



REPORT TO COMMUNITIES COMMITTEE – 7 SEPTEMBER 2017

FINANCIAL MONITORING FOR THE PERIOD ENDED 30 JUNE 2017

1. Recommendations

It is recommended that the Committee:

- 1.1 Acknowledge the revenue and capital budget monitoring as at 30 June 2017, and;
- 1.2 Approve the virements set out in Appendix 3 and note the revenue budget adjustments, some of which will be reported to Full Council for approval

2. Discussion

- 2.1 The Council's Scheme of Governance aligns service budget responsibility with Policy Committee responsibility. This report covers the 2017/18 forecast position as at 30 June 2017 for both Revenue and Capital Budget monitoring.

Revenue Budget Monitoring

- 2.2 The Communities revenue budget for monitoring purposes in 2017/18 for net revenue expenditure is £113,743,000, which covers Leisure Active Communities and Sports and Leisure Management – Client, which are managed by Education & Children's Services as well as the Sports & Leisure Management Trading Account, Housing General Fund, Community Planning & The Council's contribution to the Integration Joint Board.
- 2.3 The forecast revenue expenditure to the end of the financial year is £114,127,000 which is in excess of budget by £384,000. This contributes to the overall position of the Council, which is £3,026,000 in excess of budget. The financial position is shown in more detail in **Appendix 1** with accompanying narrative detailing the reasons for major variances on **Appendix 2**.
- 2.4 The Sports & Leisure Management Service has the largest forecast variance, which is currently £215,000. Education & Children's Services is reviewing budgets across the service to more accurately align expenditure with appropriate budgets, and believes that this will bring the Sports projections in to balance.
- 2.5 It should be noted that although Communities overall is forecasting to be in excess of budget, it is not material at 0.3% of budget. Therefore Managers will ensure that appropriate controls are put in place so that this is addressed within the financial year for the other budget headings showing pressures that aren't detailed in paragraph 2.4 above.

- 2.6 The scheme of virement is intended to enable the Council, Policy Committees, Directors and their staff to manage budgets with a degree of flexibility within the overall policy framework determined by the Council, and therefore to optimise the use of resources. The term “virement” refers to the switching of budgetary provision from one budget to another. A number of budget virements are proposed for approval. Details of these are shown in **Appendix 3**. **Appendix 3** also includes a reconciliation of the original budget approved by Full Council in February 2017 to the Revised Budget in this report. The Revised Budget is subject to the approval of the virements in the reconciliation by the appropriate Committees and officers.

Capital Budget Monitoring

- 2.7 Communities Revised Capital Budget for the year 2017/18 is currently £5,865,000. This budget figure alters during the year, as and when changes to the profile of capital expenditure from one year to another are agreed and adjusted.
- 2.8 This is because the Capital Budget is set over a long term, multiple year timeframe, as the projects will often take more than one financial year to complete, or will start in one financial year and end in the next. Consequently there is the need to reprofile the capital expenditure and so the revised capital budget for the current year 2017/18 will be updated to reflect the latest alterations in timings as set out in **Appendix 4**, subsequent to this Committee noting them.
- 2.9 The current forecast capital expenditure for 2017/18 is £5,865,000, which is on target with the revised budget figure.
- 2.10 The Monitoring Officer has been consulted and her comments have been incorporated in the report and is satisfied that the report complies with the Scheme of Governance and relevant legislation.

3. Scheme of Governance

- 3.1 The Committee is able to consider and take a decision on this item in terms of Section D.1.1 of the List of Committee Powers in Part 2A of the Scheme of Governance as it relates to resource matters (within agreed budgets) that have been delegated to the Committee.

4. Implications and Risk

- 4.1 An Equalities Impact Assessment is not required for this report as the report deals with the monitoring of expenditure against budgets which have been approved previously, and the reprofiling of some expenditure.
- 4.2 The monitoring position for revenue is £384,000 in excess of budget for 2017/18 and capital expenditure is on target, with details and explanation of variances contained within the appendices to this report.
- 4.3 The following Risk has been identified as relevant to this matter on a Corporate Level: Budget Pressures ([Corporate Risk Register](#)). The following

Risk has been identified as relevant to this matter on a Strategic Level: Balancing the Books ([Directorate Risk Registers](#)). Actions being taken to mitigate these risks are set out in paragraphs 2.4 and 2.5 of this report.

4.4 There are no direct staffing implications arising from this report.

Ritchie Johnson

Director of Business Services

Report prepared by Sandra Ross, Principal Accountant, 24th August 2017

Appendix 1

SUMMARY OF REVENUE MONITORING 2017/18 TO 30/6/2017 - COMMUNITIES COMMITTEE

	Revised Budget 2017/18 £000	Forecast 2017/18 £000	Forecast Higher than Budget £000	Lower than Budget £000	Net Variance £000	NOTES
COMMUNITIES COMMITTEE						
<u>Leisure</u>						
- Active Communities	104	223	119	0	119	A
- Sports & Leisure Management - Client	5,642	5,772	130	0	130	B
	5,746	5,995	249	0	249	
<u>Housing</u>						
- Affordable Housing	227	227	0	0	0	
- Homeless Persons	3,172	3,170	0	(2)	(2)	
- Improvement & Repair Grants	911	911	0	0	0	
- Gypsies/Travellers	78	70	0	(8)	(8)	
- Housing Support	319	379	60	0	60	
- Community Safety	434	434	0	0	0	
	5,141	5,191	60	(10)	50	
Community Planning	710	710	0	0	0	
Contribution to Integration Joint Board	102,264	102,264	0	0	0	
<u>Trading Accounts</u>						
Sport & Leisure Management	(118)	(33)	85	0	85	
<u>Political Priorities</u>						
- Sports Development (Facilities & Staff)	0	0	0	0	0	
- Product Development in Tourism	0	0	0	0	0	
	0	0	0	0	0	
TOTAL COMMUNITIES COMMITTEE	113,743	114,127	394	(10)	384	

Appendix 2 - Variance Analysis

<u>Note</u>	<u>Forecast</u>	
	<u>Over (within) budget</u>	
	<u>2017/18</u>	<u>Narrative</u>
	£'000	
A	119	Active Communities (Formerly Active Aberdeenshire) - Is forecast to be over budget by £119,000 due to a pressure identified within the staffing budget. Analysis has indicated that costs incurred in the first 3 months of 2017/18 are approximately 18% higher when compared to the same period in 2016/17. Anticipated costs in Swimming, Focus Sports - Events and Macmillan Aberdeenshire Move More are all forecast to be higher in the current financial year when compared to 2016/17 levels. Further discussion between the Budget Holder and Finance will be undertaken to establish the reasons for the high level of expenditure and to determine whether additional income is anticipated to
B	130	Sports & Leisure Management - Client - Is forecast to be over budget by £130,000 and this can be attributed to the estimated costs of undertaking the Full Business Case development work in respect of the future provision of Sports and Culture services. This variance is one-off but it should be noted that further discussion requires to take place with the Budget Holder to review the projected spending plan.

Appendix 3

SUMMARY OF REVENUE MONITORING VIREMENTS

£'000's

1	Community Safety Partnership	
	Transfer of Community Safety Partnerships from Community Planning to Housing to reflect the management structure. This virement will apply to future years.	
	Community Planning	(439)
	Housing - Community Safety	439
2	Education and Children's Services - Capital Projects - One off	
	Re-alignment of Budget Provision for Revenue Consequences of the Capital Plan. This virement also requires to be approved by the Education and Children's Services Committee. This virement applies to 2017/18 only.	
	Primary Education	104
	Secondary Education	137
	Sports and Leisure Management - Client	(241)
3	Product Development in Tourism	
	Transfer of budget for Product Development in Tourism as agreed during 2017/18 budget process. This virement also requires to be approved by Education and Children's Services Committee. This virement applies to 2017/18	
	Sports and Leisure Management - Client	250
	Product Development in Tourism	(250)
4	Cultural Commissions Grants Budget	
	Transfer to reflect allocations for Cultural and Sports Commissions from the Grants Budget. This virement also requires to be approved by Education and Children's Services Committee. This virement applies to 2017/18 only.	
	Arts Development	112
	Grant Aid	(224)
	Sports and Leisure Management - Client	112
5	Sports Development	
	Transfer of budget for Sports Development (Facilities and Staff) as agreed during 2017/18 budget process. This virement applies to 2017/18 only.	
	Sports & Leisure Management - Client	100
	Sports Development (Facilities & Staff)	(100)
6	Community Planning	
	Transfer of budget to reflect staff movement between Community Planning and Customer Communication and Improvement. This virement also requires to be approved by the Business Services Committee. This virement will apply to future years.	
	Customer Communication and Improvement	136

Community Planning

(136)

7 Fairer Scotland Fund

Transfer of Budget from Community Planning to Economic Development for European Social Fund Grant Awards. This virement also requires to be approved by the Infrastructure Services Committee. This virement applies to

Economic Development	471
Community Planning	(471)

8 Repairs and Maintenance Contributions to Property

Transfer of budgets which relate to the service contributions to the Repairs and Maintenance Fund. Full budget to be transferred to Business Services - Repairs and Maintenance Account. This virement also requires to be approved by the Education and Children's Services Committee, Infrastructure Services Committee and Business Services Committee. This virement will apply to future

Administration and Management	(42)
Area Managers (Banff & Buchan and Garioch)	(8)
Nursery Education	(41)
Primary Education	(2,056)
Secondary Education	(1,142)
Special Education	(107)
Community Learning & Development	(139)
Children Community Care	(9)
Children Residential Care	(27)
Arts Development	(15)
Visitor Attractions	(40)
Libraries	(87)
Museums	(154)
Sports & Leisure Management Client	(350)
Consumer Protection	(2)
Landscape Services Administration	(9)
Burial Grounds	(39)
Parks & Open Spaces	(57)
Waste Management	(16)
Area Managers (Kincardine & Mearns and Marr)	(6)
Woodhill House	(123)
Office Accommodation	(311)
Public Conveniences	(118)
Halls	(209)
Estates	(22)
Property Building Repairs & Maintenance Account	5,592
Area Managers (Buchan & Formartine)	(8)
Integration Joint Board	(455)

Reconciliation of Budget

Opening Budget	118,030
Cross-Service Virements (as above)	(1,541)
Permanent Virements approved in 2016/17 after 2017/18 budget set	(3)
Additional Budgets to be Approved by Full Council from Earmarked Reserves:	
Integration Joint Board (Revenue Grants)	16
Integration Joint Board (Business Transformation Fund)	21
Sports and Leisure Management (Community, Culture and Tourism))	19
Additional Virements to be Approved by Full Council:	
Inflation and Non Pay Inflation	(48)
Criminal Justice Grant (Integration Joint Board)	(2,676)
Virements Approved by the Director of Business Services:	
Virements Approved by the Director of Infrastructure Services:	
Housing - Community Safety (Area Managers)	(5)
Virements Approved by the Director of Education & Children's Services:	
Sports and Leisure Management - Client (Saving Allocation)	(7)
Virements to be Approved by the Head of Finance:	
Integrated Joint Board (Senior Improvements Officer)	(19)
Community Planning (Community Safety to Housing)	(44)
Closing Budget	<u>113,743</u>

Appendix 4

COMMUNITIES CAPITAL BUDGET 2017/18 MONITORING & CAPITAL PLAN 2016-2032 UPDATE - 30 JUNE 2017

PLANNED EXPENDITURE	Revised Budget 2017/18 £000	Forecast Outturn 2017/18 £000	Variance 2017/18 £000	Changes to Future Years £000	Note
<u>Adult Social Work</u>					
Learning Disabilities - Adaptation Centres	171	171	0	0	0
New Care Home (North)	177	177	0	0	0
Social Work - Minor Works	130	130	0	0	0
<u>Housing</u>					
Disabled/Elderly Housing Adaptations (Private Sector Housing Grant)	1,060	1,060	0	0	0
Gypsy/Traveller's Transit Site	110	110	0	0	0
<u>Sport & Leisure Management</u>					
Banff and Macduff Sporting Facilities	371	371	0	0	0
Community Sports Facility, Hill of Banchory	3,846	3,846	0	0	0
TOTAL PLANNED EXPENDITURE	5,865	5,865	0	0	0