
Report To: Education & Communities Committee **Date:** 10 September 2013

Report By: Chief Financial Officer & Corporate Director Education, Communities & Organisational Development **Report No:** FIN/62/13/AP/IC

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Subject: Communities 2013/14 Revenue Budget Report- Period 3 to 30 June 2013 & Capital Report 2013/16 - Progress

1.0 PURPOSE

- 1.1 To advise Committee of the 2012/13 Revenue Budget final out-turn and the 2013/14 Revenue Budget position at Period 3 to 30 June 2013.
- 1.2 To update the Committee in respect of the status of the projects forming the Communities Capital Programme 2013/16 and to highlight the overall financial position.

2.0 SUMMARY

- 2.1 In 2012/13, excluding the planned carry forward of Earmarked Reserves of £3,550,000 for the Strategic Housing Fund, Renewal of Clune Park and Scheme of Assistance, there was an overspend of £5,000 against a budget figure of £8,218,000. This equates to 0.1% of the total budget and was £45,000 more expenditure than reported previously to the May Committee.
- 2.2 The total Communities budget for 2013/14 is £8,564,140. A further £2,467,000 brought forward as Earmarked Reserves will also be used to fund various Housing initiatives. The latest projection is an overspend of £2,000.
- 2.3 The projected spend for the Communities Capital Programme 2013/16 is £10.840m of which £2.197m relates to the current financial year. At the end of Period 3 total spend is £142,000 or 6.46% of the projected total for 2013/14. Slippage from the original plan is £0.071m (3.1%)

3.0 RECOMMENDATIONS

- 3.1 That the Committee note the final out-turn for 2012/13 and the current projected £2,000 overspend for the 2013/14 Revenue Budget as at 30 June 2013.
- 3.2 That the Committee note the progress of the projects forming the Communities Capital Programme 2013/16.

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 2013/14 Revenue Budget to Period 3 June 2013 and the final out turn for the 2012/13 Revenue Budget. The main issues contributing to the £5,000 overspend in 2012/13 and the projected overspend of £2,000 for 2013/14 are highlighted. The report also highlights progress of the Communities Capital Programme 2013/16.

5.0 2012/13 OUT-TURN

5.1 The final out turn for the Communities 2012/13 Revenue Budget after adjustments for Earmarked Reserves was an overspend of £5,000. The main factors contributing to this overspend in 2012/13 were:

	Revised Budget 2012/13 £000	Out Turn 2012/13 £000	Variance To Budget £000	P11 Projected Variance £000	Movement Since P11 Projection £000
Libraries & Museum	1,557	1,541	(16)	(12)	(4)
Sports & Leisure	1,723	1,825	102	79	23
Safer Communities	3,341	3,326	(15)	(39)	24
Housing	727	701	(26)	(10)	(16)
Community Halls	499	458	(41)	(58)	17
Grants to Vol Organisations	371	372	1	0	1
TOTAL NET EXPENDITURE	8,218	8,223	5	(40)	45

The main variances are explained in greater detail below.

Libraries & Museum:

Total underspend £16,000.

This was £4,000 less expenditure than previously reported to the May 2013 Committee. Employee Costs underspent by £8,000 due to delays in filling vacancies.

Property Costs overspend by £8,000 as a result of increased gas consumption at McLean museum.

Income from lost and damaged library books over recovered by £13,000. Following a change in accounting policy to record only cash transactions, this figure is likely to reduce by approximately £6,000 in future years.

Sports & Leisure:

Total overspend £102,000.

This was £23,000 more expenditure than reported to the May 2013 Committee. Property Costs overspent by £11,000 due to an increase in the Corporate Insurance charge.

Inverclyde Leisure Management Fee overspent by £37,000. This was due primarily to a one-off payment in respect of loss of income due to the extended closure of Greenock Sports Centre approved by the Education & Communities Committee of 12 March 2013. Expenditure on Waivers overspent by £237,000 and was partially offset by a £201,000 over recovery of income from Pitch Lets.

Whinhill Golf Income had a shortfall of £15,000.

Safer Communities:

Total underspend £15,000.

This was £24,000 more expenditure than reported to the May 2013 Committee.

Employee Costs overspent by £15,000 mainly due to incremental drift.

Property Costs overspent by £11,000 due to CCTV Maintenance costs and Accommodation Charges.

Joint Board charges for Scientific Charges underspent by £21,000 due to lower levels of testing compared to previous years.

Income over recovered by £30,000 mainly due to Registration of Private Landlords.

Housing:

Total Underspend £26,000

£18,000 of the underspend relates to the over recovery of income, the majority of which is a contribution from the Universal Home Insulation Grant (UHIS) for administration of claims.

Community Halls:

Total underspend £41,000.

This was £17,000 more expenditure than reported to the May Committee.

An overspend of £131,000 on Waivers granted for School and Community Halls lets was offset by a £188,000 over recovery in income received from School Lets.

Charges for Corporate Insurance allocation exceeded budget by £14,000.

6.0 2013/14 PROJECTION

- 6.1 The main issues to highlight in relation to the 2013/14 projected overspend of £2,000 are:

Sports & Leisure: - On Budget

The 2013/14 Income budget for Football Pitch Lets is £187,000. Whilst the latest projection is on budget, Committee should be aware that Inverclyde Leisure have identified a potential error in sums remitted to the Council in 2012/13 whereby money may have been remitted to Inverclyde Council for invoices that have not been paid by customers. Most of these transactions relate to prior financial years and there is a potential shortfall in income. Officers of the Council will continue to work with Inverclyde Leisure to resolve these issues and an update will be provided to the next Committee.

Libraries & Museum: Overspend £9,000

Employee Costs are projected to overspend by £9,000 due to the non-achievement of turnover savings.

Housing: Underspend £7,000

Employee costs are projected to underspend by £7,000. There will be an over achievement of turnover savings due to delay in filling a vacancy created when an employee was seconded to the Renewal of Clune Park project.

7.0 VIREMENTS

7.1 There are no virements requested.

8.0 IMPLICATIONS

8.1 The current projected out-turn per Service is:

2012/13 Actual £000	Service	Approved Budget 2013/14 £000	Revised Budget 2012/13 £000	Projected Out-turn 2012/13 £000	Projected over/(under) spend £000
1,541	Libraries & Museum	1,506	1,511	1,520	9
1,825	Sports & Leisure	1,517	1,519	1,519	0
3,326	Safer Communities	3,372	3,445	3,445	0
701	Housing	811	769	762	(7)
458	Community Halls	890	1,011	1,011	0
372	Grants to Vol Orgs	381	381	381	0
8,223	Total Communities	8,477	8,636	8,638	2
	Earmarked Reserves	0	(72)	(72)	0
	Total Exc Earmarked Reserves	8,477	8,564	8,566	2

See Appendix 2 for additional detail.

9.0 EARMARKED RESERVES

9.1 Appendix 3 gives a detailed breakdown of the current earmarked reserves position. Total funding is £3,291,000 of which £1,520,000 is projected to be spent in 2013/14. The remaining balance of £1,771,000 will be carried forward to 2014/15 and beyond. It can be seen that expenditure of £114,000 at the end of Period 3 represents 7.5% of the 2013/14 projected spend.

10.0 CAPITAL PROGRAMME

- 10.1 The Communities Capital Programme consists of various Housing projects under the Scheme of Assistance (SoA), a contribution to the refurbishment of the Watt Library Complex and funding for new Community Facilities. The projected spend for 2013/16 is £10.840m of which £2.197m relates to the current Financial Year as detailed in Appendix 4. There is slippage of £0.071m (3.1%) from the original plan. Expenditure to date at the end of Period 3 to 30 June 2013 is currently 6.5% of the 2013/14 projected spend.
- 10.2 Appendix 5 provides a detailed overall summary for the total Scheme of Assistance (SOA) expenditure by project category.

11.0 CONCLUSIONS

- 11.1 The Committee is currently reporting a projected overspend of £2,000 for the 2013/14 Communities Revenue Budget.

12.0 EQUALITIES

- 12.1 There are no Equalities issues.

13.0 REPOPULATION

- 13.1 There are no Repopulation Issues.

14.0 CONSULTATION

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

COMMUNITIESREVENUE BUDGET MONITORING REPORTMATERIAL VARIANCESPERIOD 3 : 1st April 2013 - 30th June 2013

<u>Out Turn 2012/13 £000</u>	<u>Budget Heading</u>	<u>Budget 2013/14 £000</u>	<u>Proportion of Budget</u>	<u>Actual to 30-Jun-13 £000</u>	<u>Projection 2013/14 £000</u>	<u>(Under)/Over Budget £000</u>	<u>Percentage Over / (Under)</u>
	Sports & Leisure None						
	Libraries & Museum None						
	Safer Communities None						
	Housing None						
	Community Halls None						
Total Material Variances						0	

COMMUNITIES**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 3 : 1st April 2013 - 30th June 2013**

2012/13 Actual £000	Subjective Heading	Approved Budget 2013/14 £000	Revised Budget 2013/14 £000	Projected Out-turn 2013/14 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
4,321	Employee Costs	4,144	4,340	4,342	2	0.0%
565	Property Costs	534	537	537	0	-
1,992	Supplies & Services	1,812	1,812	1,812	0	-
65	Transport Costs	53	47	47	0	-
177	Administration Costs	54	56	56	0	-
3,142	Other Expenditure	2,523	2,487	2,487	0	-
(2,039)	Income	(643)	(643)	(643)	0	-
8,223	TOTAL NET EXPENDITURE	8,477	8,636	8,638	2	0.0%
	Earmarked Reserves	0	(72)	(72)	0	
	TOTAL NET EXPENDITURE excluding Earmarked Reserves	8,477	8,564	8,566	2	

2012/13 Actual £000	Objective Heading	Approved Budget 2013/14 £000	Revised Budget 2013/14 £000	Projected Out-turn 2013/14 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
1,541	Libraries & Museum	1,506	1,511	1,520	9	0.6%
1,825	Sports & Leisure	1,517	1,519	1,519	0	-
3,326	Safer Communities	3,372	3,445	3,445	0	-
701	Housing	811	769	762	(7)	(0.9%)
458	Community Halls	890	1,011	1,011	0	-
372	Grants to Vol Orgs	381	381	381	0	-
8,223	TOTAL COMMUNITIES	8,477	8,636	8,638	2	0.0%
	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 2012/13</u> £000	<u>New Funding 2013/14</u> £000	<u>Total Funding 2013/14</u> £000	<u>Phased Budget To Period 3 2013/14</u> £000	<u>Actual To Period 3 2013/14</u> £000	<u>Projected Spend 2013/14</u> £000	<u>Amount to be Earmarked for 2014/15 & Beyond</u> £000	<u>Lead Officer Update</u>
Support for Owners	John Arthur	806	328	1,134	79	39	1,134	0	RCH to transfer 2013/14 RTB Receipts of £328k in September 2013. IC have issued provisional offers of grant and now awaiting responses from owners. RCH have confirmed SFO programme and are assisting owners to submit grant applications for processing by IC.
Renewal of Clune Park	John Arthur	1,281	246	1,527	9	15	277	1,250	2013/14 funding of £246k anticipated for Council Tax receipts on second homes and long term empty properties. Projected spend due to Housing staff costs £47k and acquisition of flats (subject to negotiation/ final settlement with individual owners) £230k. Year to date spend due to staff costs. IC awaiting confirmation of property valuations. Payments anticipated in autumn 2013.
GTVO - Playschemes	John Arthur	9	0	9	9	9	9	0	Fully spent in June 2013 per awards made by Grants Sub Committee 12/06/13.
SG Empty Homes Loan	John Arthur	371	0	371	1	1	50	321	Interest in this scheme from owners has been low. There is a possibility that a substantial part may be returned to Scottish Government. IC monitoring progress of applications with Oak Tree.
Beacon Arts Match Fund	Angela Edwards	0	250	250	50	50	50	200	One-off payment of £50k as per P&R Committee of 26/03/13
Total		2,467	824	3,291	148	114	1,520	1,771	

COMMUNITIES CAPITAL REPORT APPENDIX 1

Appendix 4

COMMITTEE: EDUCATION & COMMUNITIES

1	2	3	4	5	6	7	8	9	10	11	Status
Est. Total Cost	Actual to 31/3/13	Approved Budget 2013/14	Revised Est. 2013/14	Actual to 30/06/13	Est. 2014/15	Est. 2015/16	Future Years	Start Date	Original Completion Date	Current Completion Date	
£000	£000	£000	£000	£000	£000	£000					
Housing											
Supported Borrowing											
Scheme of Assistance - Aids & Adaptions	100	0	100	100	0	0	0				Completed
Grant Funded											
Scheme of Assistance - Grant Funded (2012-2015)	2,390	0	940	0	950	500	0				Ongoing
CFCR											
Aids & Adaptions EMR	700	340	360	0	0	0	0				
Scheme of Assistance Core	1299	433	433	37	433	433	0				
Total SOA Capital	4,489	340	1,833	137	1,383	933	0				
Cultural & Sports											
Supported Borrowing											
Contribution to Watt Complex Refurbishment (includes £1000k CFCR)	4,000	79	171	0	3,821	0	0				Ongoing
Inverkip Community Facility & Library Fit Out (includes £650k CFCR)	1,601	36	264	5	1,301	0	0				Ongoing
Community Facilities Investment	750	0	0	0	750	0	0				Commences 2014/15
	6,351	115	435	364	5,872	0	0				
Communities Total	10,840	455	2,268	142	7,255	933	0				

SCHEME OF ASSISTANCE SUMMARY

COMMITTEE: EDUCATION & COMMUNITIES

Appendix 5

	<u>Budget</u> 2013/14	<u>Proportion of</u> <u>Budget</u>	<u>Actual to</u> 30/06/13	<u>Projection</u> 2013/14	<u>(Under)/</u> <u>Over Budget</u>	<u>Percentage</u> <u>Over /</u> <u>(Under)</u>
	£000	£000	£000	£000	£000	£000
<u>Assistance To Support Independent Living</u>						
Care & Repair (including Small Repair Service)	246	62	0	246	0	0.0%
Grant Assistance - Adaptions	780	195	118	780	0	-
<u>House Conditions Works</u>						
Private Laddord Advice	1	1	1	1	0	0.0%
Implement Scheme of Assistance	2	0	0	2	0	-
Lead Pipe Replacement	4	1	0	4	0	0.0%
BTS Housing	85	21	7	85	0	0.0%
Central Heating Grants	28	7	11	28	0	0.0%
RSL Owners	35	9	0	35	0	0.0%
Empty Home Fund	273	67	0	273	0	0.0%
Regeneration Enabling	19	5	0	19	0	0.0%
Total Scheme of Assistance	1,473	368	137	1,473	0	-