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| Report To: | Education & Communities Committee | Date: | 8 September 2015 |
| Report By: | Chief Financial Officer, Head of Safer & Inclusive Communities, Head of Inclusive Education, Culture & Corporate Policy | Report No: | FIN/73/15/AP/IC |
| Contact Officer: | Iain Cameron | Contact No: | 01475 712832 |
| Subject: | Communities 2015/16 Revenue Budget Report- Period 3 to 30 June 2015 | | |

1.0 PURPOSE

- 1.1 To advise Committee of the 2014/15 Revenue Budget final out turn and the 2015/16 Revenue Budget position at Period 3 to 30 June 2015.

2.0 SUMMARY

- 2.1 In 2014/15, excluding Earmarked Reserves, there was an underspend of £386,000 against a budget figure of £8,324,000. This equates to 4.6% of the total budget and was £128,000 less expenditure than reported previously to the May Committee.

The main variances for 2014/15 were –

- (a) Underspend of £31,000 for Libraries & Museum Employee Costs due to the over achievement of Turnover Savings and lower than expected sickness cover.
- (b) Underspend of £27,000 for Libraries & Museum Property Costs, mostly relating to Janitor savings.
- (c) Underspend of £35,000 for contribution to Clyde Muirshiel Regional Park.
- (d) Overspend of £15,000 for Bad Debt Provision relating to Pitch Lets.
- (e) Overspend of £44,000 relating to Waivers granted for Pitches and Hall Lets.
- (f) Underspend of £125,000 for Safer Communities Employee Costs mainly due to vacancies and the early achievement of planned budget savings.
- (g) Underspend of £25,000 for Environmental Health Sampling.
- (h) Underspend of £13,000 for Civil Contingency Service.
- (i) £89,000 over recovery of Income for Pitches and Hall Lets.
- (j) £29,000 over recovery of income for Registration of Private Landlords.

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- 2.2 The total Communities budget for 2015/16 excluding Earmarked Reserves, is currently £8,293,100. The latest projection is an underspend of £70,000.
- 2.3 The main variances to highlight for the 2015/16 Revenue Budget are –
- (a) Projected underspend of £50,000 for Safer Communities Employee Costs due to turnover savings as a result of delays in filling a number of vacant posts.
 - (b) Projected underspend of £17,000 for Housing Employee Costs due to a combination of a Policy Officer post being vacant for several months then replaced by a lower grade employee.
- 2.4 Earmarked Reserves for 2015/16 total £3,552,000 of which £1,610,000 is projected to be spent in the current financial year. To date expenditure of £21,000 (1.3%) has been incurred. The spend to date per profiling was expected to be £21,000 so there is no slippage to report.

3.0 RECOMMENDATIONS

- 3.1 That the Committee note the final out turn for 2014/15 and the current projected underspend of £70,000 for the 2015/16 Revenue Budget as at Period 3 to 30 June 2015.

Alan Puckrin
Chief Financial Officer

John Arthur
Head of Safer & Inclusive Communities

Angela Edwards
Head of Inclusive Education, Culture & Corporate Policy

4.0 BACKGROUND

4.1 The purpose of this report is to advise Committee of the current position of the 2015/16 Revenue Budget as well as the 2014/15 final out turn and to highlight the main variances contributing to the £386,000 underspend in 2014/15 and the projected underspend of £70,000 for 2015/16.

5.0 2014/15 OUT TURN

5.1 The final out turn for the Communities 2014/15 Revenue Budget, after adjustments for Earmarked Reserves, was an underspend of £386,000. The main factors contributing to this underspend in 2014/15 were:

| | Revised Budget 2014/15 £000 | Out Turn 2014/15 £000 | Variance To Budget £000 | P11 Projected Variance £000 | Movement Since P11 Projection £000 |
|------------------------------|-----------------------------|-----------------------|-------------------------|-----------------------------|------------------------------------|
| Libraries & Museum | 1,462 | 1,422 | (40) | (48) | 8 |
| Sports & Leisure | 1,527 | 1,505 | (22) | (35) | 13 |
| Safer Communities | 3,286 | 3,069 | (217) | (170) | (47) |
| Housing | 760 | 750 | (10) | (5) | (5) |
| Community Halls | 947 | 893 | (54) | 0 | (54) |
| Grants to Vol Organisations | 342 | 299 | (43) | 0 | (43) |
| TOTAL NET EXPENDITURE | 8,324 | 7,938 | (386) | (258) | (128) |

The main variances are explained in greater detail below.

Libraries & Museum:

Total underspend £40,000 (2.7%)

This was £8,000 more expenditure than previously reported to the May 2015 Committee. Employee costs underspent by £31,000 due to the over achievement of Turnover Savings and sickness cover being lower than expected.

Property Costs underspent by £27,000 mainly due to an underspend for Janitors.

Sports & Leisure:

Total underspend £22,000 (1.4%)

This was £13,000 more expenditure than previously reported to Committee in May 2015. Contribution to Clyde Muirshiel Regional Park underspent by £35,000. This was the Inverclyde Council share of planned savings from operating costs. An overspend of £15,000 resulted from a Bad Debt Provision for Pitch Lets. An overspend of £16,000 for Waivers granted to under 16 Sports Teams was offset by an over recovery of £20,000 for Lets Income

Safer Communities:

Total underspend £217,000 (6.6%)

This was £47,000 less expenditure than reported to the May 2015 Committee. Employee Costs underspent by £125,000 due to the early achievement of budget savings, over achievement of turnover savings and an underspend for overtime costs. Environmental Health Analytical Services underspent by £25,000 and Emergency Planning Civil Contingency costs underspent by £13,000. Income from Registration of Private Landlords over recovered by £29,000

Housing:

Total underspend £10,000 (1.3%)

This was £5,000 less expenditure than reported to the May 2015 Committee, The majority of the underspend related to Employee Costs due to the over achievement of Turnover Savings.

Community Halls:

Total underspend £54,000 (5.7%)

This was £54,000 less expenditure than reported to the May 2015 Committee. Waivers for Hall Lets overspent by £28,000 and was offset by an over recovery of Lets Income of £69,000. Community Hubs Supplies underspent by £13,000.

Grants to Voluntary Organisations:

Total underspend £43,000 (12.6%)

Total payments of £356,000 were made to various Voluntary Organisations in 2014/15 resulting in an underspend of £43,000 against the budget of £399,000.

6.0 2015/16 PROJECTION

- 6.1 The current Communities budget for 2015/16 is £8,293,100. This is a decrease of £48,170 from the approved Revenue Budget. Appendix 1 provides details of the virements responsible for this reduction.
- 6.2 The main variances to highlight in relation to the projected underspend of £70,000 for the 2015/16 Revenue Budget are :-

Safer Communities: Projected Underspend £53,000

Employee Costs are projected to underspend by £50,000 due to delays in filling a number of vacant posts and not back filling 2 posts within Environmental Health who are on maternity leave.

The Civil Contingency budget of £58,970 is projected to underspend by £3,000 based on the latest information provided by Renfrewshire Council..

Housing: Projected Underspend £17,000

Employee Costs are projected to underspend by £17,000. This is due to a combination of a Housing Policy Officer post being vacant for several months and then replaced by an employee at a lower grade.

7.0 EARMARKED RESERVES

7.1 Total funding for Earmarked Reserves is £3,552,000 of which £1,610,000 is projected to be spent in 2015/16. The remaining balance of £1,942,000 will be carried forward to 2016/17 and beyond. As at Period 3, the expenditure was £21,000 or 1.3% of the 2015/16 projected spend. The spend to date per profiling was expected to be £21,000 therefore there is no slippage. Appendix 4 gives a detailed breakdown of the current Earmarked Reserve position.

8.0 VIREMENTS

8.1 The £50,000 virement shown in Appendix 1 of this report is a movement between the Communities and Education sections of this Committee. The virement was approved by Inverclyde Council on 29 January 2015 as part of the funding package for The Beacon.

9.0 IMPLICATIONS

9.1 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 | | | | | |

9.2 Legal

There are no specific legal implications arising from this report.

9.3 Human Resources

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

9.4 Equalities

There are no equalities issues within this report.

9.5 Repopulation

There are no repopulation issues within this report.

10.0 CONSULTATION

10.1 The paper has been jointly prepared by the Chief Financial Officer, the Corporate Director Health & Social Care Partnership and the Corporate Director Environment, Regeneration & Resources.

11.0 BACKGROUND PAPERS

11.1 There are no background papers for this report.

Communities Budget Movement - 2015/16**Period 3: 1st April - 30th June 2015**

| Service | Approved Budget | Movements | | | Revised Budget | |
|-----------------------------------|-----------------|-------------------|------------------|----------------------------------|-------------------------------|-----------------|
| | 2015/16 £000 | Inflation £000 | Virement £000 | Supplementary Budgets £000 | Transferred to EMR £000 | 2015/16 £000 |
| Libraries & Museum | 1,446 | | | | | 1,446 |
| Sport & Leisure | 1,783 | | | | | 1,783 |
| Safer Communities | 3,236 | | | 2 | | 3,238 |
| Housing | 619 | | | | | 619 |
| Community Halls | 965 | | | | | 965 |
| Grants to Voluntary Organisations | 292 | | (50) | | | 242 |
| Totals | <u>8,341</u> | <u>0</u> | <u>(50)</u> | <u>2</u> | <u>0</u> | <u>8,293</u> |

Supplementary Budget Detail

£000

External ResourcesInternal Resources

Internal Transport Redistribution

2

Savings/Reductions2

COMMUNITIES**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 3 : 1st April 2015 - 30th June 2015**

| <u>Out Turn</u> <u>2014/15</u> <u>£000</u> | <u>Budget</u> <u>Heading</u> | <u>Budget</u> <u>2015/16</u> <u>£000</u> | <u>Proportion</u> <u>of Budget</u> | <u>Actual to</u> <u>30-Jun-15</u> <u>£000</u> | <u>Projection</u> <u>2015/16</u> <u>£000</u> | <u>(Under)/Over</u> <u>Budget</u> <u>£000</u> | <u>Percentage</u> <u>Over / (Under)</u> |
|--|--|--|---------------------------------------|---|--|---|--|
| 2,727 | Safer Communities Employee Costs | 2,834 | 714 | 696 | 2,784 | (50) | (1.8%) |
| 256 | Housing Employee Costs | 156 | 39 | 41 | 139 | (17) | (10.9%) |
| Total Material Variances | | | | | | (67) | |

COMMUNITIES**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 3 : 1st April 2015 - 30th June 2015**

| 2014/15 Actual £000 | Subjective Heading | Approved Budget 2015/16 £000 | Revised Budget 2015/16 £000 | Projected Out-turn 2015/16 £000 | Projected Over/(Under) Spend £000 | Percentage Over/(Under) |
|---------------------------|---|---------------------------------------|--------------------------------------|--|--|----------------------------|
| 4,243 | Employee Costs | 4,148 | 4,148 | 4,081 | (67) | (1.6%) |
| 459 | Property Costs | 654 | 654 | 654 | 0 | - |
| 1,713 | Supplies & Services | 1,715 | 1,715 | 1,715 | 0 | - |
| 45 | Transport Costs | 36 | 38 | 38 | 0 | - |
| 99 | Administration Costs | 63 | 63 | 63 | 0 | - |
| 4,598 | Other Expenditure | 2,223 | 2,173 | 2,170 | (3) | (0.1%) |
| (3,225) | Income | (498) | (498) | (498) | 0 | - |
| 7,932 | TOTAL NET EXPENDITURE | 8,341 | 8,293 | 8,223 | (70) | (0.8%) |
| | Earmarked Reserves | 0 | 0 | 0 | 0 | |
| | TOTAL NET EXPENDITURE excluding Earmarked Reserves | 8,341 | 8,293 | 8,223 | (70) | |

| 2014/15 Actual £000 | Objective Heading | Approved Budget 2015/16 £000 | Revised Budget 2015/16 £000 | Projected Out-turn 2015/16 £000 | Projected Over/(Under) Spend £000 | Percentage Over/(Under) |
|---------------------------|--------------------|---------------------------------------|--------------------------------------|--|--|----------------------------|
| 1,421 | Libraries & Museum | 1,446 | 1,446 | 1,446 | 0 | - |
| 1,504 | Sports & Leisure | 1,783 | 1,783 | 1,783 | 0 | - |
| 3,066 | Safer Communities | 3,236 | 3,238 | 3,185 | (53) | (1.6%) |
| 750 | Housing | 619 | 619 | 602 | (17) | (2.7%) |
| 892 | Community Halls | 965 | 965 | 965 | 0 | - |
| 299 | Grants to Vol Orgs | 292 | 242 | 242 | 0 | - |
| 7,932 | TOTAL COMMUNITIES | 8,341 | 8,293 | 8,223 | (70) | (0.8%) |
| | Earmarked Reserves | 0 | 0 | 0 | 0 | |

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Communities

| <u>Project</u> | <u>Lead Officer/ Responsible Manager</u> | <u>Total Funding 2015/16</u> | <u>Phased Budget To Period 3 2015/16</u> | <u>Actual To Period 3 2015/16</u> | <u>Projected Spend 2015/16</u> | <u>Amount to be Earmarked for 2016/17 & Beyond</u> | <u>Lead Officer Update</u> |
|---|--|--------------------------------------|--|---|--|--|--|
| | | <u>£000</u> | <u>£000</u> | <u>£000</u> | <u>£000</u> | <u>£000</u> | |
| Support for Owners | John Arthur | 1,250 | 0 | 0 | 1,250 | 0 | New funding of £537k is the RTB receipts due from RCH for 2014/15. |
| Renewal of Clune Park | John Arthur | 1,901 | 12 | 12 | 98 | 1,803 | Appeals process for Demolition Orders is still on going with last Court appearance June 24. A total of 37 Appeals have now been dismissed leaving 213. A total of 204 have now paid deposits to continue the process. Projected costs for 2015/16 related to a seconded employee and legal fees associated with the Appeals. |
| Support for Community Facilities | John Arthur | 163 | 9 | 9 | 163 | 0 | YTD spend relates to final payment for construction of Gibshill Community Centre. It's anticipated that the remaining funding will be committed before year end. |
| Investment Fund for Council Owned Bowling Clubs | John Arthur | 169 | 0 | 0 | 30 | 139 | Will be used to fund replacement toilets at Lady Alice Bowling Club. Contractor expected to be on site Spring 2016. Expenditure in 2015/16 relates to site investigations and fees. |
| Expansion of Summer Playschemes | John Arthur | 29 | 0 | 0 | 29 | 0 | Funding for summer playschemes including Play4All. Funding should be fully spent this financial year. New funding of £12k was approved by P&R Executive Sub Committee to allow IL to maintain prices at £2.50 per session. |
| Ravenscraig Sports Barn | John Arthur | 40 | 0 | 0 | 40 | 0 | Funding will be paid monthly to IL once new Ravenscraig facility is closed for works. |
| Total | | 3,552 | 21 | 21 | 1,610 | 1,942 | |