
Report To:	Education & Communities Committee	Date:	1 November 2016
Report By:	Chief Financial Officer and Corporate Director Education, Communities and Organisational Development	Report No:	FIN/102/16/AP/IC
Contact Officer:	Iain Cameron	Contact No:	01475 712832
Subject:	Communities 2016/17 Revenue Budget Report- Period 5 to 31 August 2016		

1.0 PURPOSE

- 1.1 To advise Committee of the 2016/17 Revenue Budget position at Period 5 to 31 August 2016.

2.0 SUMMARY

- 2.1 The total Communities budget for 2016/17, excluding Earmarked Reserves, is currently £8,487,330 following the anticipated approval of the virement of £95,000 from the Education Revenue budget as detailed in paragraph 7.1 and appendix 5. The latest projection is an overspend of £37,000.
- 2.2 The main variances to highlight for the 2016/17 Revenue Budget are –
- (a) Projected underspend of £60,000 for Support for Community Facilities, an increase of £30,000 since the last Committee. This budget is not required until later in 2016/17 when the final new facilities open.
 - (b) £119,000 overspend due to carrying out a review of income with Inverclyde leisure on historical debt related to School / Pitch income. As a result, it concluded that there has been an overstatement of income as at the end of 2015/16. To address this, a provision must be made to this effect.
- 2.3 Earmarked Reserves for 2016/17 total £3,145,000 of which £1,361,000 is projected to be spent in the current financial year. To date expenditure of £176,000 (12.9%) has been incurred. The spend to date per profiling was expected to be £274,000, therefore the year to date expenditure is £98,000 or 35.8% behind phased spend at the end of Period 5. The majority of this relates to Support For Owners.

3.0 RECOMMENDATIONS

- 3.1 That the Committee note the current projected overspend of £37,000 for the 2016/17 Revenue Budget as at Period 5 to 31 August 2016.
- 3.2 That the Committee note the current projected overspend of £37,000 is being contained within the overall Education & Communities Directorate Revenue Budget due to a projected underspend of £197,000 in the Education budget.

3.3 That the Committee approve the virements totalling £125,000 as detailed in paragraph 7.1 and appendix 5.

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 at Period 5, 31 August 2016 and highlight the main issues contributing to the projected overspend of £37,000 for 2016/17.

5.0 2016/17 PROJECTION

- 5.1 The current Communities budget for 2016/17 is £8,487,330. This is an increase of £141,000 from the approved Revenue Budget. Appendix 1 provides details of the virements responsible for this increase.
- 5.2 The main issues to highlight in relation to the projected overspend of £37,000 for the 2016/17 Revenue Budget are :-

Sports & Leisure: Projected Overspend £109,000

Following approval of the virement detailed in paragraph 7.1 and appendix 5, Waivers for Under 19 Sports Teams budget has been increased by £99,000 to £210,000. The latest projection is an underspend of £5,000.

A provision of £119,000 requires to be made for Lets Income at the end of Financial Year 2016/17. A review of all historical debt has been carried out in conjunction with Inverclyde Leisure and concluded that an overstatement of income was made at the end of 2015/16.

Community Halls: Projected Underspend £69,000

The Support for Community Facilities budget is projected to underspend by £60,000 due to the budget not being required until later in 2016/17 when new community facilities open. The projected underspend has increased by £30,000 since last Committee.

- 5.3 It should be noted that the £37,000 projected overspend for the Communities Revenue Budget is being contained within the overall Education & Communities Directorate Revenue Budget due to the projected underspend of £197,000 for Education.

6.0 EARMARKED RESERVES

- 6.1 Total funding for Earmarked Reserves is £3,145,000 of which £1,361,000 is projected to be spent in 2016/17. The remaining balance of £1,784,000 will be carried forward for use in 2017/18 and beyond. As at Period 5, the expenditure was £176,000 or 12.9% of the 2016/17 projected spend.
- The spend to date per profiling was expected to be £274,000, therefore the year to date expenditure is £98,000 or 35.8% behind phased spend at the end of Period 5. The majority of the slippage relates to Support For Owners.

7.0 VIREMENTS

- 7.1 The Committee is asked to approve the virement of £95,000 from the Education Revenue budget and £30,000 from Community Halls Waivers budget to Sports & Leisure Waivers budget as detailed in appendix 5.

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 within this report.

9.0 CONSULTATION

9.1 The paper 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 - 2016/17**Period 5: 1st April - 31st August 2016**

Service	Approved Budget	Movements			Transferred to EMR £000	Revised Budget
	2016/17 £000	Inflation £000	Virement £000	Supplementary Budgets £000		2016/17 £000
Libraries & Museum	1,508	(17)				1,491
Sport & Leisure	1,710		69			1,779
Safer Communities	3,354		63			3,417
Housing	602					602
Community Halls	929		26			955
Grants to Voluntary Organisations	243					243
Totals	8,346	(17)	158	0	0	8,487

Movement Details

£000

External ResourcesVirements

From ED Committee - CLD Streetmates Upload Correction	70
From ED Committee - Funding Waivers	69
From ED Committee - Funding School Lets Income Shortfall	26
From E&R Committee - Parking Income	(7)
	<u>158</u>

Inflation

Reduction in Utilities Budgets	(17)
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Savings/Reductions141

COMMUNITIES**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 5 : 1st April 2016 - 31st August 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>31-Aug-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>
0	Sports & Leisure Bad Debt Provision	0	0	0	119	119	-
10	Community Halls Support For Comm Facilities	100	42	8	40	(60)	(60.0%)
Total Material Variances						59	

COMMUNITIES**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 5 : 1st April 2016 - 31st August 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	706	(5)	(0.7%)
1,775	Supplies & Services	1,652	1,665	1,664	(1)	(0.1%)
39	Transport Costs	35	35	35	0	-
300	Administration Costs	56	56	56	0	-
4,154	Other Expenditure	2,084	2,130	2,185	55	2.6%
(2,694)	Income	(480)	(444)	(449)	(5)	1.1%
8,348	TOTAL NET EXPENDITURE	8,346	8,487	8,524	37	0.4%
	Earmarked Reserves	0	0	0	0	
	TOTAL NET EXPENDITURE excluding Earmarked Reserves	8,346	8,487	8,524	37	

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	1,486	(5)	(0.3%)
1,936	Sports & Leisure	1,710	1,809	1,918	109	6.0%
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	925	867	(58)	(6.3%)
241	Grants to Vol Orgs	243	243	243	0	-
8,348	TOTAL COMMUNITIES	8,346	8,487	8,524	37	0.4%
	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 5 2016/17</u>	<u>Actual To Period 5 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	100	0	921	0	Expenditure to be completed by 31/03/17 per Scottish Government.
Renewal of Clune Park	John Arthur	1,910	63	91	320	1,590	Expenditure to date relates to Home Loss Payments and Legal Fees.
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	32	6	12	144	£150k has been allocated for refurb of Lady Alice toilets. Following issues discovered at survey stage work now not expected to be completed in 2016/17.
Summer Playschemes	John Arthur	29	17	17	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	274	176	1,361	1,784	

COMMUNITIES COMMITTEE**VIREMENT REQUESTS**

Budget Heading		Increase Budget	(Decrease) Budget
		£	£
Biomass	1		35,000
Contract Janitors			40,000
Music Tuition Fees			20,000
Communities Committee - Waivers		69,000	
Communities Committee - School Lets Income		26,000	
Waivers - Sports & Leisure	2	30,000	
Waivers - School Lets			30,000
		125,000	125,000

Note

1- Total of £95,000 vired from Education Revenue budget to the Communities Revenue budget to fund overspends on Waivers and shortfall in School Lets Income.

2 - Virement of £30,000 from School Lets Waiver budget to Sports & Leisure Waiver budget