

**Report To:** Education & Communities Committee

**Date:** 3 May 2016

**Report By:** Chief Financial Officer and Corporate Director Education, Communities and Organisational Development

**Report No:** FIN/46/16/AP/IC

**Contact Officer:** Iain Cameron

**Contact No:** 01475 712832

**Subject:** Communities 2015/16 Revenue Budget Report- Period 11 to 29 February 2016

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## 1.0 PURPOSE

- 1.1 To advise Committee of the 2015/16 Revenue Budget position as at Period 11 to 29 February 2016.

## 2.0 SUMMARY

- 2.1 The total Communities budget for 2015/16 is £8,512,580. A further £3,724,000 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 £371,000 (4.4%.) This is a decrease in expenditure of £59,000 since the last Committee. The underspend largely arises from Employee Costs, Support for Community Facilities and Waivers for Pitch and Hall Lets.
- 2.3 The main variances to highlight are –
- (a) Projected underspend of £60,000 for Libraries & Museum Employee Costs, mainly due to a combination of reduced overtime and vacant posts.
  - (b) Projected underspend of £33,000 for Waivers granted for Pitch and Hall Lets.
  - (c) Projected underspend of £94,000 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.
  - (d) Projected underspend of £25,000 for Scientific Services within Environmental Health.
  - (e) Projected over recovery of income of £22,000 for the Registration of Private Landlords.
  - (f) 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.
  - (g) Projected underspend of £80,000 for Support to Community Facilities due to delays with the completion of various Community Halls.

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(h) Projected underspend of £14,000 for Community Hubs Expenditure.

2.4 Earmarked Reserves for 2015/16 total £3,724,000 of which £1,083,000 is projected to be spent in the current financial year. To date, at the end of Period 11, expenditure of £578,000 (53.4%) has been incurred. Spend to date per profiling was expected to be £1,037,000, therefore there is slippage of £459,000 or 44.3% at the end of Period 11. The majority of the slippage relates to Support For Owners funding. Confirmation has been received from the Scottish Government that the deadline for completion of this work has been extended to 31 March 2017. £650,000 of the funding is now projected to be spent in 2016/17.

### **3.0 RECOMMENDATIONS**

3.1 That the Committee note the current projected underspend of £371,000 for the 2015/16 Revenue Budget as at Period 11 to 29 February 2016.

Alan Puckrin  
Chief Financial Officer

Wilma Bain  
Corporate Director Education,  
Communities & Organisational Development

## 4.0 BACKGROUND

4.1 This report advises Committee of the current position of the 2015/16 Revenue Budget at Period 11, 29 February 2016 and highlights the main issues for consideration.

## 5.0 2015/16 PROJECTION

5.1 The current Communities revenue budget for 2015/16 is £8,512,580. This is an increase of £171,000 from the approved budget. Appendix 1 provides details of the virements responsible for the increase in budget.

5.2 The main variances to highlight in relation to the projected underspend of £371,000 for the 2015/16 Revenue Budget are :-

### Libraries & Museum: Underspend £68,000

Employee costs are projected to underspend by £60,000, an increase of £5,000 on the amount reported to the last Committee. The majority of the underspend is due to delays in filling vacant posts and reduced levels of overtime.

The remainder of the projected underspend relates to an underspend for Utilities of £8,000.

The overall projected underspend for Libraries & Museum has increased by £13,000 since last Committee.

### Sports & Leisure: Overspend £27,000

Waivers for Pitch Lets are projected to overspend by £27,000.

All Inverclyde Council Outdoor Pitches and their associated income were transferred to Inverclyde Leisure from 01/04/15. The Inverclyde Council Access to Sports & Leisure Pitches Policy was approved by the Education & Communities Committee in March 2015 and included provision for Under-19 sports teams to have free use of facilities. The Waivers budget compensates Inverclyde Leisure for their loss of income as a result of applying the free use policy.

There is no change to this projection since last Committee.

### Safer Communities : Underspend £152,000

Employee costs are projected to underspend by £94,000 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 remains the same as reported to 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 last Committee.

The budget for Environmental Health Analytical Services is £91,580 and the latest projection is an underspend of £25,000. The projected underspend has increased by £15,000 since 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 £22,000. This is an increase of £9,000 since 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, the same as previously reported to Committee. This is due to a combination of vacant posts and a Policy Officer post being replaced by an employee on a lower grade.

## Community Halls : Underspend £149,000

The Waivers Policy highlighted above under Sports & Leisure also applies to Community use of school buildings. The income from these Lets remains with the Council and the latest projection for Hall Lets is a net over recovery of £55,000 (Waivers underspend of £60,000 and under recovery of Income of £5,000.) This projection is the same as reported to last Committee.

The Revenue Support for Community Facilities budget was created to provide ongoing running costs support to newly opened facilities. Due to delays in construction at a number of sites, only the Gibshill Community Centre has received support to date. This has resulted in a projected underspend of £80,000, the same as previously reported to Committee.

Community Hubs Expenditure budget for non-employee costs is £19,000 and the latest projection is an underspend of £14,000.

## **6.0 EARMARKED RESERVES**

6.1 Appendix 4 gives a detailed breakdown of the current Earmarked Reserves position. Total funding for 2015/16 is £3,724,000 of which £1,083,000 is projected to be spent in 2015/16. The remaining balance of £2,641,000 will be carried forward to 2016/17 and beyond. At Period 11 the expenditure year to date was £578,000 or 53.4% of the projected spend for 2015/16.

The spend to date per profiling was expected to be £1,037,000, therefore the year to date expenditure has slippage of £459,000 or 44.3% at the end of Period 11. The majority of the slippage relates to Support For Owners funding. Confirmation has been received from the Scottish Government that the deadline for completion of this work has been extended to 31 March 2017. £650,000 of the funding is now projected to be spent in 2016/17.

## **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 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 11 : 1st April - 29th February 2016**

Service	Approved Budget	Movements			Revised Budget	
	2015/16 £000	Inflation £000	Virement £000	Supplementary Budgets £000		Transferred to EMR £000
Libraries & Museum	1,446	12		2		1,460
Sport & Leisure	1,783					1,783
Safer Communities	3,236	41	73	2		3,352
Housing	619	2	80			701
Community Halls	965	2				967
Grants to Voluntary Organisations	292		(43)			249
<b>Totals</b>	<b>8,341</b>	<b>57</b>	<b>110</b>	<b>4</b>	<b>0</b>	<b>8,512</b>

**Supplementary Budget Detail**

£000

External ResourcesInternal Resources

Internal Transport Redistribution  
Janitors Redistribution

2  
2

Savings/Reductions

4

**COMMUNITIES****REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 11 : 1st April 2015 - 29th February 2016**

<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>29-Feb-16</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>
	<b>Libraries &amp; Museum</b>						
994	Employee Costs	1,026	888	831	966	(60)	(5.8%)
	<b>Sport &amp; Leisure</b>						
129	Waivers	113	104	130	140	27	23.9%
	<b>Safer Communities</b>						
2,727	Employee Costs	2,946	2,551	2,434	2,852	(94)	(3.2%)
59	Env Health Analytical Services	92	92	64	67	(25)	(27.2%)
(56)	Registration of Private Landlords	(32)	(32)	(54)	(54)	(22)	68.8%
	<b>Housing</b>						
256	Employee Costs	158	137	107	129	(29)	(18.4%)
	<b>Community Halls</b>						
171	Waivers	143	131	50	83	(60)	(42.0%)
65	Support for Comm Facilities	100	92	0	20	(80)	(80.0%)
0	Community Hubs Expenditure	19	15	0	5	(14)	(73.7%)
<b>Total Material Variances</b>						<b>(357)</b>	

**COMMUNITIES****REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 11 : 1st April 2015 - 29th February 2016**

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	4,106	(183)	(4.3%)
459	Property Costs	654	654	647	(7)	(1.1%)
1,713	Supplies & Services	1,715	1,723	1,723	0	-
45	Transport Costs	36	39	39	0	-
99	Administration Costs	63	67	67	0	-
4,598	Other Expenditure	2,223	2,763	2,599	(164)	(5.9%)
(3,225)	Income	(498)	(1,023)	(1,040)	(17)	1.7%
7,932	TOTAL NET EXPENDITURE	8,341	8,512	8,141	(371)	(4.4%)
	Earmarked Reserves	0	0	0	0	
	TOTAL NET EXPENDITURE excluding Earmarked Reserves	8,341	8,512	8,141	(371)	

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	1,460	1,392	(68)	(4.7%)
1,504	Sports & Leisure	1,783	1,783	1,810	27	1.5%
3,066	Safer Communities	3,236	3,352	3,200	(152)	(4.5%)
750	Housing	619	701	672	(29)	(4.1%)
892	Community Halls	965	967	818	(149)	(15.4%)
299	Grants to Vol Orgs	292	249	249	0	-
7,932	TOTAL COMMUNITIES	8,341	8,512	8,141	(371)	(4.4%)
	Earmarked Reserves	0	0	0	0	



## EARMARKED RESERVES POSITION STATEMENT

## COMMITTEE: Communities

Project	Lead Officer/ Responsible Manager	Total Funding 2015/16	Phased Budget To Period 11 2015/16	Actual To Period 11 2015/16	Projected Spend 2015/16	Amount to be Earmarked for 2016/17 & Beyond	Lead Officer Update
		£000	£000	£000	£000	£000	
Support for Owners	John Arthur	1,250	611	256	600	650	Scottish Government have now given a 12 months extension until March 2017 for using this funding. RCH have confirmed that approximately half of the planned work has already been committed.
Renewal of Clune Park	John Arthur	2,085	64	232	350	1,735	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 were considered at a Proof Hearing on 25/01/16 which was continued until April 2016. Projected costs for 2015/16 related to a seconded employee (£48k) and demolition, homeless and displacement, legal, conveyancing and security costs (£302k).
Support for Community Facilities	John Arthur	163	163	29	62	101	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. Only £33k worth of applications were received by the December 2015 deadline. It is anticipated that this will be the only additional expenditure this FY. £95k to be written back to General Reserves at 31st March 2016
Investment Fund for Council Owned Bowling Clubs	John Arthur	169	150	12	14	155	Estimated that £150k will be required to fund replacement toilets at Lady Alice Bowling Club with work to begin on site Spring 2016. YTD expenditure relates to Internal Fees and investigation work related to Lady Alice.
Expansion of Summer Playschemes	John Arthur	17	17	17	17	0	Spending now complete.
Ravensraig Sports Barn	John Arthur	40	32	32	40	0	£40k has been added on to IL Management Fee invoice and paid monthly.
<b>Total</b>		<b>3,724</b>	<b>1,037</b>	<b>578</b>	<b>1,083</b>	<b>2,641</b>	