

Report To: Education & Communities Committee
Date: 5 May 2015

Report By: Chief Financial Officer & Corporate Director Education, Communities & Organisational Development
Report No: FIN/27/15/AP/IC

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Subject: Communities 2014/15 Revenue Budget Report-
Period 11 to 28 February 2015

1.0 PURPOSE

1.1 To advise Committee of the 2014/15 Revenue Budget position at Period 11 to 28 February 2014.

2.0 SUMMARY

2.1 The total Communities budget for 2014/15 is £8,341,380. A further £2,941,000 brought forward as Earmarked Reserves will also be used to primarily fund Community Facilities and various Housing initiatives.

2.2 The latest projection, excluding Earmarked Reserves, is an underspend of £258,000. This is a decrease in expenditure of £50,000 since the last Committee.

2.3 The main variances to highlight are –

- (a) Projected underspend of £28,000 for Libraries & Museum Employee Costs, mainly due to overtime and sickness cover levels being lower than anticipated.
- (b) Projected underspend of £20,000 for Libraries & Museum Property Costs. Water is projected to underspend by £11,000, Electricity to underspend by £6,000 and Gas to underspend by £3,000.
- (c) Projected underspend of £35,000 for contribution to the funding of the Clyde Muirshiel Regional Park.
- (d) Projected underspend of £92,000 for Safer Communities Employee Costs, mainly due to the early implementation of budget savings, the temporary secondment of a Team Leader post and delay in filling vacancies.
- (e) Projected underspend of £12,000 for contribution to Civil Contingency Service within Emergency Planning.
- (f) Projected underspend of £20,000 for Scientific Services within Environmental Health.
- (g) Projected over recovery of income of £29,000 for Registration of Private Landlords.

2.4 Earmarked Reserves for 2014/15 total £3,334,000 following the write back to General Reserves approved at the Inverclyde Council budget setting meeting of February 2015. The expenditure for 2014/15 is projected to be £1,083,000, a reduction of £205,000 since the last Committee. To date expenditure of £966,000 (89%) has been incurred. The spend to date per profiling was expected to be £784,000 therefore there is no slippage to report at the end of Period 11. However, the projected spend for 2014/15 is £1,083,000 compared to an original projected spend of £1,481,000 which will result in a year end slippage of £398,000 (27%)

3.0 RECOMMENDATIONS

3.1 That the Committee note the current projected underspend of £258,000 for the 2014/15 Revenue Budget as at Period 11 to 28 February 2015.

Alan Puckrin
Chief Financial Officer

Patricia Cassidy
Corporate Director Education, Communities & OD

4.0 BACKGROUND

4.1 This report advises Committee of the current position of the 2014/15 Revenue Budget to Period 11, 28 February 2015 and highlights the main issues for consideration.

5.0 2014/15 PROJECTION

5.1 The main issues to highlight in relation to the 2014/15 Revenue Budget are :-

Libraries & Museum: - Underspend £48,000

Employee costs are projected to underspend by £28,000. This is mainly due to levels of sickness cover and overtime being lower than expected.

Property costs are projected to underspend by £20,000 – underspend of £11,000 for Water, underspend of £6,000 for electricity and underspend of £3,000 for Gas. There is no change to these projections since the last Committee.

The overall projected expenditure for Libraries & Museum has reduced by £22,000 since the last Committee.

Housing : Underspend £5,000

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

There is no change in expenditure since the last Committee report.

Sports & Leisure : Underspend £35,000

An underspend of £35,000 for the contribution to Clyde Muirshiel Regional Park was reported to the last Committee. The latest projection remains the same as does the overall projected expenditure for Sports & Leisure.

Safer Communities : Underspend £170,000

Employee costs are projected to underspend by £92,000. This is an increase in expenditure of £3,000 since the last Committee. As previously reported to Committee, a saving of £53,000 was applied to the 2014/15 Employee Costs budget as a result of the introduction of the Decriminalised Parking Enforcement (DPE) scheme. Delays in the introduction of this scheme mean that only £26,000 of the saving can be achieved in this Financial Year. The balance of the Employee Costs underspend relates to delays in filling vacant posts, the early achievement of budget savings for ASB Intervention Officer and Service Support Team Leader and savings due to the temporary secondment of the Community Safety Team Leader.

A projected underspend of £12,000 for contribution to the Civil Contingency Service for 2014/15 was previously reported to Committee. The latest projection remains the same.

A projected underspend of £20,000 for Analytical and Scientific Services for Environmental Health was reported to the last Committee. The latest projection, based on the level of work carried out to date in 2014/15 remains the same.

A projected over recovery of income of £16,000 for Income from Registration of Private Landlords was reported to the last Committee. The latest projection increases the over recovery to £29,000 based on the year to date activity for 2014/15.

The overall projected expenditure for Safer Communities has reduced by £28,000 since the last Committee report.

6.0 EARMARKED RESERVES

6.1 Appendix 3 gives a detailed breakdown of the current Earmarked Reserves position. Total funding for 2014/15 is £3,334,000 following the write back to General Reserves approved at the Inverclyde Council budget setting meeting of February 2015. £1,083,000 is projected to be spent in this Financial Year, a reduction of £205,000 since the last Committee which is due to the continuation of the legal appeals process for the Clune Park demolition orders. At Period 11 the expenditure year to date was £966,000 or 89% of the projected spend for 2014/15.

The spend to date per profiling was expected to be £784,000 therefore the year to date expenditure is currently ahead of target and there is no slippage to report at the end of Period 11. However, the projected spend for 2014/15 is £1,083,000 compared to an original projected spend of £1,481,000 which will result in a year end slippage of £398,000 (27%)

7.0 VIREMENTS

7.1 There are no virements this Committee cycle.

8.0 IMPLICATIONS

8.1 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					

8.2 Legal

There are no specific legal implications arising from this report.

8.3 Human Resources

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

8.4 Equalities

There are no equalities issues within this report.

8.5 Repopulation

There are no repopulation issues with this report.

9.0 CONSULTATION

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

10.0 BACKGROUND PAPERS

10.1 There are no background papers for this report.

COMMUNITIES**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 11 : 1st April 2014 - 28th February 2015**

<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>28-Feb-15</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>
	Libraries & Museum						
1,008	Employee Costs	1,025	890	867	997	(28)	(2.7%)
9	Water	19	19	8	8	(11)	(57.9%)
	Sports & Leisure						
252	Clyde Muirshiel Contribution	252	252	214	217	(35)	(13.9%)
	Safer Communities						
2,823	Employee Costs	3,023	2,626	2,495	2,931	(92)	(3.0%)
56	Civil Contingency	69	69	56	57	(12)	(17.4%)
77	Scientific Services	92	92	67	72	(20)	(21.7%)
(55)	Registration of Private Landlords	(27)	(25)	(50)	(56)	(29)	107.4%
Total Material Variances						(227)	

COMMUNITIES**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 11 : 1st April 2014 - 28th February 2015**

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	4,282	(125)	(2.8%)
466	Property Costs	508	511	491	(20)	(3.9%)
1,781	Supplies & Services	1,651	1,648	1,642	(6)	(0.4%)
45	Transport Costs	46	44	44	0	-
131	Administration Costs	53	58	58	0	-
2,453	Other Expenditure	2,303	2,378	2,301	(77)	(3.2%)
(1,727)	Income	(635)	(705)	(735)	(30)	4.3%
7,446	TOTAL NET EXPENDITURE	8,327	8,341	8,083	(258)	(3.1%)
	Earmarked Reserves	0	0	0	0	
	TOTAL NET EXPENDITURE excluding Earmarked Reserves	8,327	8,341	8,083	(258)	

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	1,502	1,454	(48)	(3.2%)
1,594	Sports & Leisure	1,389	1,389	1,354	(35)	(2.5%)
3,187	Safer Communities	3,457	3,454	3,284	(170)	(4.9%)
(97)	Housing	701	701	696	(5)	(0.7%)
958	Community Halls	953	953	953	0	-
324	Grants to Vol Orgs	331	342	342	0	-
7,446	TOTAL COMMUNITIES	8,327	8,341	8,083	(258)	(3.1%)
	Earmarked Reserves	0	0	0	0	

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Communities

Project	Lead Officer/ Responsible Manager	Total Funding 2014/15	Phased Budget To Period 11 2014/15	Actual To Period 11 2014/15	Projected Spend 2014/15	Amount to be Earmarked for 2015/16 & Beyond	Lead Officer Update
		£000	£000	£000	£000	£000	
Support for Owners	John Arthur	1,374	442	580	631	743	Total Funding 2014/15 includes 2013/14 RTB £488k. Previously projected full spend, revised projected spend of £631k due to delays in starting various projects - primarily Broomhill (£425k), John Street (£86k), Central Area Environmental Work (£100k), Neil Street (£30k). Work commitments previously agreed with RCH to continue in 2015/16.
Renewal of Clune Park	John Arthur	1,590	55	47	100	1,490	Demolition Orders have now been issued for all 430 houses with a period of 6 months to 1 year given to vacate. 274 Demolition Order appeals lodged with the Sheriff Court have now been reduced to 255. Latest hearing at Sheriff Court was on 19 Feb where a continuation until 1 May was granted to allow for payments of deposits and the exchange of documents. Progress on demolition can only be made once the Appeals process has ran it's course. Projected expenditure for this year relates to employee costs and legal fees associated with the Appeals process.
Area Renewal Fund	John Arthur	100	100	91	100	0	£100k has been committed for Gibshill Community Centre. YTD spend due to Cloch Housing Association relating to Gibshill £91k. Previously reported MUGA Woodhall under Area Renewal Fund, now included in Support for Community Facilities due to proposed write back.
Support for Community Facilities	John Arthur	183	100	179	183	0	Projected full spend due to Gibshill Community Facility (£100k) and grant payments previously approved at Environment & Regeneration Committee. YTD spend due to Reach For Autism £8k, Cloch Housing Association relating to Gibshill £100k, Greenock District Sea Cadets £3k, East End United Boys Club £38k, Greenock Cricket/Hockey Club £14k and MUGA Woodhall £16k.
Expansion of Summer Playschemes	John Arthur	30	30	12	12	18	Spend for 2014 does not include funding for Play4All which was funded by IL at same level as 2013. It is unlikely that this funding will continue for 2015 and carry forward for 2015/16 will be required to fund it in 2015.
Grants to Vol Orgs	John Arthur	57	57	57	57	0	Applications were reduced from 3 to 2 rounds per year in 2013/14. The B/fwd balance was earmarked for playschemes and to reduce impact of budget savings taken in 2014/15. Spending now complete.
Total		3,334	784	966	1,083	2,251	