

Report To: Education & Communities Committee
Date: 7 March 2017

Report By: Chief Financial Officer and Corporate Director Education, Communities and Organisational Development
Report No: FIN/12/17/AP/IC

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Subject: Communities 2016/17 Revenue Budget Report- Period 9 to 31 December 2016

1.0 PURPOSE

- 1.1 To advise Committee of the 2016/17 Revenue Budget position at Period 9 to 31 December 2017.

2.0 SUMMARY

- 2.1 The total Communities budget for 2016/17, excluding Earmarked Reserves, is currently £8,594,340. This is an increase of £247,860 from the approved budget. Appendix 1 provides details of this movement. The latest projection is an overspend of £17,000, which is an increase of £1,000 since the last Committee.
- 2.3 The main variances to highlight for the 2016/17 Revenue Budget are –
- (a) Projected underspend of £51,000 for Support for Community Facilities, which is £2,000 less expenditure than reported to the last Committee. The full budget is not required until 2017/18 when the new facilities will be fully operational.
 - (b) A previously reported £119,000 overspend due to a prior year adjustment being required following a review of historical debt related to school / pitch lets income. The review was carried out in conjunction with Inverclyde Leisure and concluded that there was an over statement of income in 2015/16.
- 2.4 Earmarked Reserves for 2016/17 total £3,145,000 of which £1,358,000 is projected to be spent in the current financial year. To date expenditure of £889,000 (65.5%) has been incurred. The spend to date per profiling was expected to be £506,000, therefore the year to date expenditure is currently ahead of plan by £383,000 or 75.7%. The majority of the advanced expenditure relates to Support For Owners.

3.0 RECOMMENDATIONS

- 3.1 That the Committee notes the current projected overspend of £17,000 for the 2016/17 Revenue Budget as at Period 9 to 31 December 2016.
- 3.2 That the Committee notes the current projected overspend of £17,000 is being contained within the overall Education & Communities Directorate Revenue Budget due to a projected underspend of £629,000 in the Education budget.

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 9, 31 December 2016 and highlight the main issues contributing to the projected overspend of £17,000.

5.0 2016/17 PROJECTION

- 5.1 The current Communities budget for 2016/17 is £8,594,340. This is an increase of £247,860 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 £17,000 for the 2016/17 Revenue Budget are :-

Sports & Leisure: Projected Overspend £114,000

The Sports & Leisure budget is projected to overspend by £114,000. This is mainly due to the previously reported prior year adjustment of £119,000 that is required to be made for Lets Income at the end of Financial Year 2016/17. A review of all historical debt was carried out in conjunction with Inverclyde Leisure and concluded that an overstatement of income was made at the end of 2015/16. The projected overspend remains the same as reported to the last Committee.

Community Halls: Projected Underspend £60,000

The Community Halls budget is projected to underspend by £60,000. The Support for Community Facilities budget is projected to underspend by £51,000 due to the full budget not being required until 2017/18 when the new facilities will be fully operational. The projected underspend is £2,000 less than reported to the last Committee.

- 5.3 It should be noted that the £17,000 projected overspend for the Communities Revenue Budget is being contained within the overall Education & Communities Directorate Revenue Budget due to the projected underspend of £629,000 for Education.

6.0 EARMARKED RESERVES

- 6.1 Total funding for Earmarked Reserves is £3,145,000 of which £1,358,000 is projected to be spent in 2016/17. The remaining balance of £1,787,000 will be carried forward for use in 2017/18 and beyond. As at Period 9, the expenditure was £889,000 or 65.5% of the 2016/17 projected spend.
- The spend to date per profiling was expected to be £506,000, therefore the year to date expenditure is currently ahead of plan by £383,000 or 75.7%. The majority of the advanced expenditure relates to Support For Owners.

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 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 9: 1st April - 31st December 2016**

Service	Approved Budget	Inflation £000	Virement £000	Movements		Revised Budget
	2016/17 £000			Supplementary Budgets £000	Transferred to EMR £000	2016/17 £000
Libraries & Museum	1,508	(5)	(3)			1,500
Sport & Leisure	1,710	33	99			1,842
Safer Communities	3,354		128			3,482
Housing	602					602
Community Halls	929		(4)			925
Grants to Voluntary Organisations	243					243
Totals	<u>8,346</u>	<u>28</u>	<u>220</u>	<u>0</u>	<u>0</u>	<u>8,594</u>

Movement Details

£000

External Resources**Virements**

From ED Committee - CLD Streetmates Upload Correction	70
From ED Committee - Funding Waivers	69
Re-Align Cleaning Budgets	(3)
From Contingency - CCTV	65
From ED Committee - Funding School Lets Income Shortfall	26
From E&R Committee - Parking Income	(7)
	<u>220</u>

Inflation

Reduction in Gas Budget	(7)
IL Living Wage Increase	33
Increase SWAN Line Charges	2
	<u>28</u>

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COMMUNITIES**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 9 : 1st April 2016 - 31st December 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-Dec-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	75	49	49	(51)	(51.0%)
Total Material Variances						68	

COMMUNITIES**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 9 : 1st April 2016 - 31st December 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	4,328	(6)	(0.1%)
716	Property Costs	728	783	764	(19)	(2.4%)
1,775	Supplies & Services	1,652	1,698	1,697	(1)	(0.1%)
39	Transport Costs	35	35	35	0	-
300	Administration Costs	56	56	56	0	-
4,154	Other Expenditure	2,084	2,148	2,208	60	2.8%
(2,694)	Income	(480)	(460)	(477)	(17)	3.7%
8,348	TOTAL NET EXPENDITURE	8,346	8,594	8,611	17	0.2%
	Earmarked Reserves	0	0	0	0	
	TOTAL NET EXPENDITURE excluding Earmarked Reserves	8,346	8,594	8,611	17	

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	1,500	1,475	(25)	(1.7%)
1,936	Sports & Leisure	1,710	1,842	1,956	114	6.2%
3,019	Safer Communities	3,354	3,482	3,474	(8)	(0.2%)
863	Housing	602	602	598	(4)	(0.7%)
837	Community Halls	929	925	865	(60)	(6.5%)
241	Grants to Vol Orgs	243	243	243	0	-
8,348	TOTAL COMMUNITIES	8,346	8,594	8,611	17	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 9 2016/17</u>	<u>Actual To Period 9 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	Martin McNab	921	200	596	921	0	Expenditure to be completed by 31/03/17 per Scottish Government.
Renewal of Clune Park	Martin McNab	1,910	63	191	320	1,590	Expenditure to date relates to Home Loss Payments, Legal Fees (internal & external) and Architects / Engineers fees.
Support for Community Facilities	Martin McNab	29	29	29	29	0	£12k payment made to Grosvenor Bowling Club and £17k payment made to Branchton Community Centre. Spending now completed.
Investment Fund for Council Owned Bowling Clubs	Martin McNab	156	135	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	Martin McNab	29	29	17	26	3	£17k Employee costs for Play4All & £9k to IL to maintain price at £2.50 will be paid P10. Balance of £3k is not required.
Grants to Vol Orgs	Martin McNab	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	506	889	1,358	1,787	