Works</u> | | | | | | |
| Implement Scheme of Assistance | 1 | 1 | 1 | 1 | 0 | 0.0% |
| Lead Pipe Replacement | 7 | 3 | 0 | 7 | 0 | - |
| BTS Housing | 50 | 21 | 0 | 50 | 0 | 0.0% |
| Central Heating Grants | 65 | 27 | 6 | 65 | 0 | 0.0% |
| RSL Owners | 35 | 15 | 2 | 35 | 0 | 0.0% |
| Empty Home Fund | 50 | 21 | 0 | 50 | 0 | 0.0% |
| Regeneration Enabling (Clune Park) | 379 | 158 | 6 | 379 | 0 | 0.0% |
| Total Scheme of Assistance | 1,653 | 691 | 310 | 1,653 | 0 | 0.0% |