

Report To: Education & Communities Committee
Date: 6 September 2016

Report By: Chief Financial Officer and Corporate Director Education, Communities and Organisational Development
Report No: FIN/078/16/AP/IC

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Subject: Communities 2016/17 Revenue Budget Report- Period 3 to 30 June 2016

1.0 PURPOSE

- 1.1 To advise the Committee of the 2015/16 Communities Revenue Budget final out-turn and the 2016/17 Revenue Budget position at Period 3 to 30 June 2016.

2.0 SUMMARY

- 2.1 In 2015/16, excluding Earmarked Reserves, there was an underspend of £368,000 against a budget figure of £8,716,000. This equates to 4.2% of the total budget and was £3,000 more expenditure than reported previously to the May Committee.

The main variances for 2015/16 were –

- (a) Underspend of £200,000 for Employee Costs due to the over achievement of Turnover Savings and early implementation of budget savings.
- (b) Underspend of £46,000 for Safer Communities Other Expenditure, mainly relating to the Civil Contingencies Joint Board and Youth Justice Resources.
- (c) Underspend of £25,000 due to Safer Communities over recovery of Income, mainly Registration of Private Landlords.
- (d) Underspend of £91,000 for Support to Community Facilities. Funding is for support of various new Community Facilities currently under construction.
- (e) Overspend of £54,000 relating to Waivers granted for Pitches and Hall Lets.
- (f) Underspend of £22,000 due to the over recovery of Hall Lets income.
- (g) Underspend of £17,000 for Libraries & Museum Property costs, mainly due to Non Domestic Rates (NDR) and Utilities.

- 2.2 The total Communities budget for 2016/17 excluding Earmarked Reserves, is currently £8,392,230. The latest projection is an underspend of £20,000.
- 2.3 The main variances to highlight for the 2016/17 Revenue Budget are –
- (a) Projected overspend of £59,000 for Waivers - £89,000 overspend for Under 19 Sports Teams within Sports & Leisure is partially offset by an underspend of £30,000 for Hall Lets Waivers.
 - (b) Projected underspend of £30,000 for Support for Community Facilities. This budget is not required until later in 2016/17 when the final new facilities open.
 - (c) Projected over recovery of Hall Lets income £18,000.
- 2.4 Earmarked Reserves for 2016/17 total £3,145,000 of which £1,499,000 is projected to be spent in the current financial year. To date expenditure of £123,000 (8.2%) has been incurred. The spend to date per profiling was also expected to be £123,000 so there is no slippage to report at this time.

3.0 RECOMMENDATIONS

- 3.1 That the Committee note the final out turn for 2015/16.
- 3.2 That the Committee note the current projected underspend of £20,000 for the 2016/17 Revenue Budget as at Period 3 to 30 June 2016.

Alan Puckrin
Chief Financial Officer

Wilma Bain
Corporate Director Education, Communities
and Organisational Development

4.0 BACKGROUND

4.1 The purpose of this report is to advise the Committee of the current position of the 2016/17 Revenue Budget as well as the 2015/16 final out-turn and to highlight the main variances contributing to the £368,000 underspend in 2015/16 and the projected underspend of £20,000 for 2016/17.

5.0 2015/16 OUT TURN

5.1 The final out- turn for the Communities 2015/16 Revenue Budget, after adjustments for Earmarked Reserves, was an underspend of £368,000. The main factors contributing to this underspend were:

	Revised Budget 2015/16 £000	Out Turn 2015/16 £000	Variance To Budget £000	P11 Projected Variance £000	Movement Since P11 Projection £000
Libraries & Museum	1,515	1,451	(64)	(68)	4
Sports & Leisure	1,852	1,936	84	27	57
Safer Communities	3,217	3,020	(197)	(152)	(45)
Housing	891	863	(28)	(29)	1
Community Halls	992	837	(155)	(149)	(6)
Grants to Vol Organisations	249	241	(8)	0	(8)
TOTAL NET EXPENDITURE	8,716	8,348	(368)	(371)	3

The main variances are explained in greater detail below.

5.2 Libraries & Museum:

Total underspend £64,000 (4.2%)

This was £4,000 more expenditure than previously reported to the May 2016 Committee. Employee costs underspent by £50,000 mainly due to not backfilling maternity leave. Property Costs underspent by £17,000 mainly due to underspends for Non Domestic Rates (NDR) and Utilities.

5.3 Sports & Leisure:

Total overspend £84,000 (4.5%)

This was £57,000 more expenditure than previously reported to Committee in May 2016. Waivers for Pitch Lets overspent by £87,000. The majority of the Waivers granted relate to Under 19 football teams.

5.4 Safer Communities:

Total underspend £197,000 (6.1%)

This was £45,000 less expenditure than reported to the May 2016 Committee. Employee Costs underspent by £122,000 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 £26,000 and Community Safety / Youth Justice Materials underspent by £16,000. Safer Communities Income over recovered by £25,000, the majority of which related to the Registration of Private Landlords.

5.5 Housing:

Total underspend £28,000 (3.1%)

This was £1,000 more expenditure than reported to the May 2016 Committee, The majority of the underspend related to Employee Costs due to the over achievement of Turnover Savings.

5.6 Community Halls:

Total underspend £155,000 (15.6%)

This was £6,000 less expenditure than reported to the May 2016 Committee. Waivers for Hall Lets underspent by £33,000 and Hall Lets Income over recovered by £22,000. Revenue Support for Community Facilities underspent by £91,000 due to delays in the construction of various new Community Facilities. Community Hubs Supplies underspent by £9,000

5.7 Grants to Voluntary Organisations:

Total underspend £8,000 (3.2%)

This was £8,000 less expenditure than reported to the May 2016 Committee.

Total payments of £241,000 were made to various Voluntary Organisations in 2015/16 resulting in an underspend of £8,000 against the budget of £249,000.

6.0 2016/17 PROJECTION

6.1 The current Communities budget for 2016/17 is £8,392,230. This is an increase of £46,000 from the approved Revenue Budget. Appendix 1 provides details of the virements responsible for this increase.

6.2 The main variances to highlight in relation to the projected underspend of £20,000 for the 2016/17 Revenue Budget are :-

Sports & Leisure: Projected Overspend £84,000

Waivers for Under 19 Sports Teams are projected to overspend by £89,000 which is in line with the final out-turn for 2015/16.

Community Halls: Projected Underspend £87,000

Waivers for Hall Lets budget projected to underspend by £30,000.

Support for Community Facilities budget is projected to underspend by £30,000 due to budget not being required until later in 2016/17 when new community facilities open.

7.0 EARMARKED RESERVES

7.1 Total funding for Earmarked Reserves is £3,145,000 of which £1,499,000 is projected to be spent in 2016/17. The remaining balance of £1,646,000 will be carried forward for use in 2017/18 and beyond. As at Period 3, the expenditure was £123,000 or 8.2% of the 2016/17 projected spend.

The spend to date per profiling was also expected to be £123,000 therefore there is no slippage at this time. Appendix 4 gives a detailed breakdown of the current Earmarked Reserve position.

8.0 VIREMENTS

8.1 There are no virements this Committee cycle.

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 and the Corporate Director Education, Communities and Organisational Development.

11.0 BACKGROUND PAPERS

11.1 There are no background papers for this report.

Communities Budget Movement - 2016/17**Period 3: 1st April - 30th June 2016**

Service	Approved Budget	Movements			Revised Budget	
	2016/17 £000	Inflation £000	Virement £000	Supplementary Budgets £000	Transferred to EMR £000	2016/17 £000
Libraries & Museum	1,508	(17)				1,491
Sport & Leisure	1,710					1,710
Safer Communities	3,354		63			3,417
Housing	602					602
Community Halls	929					929
Grants to Voluntary Organisations	243					243
Totals	8,346	(17)	63	0	0	8,392

Supplementary Budget Detail

£000

Virements

From ED Committee - CLD Streetmates Upload Correction	70
From E&R Committee - Parking Income	(7)
Reduction in Utilities Budget	(17)

External ResourcesInternal ResourcesSavings/Reductions

COMMUNITIES**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 3 : 1st April 2016 - 30th June 2016**

<u>Out Turn</u> <u>2015/16</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2016/17</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> <u>30-Jun-16</u> <u>£000</u>	<u>Projection</u> <u>2016/17</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Over / (Under)</u>
200	Sports & Leisure Waivers	111	28	37	200	89	80.2%
10	Community Halls Support For Comm Facilities	100	25	0	70	(30)	(30.0%)
110	Waivers	140	35	0	110	(30)	(21.4%)
Total Material Variances						29	

COMMUNITIES**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 3 : 1st April 2016 - 30th June 2016**

2015/16 Actual £000	Subjective Heading	Approved Budget 2016/17 £000	Revised Budget 2016/17 £000	Projected Out-turn 2016/17 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
4,058	Employee Costs	4,271	4,334	4,327	(7)	(0.2%)
716	Property Costs	728	711	703	(8)	(1.1%)
1,775	Supplies & Services	1,652	1,664	1,664	0	-
39	Transport Costs	35	35	35	0	-
300	Administration Costs	56	56	56	0	-
4,154	Other Expenditure	2,084	2,073	2,091	18	0.9%
(2,694)	Income	(480)	(481)	(504)	(23)	4.8%
8,348	TOTAL NET EXPENDITURE	8,346	8,392	8,372	(20)	(0.2%)
	Earmarked Reserves	0	0	0	0	
	TOTAL NET EXPENDITURE excluding Earmarked Reserves	8,346	8,392	8,372	(20)	

2015/16 Actual £000	Objective Heading	Approved Budget 2016/17 £000	Revised Budget 2016/17 £000	Projected Out-turn 2016/17 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
1,452	Libraries & Museum	1,508	1,491	1,483	(8)	(0.5%)
1,936	Sports & Leisure	1,710	1,710	1,794	84	4.9%
3,019	Safer Communities	3,354	3,368	3,363	(5)	(0.1%)
863	Housing	602	651	647	(4)	(0.6%)
837	Community Halls	929	929	842	(87)	(9.4%)
241	Grants to Vol Orgs	243	243	243	0	-
8,348	TOTAL COMMUNITIES	8,346	8,392	8,372	(20)	(0.2%)
	Earmarked Reserves	0	0	0	0	

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Communities

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding 2016/17</u>	<u>Phased Budget To Period 3 2016/17</u>	<u>Actual To Period 3 2016/17</u>	<u>Projected Spend 2016/17</u>	<u>Amount to be Earmarked for 2017/18 & 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	921	0	0	921	0	Expenditure to be completed by 31/03/17 per Scottish Government.
Renewal of Clune Park	John Arthur	1,910	49	49	320	1,590	Expenditure to date relates to Home Loss Payments and Legal Fees. Provision has recently been reviewed.
Support for Community Facilities	John Arthur	29	12	12	29	0	£12k payment made to Grosvenor Bowling Club. Remaining £17k will be spent by 31/03/17
Investment Fund for Council Owned Bowling Clubs	John Arthur	156	12	12	150	6	£150k has been allocated for refurb of Lady Alice toilets with work expected to be completed in 2016/17
Summer Playschemes	John Arthur	29	0	0	29	0	£17k Employee costs for Play4All & £12k to IL to maintain price at £2.50
Grants to Vol Orgs	John Arthur	100	50	50	50	50	£50k allocated to first round of applications 16/17 and £50k c/f for use in 17/18
Total		3,145	123	123	1,499	1,646	