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| Report To: | Education & Communities Committee | Date: | 19 January 2016 |
| Report By: | Chief Financial Officer and Corporate Director Education, Communities and Organisational Development | Report No: | FIN/04/16/AP/IC |
| Contact Officer: | Iain Cameron | Contact No: | 01475 712832 |
| Subject: | Communities 2015/16 Revenue Budget Report- Period 7 to 31 October 2015 | | |

1.0 PURPOSE

- 1.1 To advise Committee of the 2015/16 Revenue Budget position as at Period 7 to 31 October 2015.

2.0 SUMMARY

- 2.1 The total Communities budget for 2015/16 is £8,509,840. A further £3,486,000 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 £193,000. This is a decrease in expenditure of £53,000 since last Committee.
- 2.3 The main variances to highlight are –
- (a) Projected underspend of £55,000 for Libraries & Museum Employee Costs, mainly due to a combination of reduced overtime and vacant posts.
 - (b) Projected underspend of £89,000 for Safer Communities Employee Costs, mainly due to the over achievement of turnover savings as a result of vacant posts and no backfill of two employees on maternity leave.
 - (c) Projected underspend of £10,000 for Scientific Services within Environmental Health.
 - (d) Projected underspend of £29,000 for Housing Employee Costs due to a combination of vacant posts and a Policy Officer being replaced by a lower grade employee.
- 2.4 Earmarked Reserves for 2015/16 total £3,486,000 of which £1,932,000 is projected to be spent in the current financial year. To date at the end of Period 7 expenditure of £151,000 (7.8%) has been incurred. The majority of the expenditure is profiled for the last quarter of the Financial Year when invoices are expected for Support for Owners and Clune Park Regeneration. River Clyde Homes have provided information which projects expenditure will be on budget for year-end. A further report on this agenda covers in detail the latest position of Support For Owners. Spend to date per profiling was expected to be £184,000 therefore there is slippage of £33,000 or 17.9% at the end of Period 7.

3.0 RECOMMENDATIONS

- 3.1 That the Committee note the current projected underspend of £193,000 for the 2015/16 Revenue Budget as at Period 7 to 31 October 2015.
- 3.2 That the Committee approve the virement of £7,000 as detailed in paragraph 7.1 and Appendix 5

Alan Puckrin
Chief Financial Officer

Wilma Bain
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4.0 BACKGROUND

- 4.1 This report advises Committee of the current position of the 2015/16 Revenue Budget at Period 7, 31 October 2015 and highlights the main issues for consideration.

5.0 2015/16 PROJECTION

- 5.1 The current Communities revenue budget for 2015/16 is £8,509,840. This is an increase of £169,000 from the approved budget. Appendix 1 provides details of the virements responsible for the increase.
- 5.2 The main variances to highlight in relation to the projected underspend of £193,000 for the 2015/16 Revenue Budget are :-

Libraries & Museum: - Underspend £55,000

Employee costs are projected to underspend by £55,000, an increase of £29,000 since the last Committee. There has been a further delay in filling vacant posts and there continues to be reduced levels of overtime.

Safer Communities : Underspend £109,000

Employee costs are projected to underspend by £89,000 mainly due to the over achievement of turnover savings as a result of vacant posts and no backfilling of two employees on maternity leave. The projected underspend for Employee Costs has increased by £20,000 since the last Committee.

The civil contingency budget of £58,870 is projected to underspend by £3,000 based on the latest information provided by Renfrewshire Council. There is no change to this projection since the last Committee.

The budget for Environmental Health Analytical Services is £91,580 and the latest projection is an underspend of £10,000. There is no change to this projection since the last Committee.

Income from Private Landlords has a budget of £32,230 for 2015/16 and the latest projection is an over recovery of income of £5,000. There is no change to this projection since the last Committee.

Housing : Underspend £29,000

The employee costs budget for Housing is £158,000 for 2015/16 and the latest projection is an underspend of £29,000, an increase of £2,000 since the last Committee. This is due to a combination of vacant posts and a Policy Officer post being replaced by an employee on a lower grade.

6.0 EARMARKED RESERVES

- 6.1 Appendix 4 gives a detailed breakdown of the current Earmarked Reserves position. Total funding for 2015/16 is £3,486,000 of which £1,932,000 is projected to be spent in 2015/16. The remaining balance of £1,554,000 will be carried forward to 2016/17 and beyond. At Period 7 the expenditure year to date was £151,000 or 7.8% of the projected spend for 2015/16. The majority of the expenditure is profiled for the last quarter of the Financial Year when invoices are expected for Support for Owners and Clune Park Regeneration. River Clyde Homes have provided information which projects expenditure will be on budget for year-end. A further report on this agenda outlines the latest position of Support For Owners.
- The spend to date per profiling was expected to be £184,000 therefore the year to date expenditure has slippage of £33,000 or 17.9%. Slippage has improved by 19.6% since the last report.

7.0 VIREMENTS

- 7.1 The Committee is asked to approve virement of £7,000 as detailed in Appendix 5. A virement of £7,000 from the Environment & Regeneration Committee to the Grants to Voluntary Organisations (GTVO) budget was approved by that Committee on 29 October 2015. This virement is required to facilitate the granting of a commercial property lease renewal for a period of three years. The £7,000 per annum rent is 100% subsidised by Inverclyde Council.

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 Chief Financial Officer and the Corporate Director Education, Communities and Organisational Development.

10.0 BACKGROUND PAPERS

- 10.1 There are no background papers for this report.

Communities Budget Movement - 2015/16**Period 7: 1st April - 31st October 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 | 11 | | | | 1,457 |
| Sport & Leisure | 1,783 | | 100 | | | 1,883 |
| Safer Communities | 3,236 | 42 | 73 | 2 | | 3,353 |
| Housing | 619 | 2 | 80 | | | 701 |
| Community Halls | 965 | 2 | (100) | | | 867 |
| Grants to Voluntary Organisations | 292 | | (43) | | | 249 |
| Totals | <u>8,341</u> | <u>57</u> | <u>110</u> | <u>2</u> | <u>0</u> | <u>8,510</u> |

Supplementary Budget Detail

£000

External ResourcesInternal Resources

Internal Transport Redistribution

2

Savings/Reductions2

COMMUNITIES**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 7 : 1st April 2015 - 31st October 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>31-Oct-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> |
|--|---------------------------------|--|---------------------------------------|---|--|---|--|
| | Libraries & Museum | | | | | | |
| | Employee Costs | 1,026 | 574 | 528 | 971 | (55) | (5.4%) |
| | Safer Communities | | | | | | |
| 2,727 | Employee Costs | 2,946 | 1,647 | 1,552 | 2,857 | (89) | (3.0%) |
| 59 | Env Health Analytical Services | 92 | 54 | 31 | 82 | (10) | (10.9%) |
| | Housing | | | | | | |
| 256 | Employee Costs | 158 | 88 | 66 | 129 | (29) | (18.4%) |
| Total Material Variances | | | | | | (183) | |

COMMUNITIES**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 7 : 1st April 2015 - 31st October 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 | 4,289 | 4,116 | (173) | (4.0%) |
| 459 | Property Costs | 654 | 651 | 651 | 0 | - |
| 1,713 | Supplies & Services | 1,715 | 1,823 | 1,823 | 0 | - |
| 45 | Transport Costs | 36 | 39 | 37 | (2) | (5.1%) |
| 99 | Administration Costs | 63 | 67 | 67 | 0 | - |
| 4,598 | Other Expenditure | 2,223 | 2,126 | 2,113 | (13) | (0.6%) |
| (3,225) | Income | (498) | (485) | (490) | (5) | 1.0% |
| 7,932 | TOTAL NET EXPENDITURE | 8,341 | 8,510 | 8,317 | (193) | (2.3%) |
| | Earmarked Reserves | 0 | 0 | 0 | 0 | |
| | TOTAL NET EXPENDITURE excluding Earmarked Reserves | 8,341 | 8,510 | 8,317 | (193) | |

| 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 | 1,457 | 1,402 | (55) | (3.8%) |
| 1,504 | Sports & Leisure | 1,783 | 1,883 | 1,883 | 0 | - |
| 3,066 | Safer Communities | 3,236 | 3,353 | 3,244 | (109) | (3.3%) |
| 750 | Housing | 619 | 701 | 672 | (29) | (4.1%) |
| 892 | Community Halls | 965 | 867 | 867 | 0 | - |
| 299 | Grants to Vol Orgs | 292 | 249 | 249 | 0 | - |
| 7,932 | TOTAL COMMUNITIES | 8,341 | 8,510 | 8,317 | (193) | (2.3%) |
| | 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 7 2015/16</u> | <u>Actual To Period 7 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 | 98 | 30 | 1,250 | 0 | New funding of £537k is the RTB receipts due from RCH for 2014/15. |
| Renewal of Clune Park | John Arthur | 1,835 | 48 | 61 | 443 | 1,392 | Appeals process for Demolition Orders is still on going. 213 appeals remain. Procedural Hearings at Sheriff Court were completed on 24/09/15. It was agreed that 6 flats in 4 tenements will be considered at a Proof Hearing scheduled for 25/01/16. Projected costs for 2015/16 related to a seconded employee (£48k) and demolition, homelessness and displacement, legal, conveyancing and security costs (£395k). |
| Support for Community Facilities | John Arthur | 163 | 9 | 29 | 163 | 0 | YTD spend relates to final payment for construction of Gibshill Community Centre (£9k) and Payment to Discover Inverclyde (£20k) made by Regeneration Services and not included in the original budget profiling. It's anticipated that the remaining funding will be distributed before year end. |
| Investment Fund for Council Owned Bowling Clubs | John Arthur | 169 | 0 | 5 | 10 | 159 | Estimated that £150k will be required to fund replacement toilets at Lady Alice Bowling Club with work to begin on site Spring 2016. |
| Expansion of Summer Playschemes | John Arthur | 29 | 29 | 26 | 26 | 3 | Funding for summer playschemes including Play4All. New funding of £12k was approved by P&R Executive Sub Committee to allow IL to maintain prices at £2.50 per session. Spending now complete. |
| 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 | | 3,486 | 184 | 151 | 1,932 | 1,554 | |

COMMUNITIES COMMITTEE**VIREMENT REQUESTS**

| Budget Heading | Increase Budget | | (Decrease) Budget |
|---|-----------------|-------|-------------------|
| | | £ | £ |
| Grants to Voluntary Organisations | 1 | 7,000 | |
| Commercial Rent (Environment & Regen Committee) | | | 7,000 |
| | | | |
| | | | |
| | | | |
| | | | |
| | | 7,000 | 7,000 |

Note

1 - Increase in GTVO budget to fund 100% rent for premises.