

---

<b>Report To:</b>	<b>Education &amp; Communities Committee</b>	<b>Date:</b>	<b>9 September 2014</b>
<b>Report By:</b>	<b>Head of Finance &amp; Corporate Director of Education, Communities &amp; Organisational Development</b>	<b>Report No:</b>	<b>FIN/037/14/JB/IC</b>
<b>Contact Officer:</b>	<b>Iain Cameron</b>	<b>Contact No:</b>	<b>01475 712832</b>
<b>Subject:</b>	<b>Communities 2014/15 Revenue Budget Report- Period 3 to 30 June 2014 &amp; Capital Report 2014/16 - Progress</b>		

---

## 1.0 PURPOSE

- 1.1 To advise the Committee of the 2013/14 Revenue Budget final out turn and the 2014/15 Revenue Budget position at Period 3 to 30 June 2014.
- 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. A summary of the slippage for the 2013/14 Capital Programme is also provided.

## 2.0 SUMMARY

- 2.1 In 2013/14, excluding the planned carry forward of Earmarked Reserves of £2,941,000, there was an underspend of £183,000 against a budget figure of £9,069,000. This equates to 2% of the total budget and was £74,000 less expenditure than reported previously to the May Committee.

The main variances for 2013/14 were –

- (a) Underspend of £28,000 for Libraries & Museum Property Costs, relating to Non Domestic Rates, Gas and Accommodation Charges.
- (b) Underspend of £35,000 for Inverclyde Leisure Management fee due to the early implementation of budget savings.
- (c) Overspend of £369,000 for Waivers for Pitches and Halls which is partially offset by an over recovery of Lets Income of £277,000.
- (d) Underspend of £31,000 for Housing Services, mainly due to delays in filling vacant posts.
- (e) Underspend of £62,000 for Safer Communities Employee Costs due to the early implementation of budget savings and over recovery of turnover savings.
- (f) Underspend of £23,000 for Accommodation charges for Safer Communities office building.
- (g) Underspend of £14,000 for Environmental Health Analytical Services and £12,000 underspend for Emergency Planning Civil Contingencies costs.
- (h) £29,000 over recovery of income for Registration of Private Landlords.

- 
- 2.2 The total Communities budget for 2014/15 is £8,330,060. A further £2,941,000 brought forward as Earmarked Reserves will be used to fund various Housing and Communities initiatives. The latest projection, excluding Earmarked Reserves, is an underspend of £149,000.
- 2.3 The main variances to highlight for the 2014/15 Revenue Budget are –
- (a) Projected underspend of £25,000 for Libraries Property Costs. There is a projected underspend of £12,000 for water, £7,000 for electricity and £6,000 for gas.
  - (b) Projected underspend of £6,000 for Libraries & Museum Employee Costs due to delays in filling vacant posts.
  - (c) Projected underspend of £40,000 for contribution to the funding of Clyde Muirshiel Regional Park.
  - (d) Projected underspend of £5,000 for Housing Employee Costs due to the over achievement of turnover savings.
  - (e) Projected underspend of £51,000 for Safer Communities Employee Costs mainly due to the early implementation of budget savings.
  - (f) Projected underspend of £12,000 for contribution to Civil Contingency costs.
  - (g) Projected underspend of £10,000 for Scientific Services.
- 2.4 Earmarked Reserves for 2014/15 total £3,495,000 of which £2,000,000 is projected to be spent in the current financial year. To date expenditure of £70,000 (3.5%) has been incurred. The spend to date per profiling was expected to be £63,000, therefore there is no slippage.
- 2.5 The projected spend for the Communities Capital Programme 2014/16 is £10.861m of which £2.688m relates to the current Financial Year. At the end of Period 3 total spend is £0.085m or 6% of the projected total spend for 2014/15. Slippage is currently 43%, mainly due to delays with the Inverkip Community Centre project.
- 2.6 Capital slippage in 2013/14 for the Communities Capital Programme out turned at £924,000 or 39.9% of the total 2013/14 Capital Programme.

### **3.0 RECOMMENDATIONS**

- 3.1 That the Committee note the final out turn for 2013/14 and the current projected underspend of £149,000 for the 2014/15 Revenue Budget as at Period 3 to 30 June 2014.
- 3.2 That the Committee note the level of slippage with the 2013/14 Capital Programme and note the progress of the projects forming the Communities Capital Programme 2014/16.

Jan Buchanan  
Head of Finance

Patricia Cassidy  
Corporate Director Education, Communities & OD

#### 4.0 BACKGROUND

4.1 This report is to advise the Committee of the current position of the 2014/15 Revenue Budget to Period 3, 30 June 2014 and the final out turn for the 2013/14 Revenue Budget. The main issues contributing to the £183,000 underspend for 2013/14 and the projected underspend of £149,000 for 2014/15 are highlighted. The report also highlights capital slippage incurred in 2013/14 and progress with the Communities Capital Programme 2014/16.

#### 5.0 2013/14 OUT TURN

5.1 The final out turn for the Communities 2013/14 Revenue Budget after adjustments for Earmarked Reserves was an underspend of £183,000. The main factors contributing to this underspend in 2013/14 were:

	Revised Budget 2013/14 £000	Out Turn 2013/14 £000	Variance To Budget £000	P11 Projected Variance £000	Movement Since P11 Projection £000
Libraries & Museum	1,508	1,480	(28)	(5)	(23)
Sports & Leisure	1,582	1,594	12	20	(8)
Safer Communities	3,344	3,186	(158)	(118)	(40)
Housing	1,375	1,344	(31)	(25)	(6)
Community Halls	936	958	22	19	3
Grants to Vol Organisations	324	324	0	0	0
<b>TOTAL NET EXPENDITURE</b>	<b>9,069</b>	<b>8,886</b>	<b>(183)</b>	<b>(109)</b>	<b>(58)</b>

The main variances are explained in greater detail below.

##### Libraries & Museum:

Total underspend £28,000 (1.9%)

This was £23,000 less expenditure than previously reported to the May 2014 Committee. Non Domestic Rates (NDR) underspend was £16,000 with the balance relating to underspends for Gas and Accommodation Charges.

### Sports & Leisure:

Total overspend £12,000 (0.8%)

This was £8,000 less expenditure than previously reported to Committee in May 2014. Inverclyde Leisure Management Fee underspent by £35,000 as a result of early implementation of a budget saving.

Waivers for free Under 16 use of pitches overspent by £183,000. This was partially offset by an over recovery of Pitch Lets Income of £130,000. Included within these figures is a Bad Debt Provision of £32,000 for old invoices that are unlikely to be paid.

### Safer Communities:

Total underspend £158,000 (4.7%)

This was £40,000 less expenditure than reported to the May 2014 Committee.

Employee Costs underspent by £62,000 due to the early achievement of budget savings, over achievement of turnover savings and an underspend for overtime costs.

Accommodation Charges underspent by £23,000.

Environmental Health Analytical Services underspent by £14,000 and Emergency Planning Civil Contingency costs underspent by £12,000.

Income from Registration of Private Landlords over recovered by £29,000

### Housing:

Total underspend £31,000 (2.3%)

This was £6,000 less expenditure than reported to the May 2014 Committee, Employee Costs underspent by £27,000 as a result of delays in filling vacancies.

### Community Halls:

Total overspend £22,000 ( 2.4%)

This was £3,000 more expenditure than reported to the May 2014 Committee.

Waivers for Hall Lets overspent by £186,000. This was partially offset by an over recovery of Lets Income of £147,000.

Community Hubs Supplies underspent by £14,000.

## **6.0 2014/15 PROJECTION**

6.1 The main issues to highlight in relation to projected underspend of £119,000 for the 2014/15 Revenue Budget are :-

### Libraries & Museum: Projected Underspend £31,000

Employee Costs are projected to underspend by £6,000 due to delays in filling vacant posts.

Water Costs are projected to underspend by £12,000 based on the Business Stream advanced payment invoice paid in April 2014 which is based on the consumption for 2013/14.

Electricity is projected to underspend by £7,000 and gas projected to underspend by £6,000.

#### Housing: Projected Underspend £5,000

Employee Costs are projected to underspend by £5,000 as a result of over achievement of turnover savings.

#### Sports & Leisure: Projected Underspend £40,000

The total budget for Contribution to Clyde Muirshiel Regional Park is £252,400 and the latest projection is an underspend of £40,000 based on projected costs for 2014/15 provided by Renfrewshire Council.

#### Safer Communities: Projected Underspend £73,000

Employee costs are projected to underspend by £51,000 as a result of the early achievement of budget savings for ASB Intervention Officer and Service Support Team Leader. In addition there is a saving due to the temporary secondment of the Community Safety Team Leader.

Contribution to Civil Contingency Service provided by Renfrewshire Council is projected to underspend by £12,000 and charges from Glasgow City Council for Scientific Services within Environmental Health are projected to underspend by £10,000. This is in line with the final out turn for 2013/14.

### **7.0 2014/16 CAPITAL POSITION**

7.1 Slippage in 2013/14 out turned at 39.9%. Slippage for the Inverkip Community Centre was £239,000 and was mainly due to delays in the planning application as a result of a SEPA assessment and changes to the scope of the project increasing its size. Scheme of Assistance slippage was £634,000 as a result of grants not being fully taken up by householders. Slippage for the Watt Complex Refurbishment was £124,000 as a result of delays with the external funding application. An analysis of the slippage by individual capital project for the Communities Committee is presented in Appendix 4

7.2 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, Refurbishment of the Ravenscraig Sports Barn and funding for new Community Facilities. The projected spend for 2014/16 is £10.861m of which £2.688m relates to the current Financial Year as detailed in Appendix 3. At the end of Period 3 total spend is £0.085m or 6% of the projected total spend for 2014/15. Slippage is currently £1.165m (43%) and is mainly due to delays to the construction of the Inverkip Community Centre.

### **8.0 EARMARKED RESERVES**

8.1 Appendix 4 gives a detailed breakdown of the current earmarked reserves position. Total funding for Earmarked Reserves is £3,495,000 of which £2,000,000 is projected to be spent in 2014/15. The remaining balance of £1,495,000 will be carried forward to 2015/16 and beyond. As at Period 3 the expenditure was £70,000 or 3.5% of the 2014/15 projected spend. The spend to date per profiling was expected to be £63,000 therefore there is no slippage.

### **9.0 VIREMENTS**

9.1 There are no virements this Committee cycle.

## 10.0 IMPLICATIONS

### 10.1 Finance

All financial implications are discussed in detail within the report above.

#### One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

#### Annually Recurring Costs / (Savings)

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

### 10.2 Legal

There are no specific legal implications arising from this report.

### 10.3 Human Resources

There are no specific human resources implications arising from this report.

### 10.4 Equalities

There are no equalities issues within this report.

### 10.5 Repopulation

There are no repopulation issues within this report.

## 11.0 CONSULTATION

11.1 The report has been jointly prepared by the Corporate Director Education, Communities & Organisational Development and the Head of Finance.

## 12.0 BACKGROUND PAPERS

12.1 There are no background papers for this report.

**COMMUNITIES****REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 3 : 1st April 2014 - 30th June 2014**

<u>Out Turn</u> <u>2013/14</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2014/15</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> <u>30-Jun-14</u> <u>£000</u>	<u>Projection</u> <u>2014/15</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Over / (Under)</u>
	<b>Libraries &amp; Museum</b>						
9	Water	19	19	7	7	(12)	(63.2%)
17	Electricity	31	6	2	24	(7)	(22.6%)
29	Gas	32	7	2	26	(6)	(18.8%)
	<b>Sports &amp; Leisure</b>						
252	Clyde Muirshiel Contribution	252	63	53	212	(40)	(15.9%)
	<b>Safer Communities</b>						
2,823	Employee Costs	3,023	770	747	2,972	(51)	(1.7%)
56	Civil Contingency	69	0	0	57	(12)	(17.4%)
77	Scientific Services	92	23	16	82	(10)	(10.9%)
<b>Total Material Variances</b>						<b>(138)</b>	

**COMMUNITIES****REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 3 : 1st April 2014 - 30th June 2014**

2013/14 Actual £000	Subjective Heading	Approved Budget 2014/15 £000	Revised Budget 2014/15 £000	Projected Out-turn 2014/15 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
4,297	Employee Costs	4,401	4,407	4,345	(62)	(1.4%)
466	Property Costs	508	508	483	(25)	(4.9%)
1,781	Supplies & Services	1,651	1,648	1,648	0	-
45	Transport Costs	46	46	46	0	-
131	Administration Costs	53	53	53	0	-
2,453	Other Expenditure	2,303	2,326	2,264	(62)	(2.7%)
(1,727)	Income	(635)	(658)	(658)	0	-
7,446	TOTAL NET EXPENDITURE	8,327	8,330	8,181	(149)	(1.8%)
	Earmarked Reserves	0	0	0	0	
	TOTAL NET EXPENDITURE excluding Earmarked Reserves	8,327	8,330	8,181	(149)	

2013/14 Actual £000	Objective Heading	Approved Budget 2014/15 £000	Revised Budget 2014/15 £000	Projected Out-turn 2014/15 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
1,480	Libraries & Museum	1,496	1,499	1,468	(31)	(2.1%)
1,594	Sports & Leisure	1,389	1,389	1,349	(40)	(2.9%)
3,187	Safer Communities	3,457	3,457	3,384	(73)	(2.1%)
(97)	Housing	701	701	696	(5)	(0.7%)
958	Community Halls	953	953	953	0	-
324	Grants to Vol Orgs	331	331	331	0	-
7,446	TOTAL COMMUNITIES	8,327	8,330	8,181	(149)	(1.8%)
	Earmarked Reserves	0	0	0	0	





	Approved Budget 2013/14 £000's	2013/14 Final Position £000's	Slippage from Approved Budget £000's	Slippage from Approved Budget %age	1 Project Cost Reduced £000's	2 Internal Slippage £000's	3 Delay involving 3rd Party £000's	4 Accelerated Projects £000's	5 Minor Slippage	Comments
<b>Communities Committee</b>										
<b>Cultural &amp; Sports</b>										
New Community Facility Broomhill	50	123	73	146.0%				73		
Watt Complex Refurbishment	171	47	(124)	(72.5)%			(124)			Funding application resulted in delays.
Inverkip Community Facility	264	25	(239)	(90.5)%			(239)			Planning application not submitted due to SEPA assessment. In addition a potential benefactor donation offering scope to increase the project size arose during the year.
<b>Housing</b>										
Scheme of Assistance (previously PSHG)	1,833	1,199	(634)	(34.6)%			(634)			slippage is due to authorised grants not being taken up within the financial year.
<b>TOTAL COMMUNITIES COMMITTEE</b>	<b>2,318</b>	<b>1,394</b>	<b>(924)</b>	<b>(39.9)%</b>	<b>0</b>	<b>0</b>	<b>(997)</b>	<b>73</b>	<b>0</b>	

## EARMARKED RESERVES POSITION STATEMENT

## COMMITTEE: Communities

Project	Lead Officer/ Responsible Manager	Clf Funding 2013/14 £000	New Funding 2014/15 £000	Total Funding 2014/15 £000	Phased Budget To Period 3 2014/15 £000	Actual To Period 3 2014/15 £000	Projected Spend 2014/15 £000	Amount to be Earmarked for 2015/16 & Beyond £000	Lead Officer Update
Support for Owners	John Arthur	886	554	1,440	0	0	1,403	37	Total Funding 2014/15 £1,440m includes estimated funding of £554k for 2014/15. Projected spend of £1,403m is based on already agreed proposals of £253k (Lower Bow £60k tbc, Midton £61k, Greenock West £7k, Highholm £86k, Eastern View £12k, Davidson Drive £17k tbc and Royal Court £10k) and new proposals of £1,150m (Central Area Roxburgh Phase 1 £404k, Phase 2 £126k, Central Area Environmentals and Door Entry £100k, John Street £85k, Broomhill £425k and RCH Fees £10k).
Renewal of Clune Park	John Arthur	1,590	0	1,590	15	12	310	1,280	Demolition Orders have now been issued for all 430 houses with a period of 6 months to 1 year given to vacate. It is anticipated that there will be a number of appeals against the Demolition Orders and this legal process will commence shortly.
Area Renewal Fund	John Arthur	195	0	195	0	0	100	95	£100k has been committed for Gibshill Community Centre.
Support for Community Facilities	John Arthur	183	0	183	0	6	100	83	£100k has been committed for Gibshill Community Facility. £8k payment made to Reach For Autism.
Expansion of Summer Playschemes	John Arthur	30	0	30	0	2	30	0	Anticipated spend in summer of 2014 includes potential funding for Play4All (£10k).
Grants to Vol Orgs	John Arthur	57	0	57	48	50	57	0	Applications reduced from 3 to 2 rounds per year. B/fwd earmarked for playschemes and to reduce impact of savings. Actual spend due to Round 1 Applications approved at Grants Sub Committee on 29/04/14.
<b>Total</b>		<b>2,941</b>	<b>554</b>	<b>3,495</b>	<b>63</b>	<b>70</b>	<b>2,000</b>	<b>1,495</b>	