

MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL
SUMMARY

2016/17

AT END OF MONTH: Jun-16



	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/under spend	Summary Financial Commentary
Chief Executive	23,009	9,269	31,254	31,646	(392)	392	0	The Chief Executive's department are projecting a balanced position although a SWAN pressure resulting from increased Vodafone costs as a consequence of continuing delayed migration of sites by Capita of around £400k has been identified, the Council is currently working through the legal aspects of the contract to determine an appropriate course of action.
People	171,144	36,878	167,806	167,669	137	(137)	0	The People department is projecting a balanced outturn position but there is acknowledgment that there are considerable challenges in the next few months to deliver Financial Plan savings either as planned or by alternative means and ensure the services can be delivered within budget. There is a reliance within Adult Services on funding being allocated from the Social Care Fund through the IJB, this will be confirmed on the 15th August.
Place	40,302	12,664	42,359	42,278	81	(81)	0	Place are forecasting a balanced position whilst addressing pressures within the department, mainly within SBC contracts and Neighbourhood Operations. The department is also seeking to identify additional savings to contribute to corporate funding pressures.
Loan Charges	20,485	(9,429)	20,515	20,536	(21)	21	0	
Other	8,263	6,993	9,234	9,240	(6)	6	0	
Total	263,203	56,375	271,168	271,369	(201)	201	0	
Financed by:								
Revenue Support Grant	(174,617)	(42,814)	(174,617)	(174,818)	201	(201)	0	Additional RSG for Discretionary Housing Payments (£201k).
Non-Domestic Rates	(33,594)	(8,398)	(33,594)	(33,594)	0	0	0	
Council Tax	(52,242)	(16,805)	(52,882)	(52,882)	0	0	0	
Reserves:								
Earmarked Balances from 2015/16	(1,788)	0	(9,088)	(9,088)	0	0	0	
Earmarked Balances for future years	0	0	0	0	0	0	0	
Transfers to\from Reserves	(962)	0	(987)	(987)	0	0	0	
	(263,203)	(68,017)	(271,168)	(271,369)	201	(201)	0	

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CHIEF EXECUTIVE

AT END OF MONTH: Jun-16



Chief Executive	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/under spend	Summary Financial Commentary
Chief Executive	429	153	429	429	0	0	0	
Business Support								
Executive Support	335	69	335	335	0	0	0	
Place Business Support	0	374	1,162	1,362	(200)	200	0	Budget transfer relating to the reallocation of Financial Plan savings to Planning (£200k).
People Business Support	0	819	3,752	3,881	(129)	129	0	Permanent transfer from Chief Executive's of remaining Culture Business Support staff wef 1 April 2016 (£129k).
Public Health								
Gross Expenditure	0	14	138	138	0	0	0	
Income	0	(70)	(70)	(70)	0	0	0	
	0	(56)	68	68	0	0	0	
Strategic Policy	869	25	117	117	0	0	0	
Finance	3,587	837	3,668	3,430	238	(238)	0	Funding towards IT Transformation in 2016/17 (£238k).
Human Resources								
HR	1,494	310	1,332	1,332	0	0	0	
HRSS	734	235	734	734	0	0	0	
Sub-total Human Resources	2,228	545	2,066	2,066	0	0	0	
Corporate Transformation								
Transformation	939	234	928	928	0	0	0	
Information Technology	5,112	2,902	9,035	9,372	(337)	337	0	A SWAN pressure resulting from increased Vodafone costs as a consequence of continuing delayed migration of sites by Capita (£400k) has been identified. Transfer in of budgets for IT Transformation in 2016/17 (£378k), staff turnover savings to Corporate Transformation for ICT Programme Manager (£40k).
Emergency Planning	181	32	181	173	8	(8)	0	Funding towards IT Transformation 2016/17 (£8k)
Communications	469	141	469	569	(100)	100	0	Budget transfer relating to the reallocation of Financial Plan savings to Corporate Transformation (£100k).
Economic Development	1,584	601	1,704	1,704	0	0	0	
Democratic Services	1,371	306	1,371	1,371	0	0	0	
Integrated Trusts	6,606	2,335	6,670	6,532	138	(138)	0	Permanent transfer of remaining Culture Business Support staff wef 1 April 2016.
Sub-total Corporate Transformation	16,262	6,551	20,358	20,649	(291)	291	0	

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Recharge to Non-General Fund	(701)	(48)	(701)	(691)	(10)	10	0
Total - Chief Executive	23,009	9,269	31,254	31,646	(392)	392	0



Key Highlights

A SWAN pressure resulting from increased Vodafone costs as a consequence of continuing delayed migration of sites by Capita of around £400k has been identified, the Council is currently working through the legal aspects of the contract to determine an appropriate course of action.

Key Challenges

Supporting Corporate Transformation whilst continuing to deliver departmental Financial Plans savings continues to be a challenge for the Chief Executive's department. The position above assumes existing budget will be identified across the Council to support additional posts within HR, the Health & Social Care, Integrated Joint Board Chief Financial Officer (Interim) and other additional Transformational costs which have been approved.

Key Risks

There is a risk that unless successful legal action around the SWAN contract is taken the Council will need to fund a £400k pressure which has arisen due to the implementation delay.

People	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/under spend	Summary Financial Commentary
Children & Young People (CYP)								
Early Years	6,514	1,324	6,482	6,412	70	(70)	0	Budget transferred to Additional Support Needs to cover Pre-School Home Visiting Teachers (£72k). Continuous Professional development (CPD) funding allocation for teachers £2k. New academic year manpower requirements will enable budget requirements to be confirmed by September.
Primary Schools	32,054	8,817	32,056	32,269	(213)	213	0	The commencement of the new academic year will allow teacher numbers and budget availability to be confirmed by September 2016. (£30k) transferred to capital for Philiphaugh Primary School. CPD allocation from Central Schools for 2016/17 £35k. April to July deprivation allocation devolved £371k. Probationer allocation for April to July (£4k). Historic transport pressure met (£124k). Energy Efficiency saving transfer to Place (£34k).
Secondary Schools	40,748	11,644	40,474	40,925	(451)	451	0	The commencement of the new academic year will allow teacher numbers and budget to be confirmed in September 2016. CPD allocation from Central Schools for 2016/17 £31k. April to July deprivation allocation devolved £229k. Probationer allocation for April to July £68k. School of Rugby programme allocation £40k and Developing the Young Workforce allocation £90k. Energy Efficiency saving transfer to Place (£6k).
Central Schools	3,853	680	4,263	3,294	969	(969)	0	(£74k) CPD allocation. (£600k) Deprivation allocation April to August. (£64k) Probationer allocation April to August 2016. (£40k) School of Rugby allocation to schools and (£90k) Young Workforce Development allocation. (£100k) ICT bandwidth contribution to Chief Executives Department. (£1k) training budget transferred to Children & Families.
Transportation	3,352	(2)	3,352	3,627	(275)	275	0	Funding of historic transport pressure £275k.
School Meals	2,133	541	2,133	1,782	351	(351)	0	Surplus in school meals (£351k) vired to support fund transport pressure and to enable the provision of additional External Placements in Children and Families.
Community Learning & Development	997	304	1,096	1,130	(34)	34	0	£34k contribution for Borders Guarantee post from Chief Executive .
Additional Support Needs	0	2,293	10,607	10,686	(79)	79	0	Budget transferred from Early Years to cover Pre-School Home Visiting Teachers £72k. CPD allocation from Central Schools for 2016/17 £7k.
Children & Families (Social Work)	25,865	3,112	14,790	14,991	(201)	201	0	£200k vired from School Meals to enable the provision of additional external placements. Energy Efficiency saving transfer to Place (£1k).
Sub-total Children & Young People	115,516	28,713	115,254	115,117	137	(137)	0	

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PEOPLE

People	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/under spend	Summary Financial Commentary
Adult Services								
Older People	7	0	7	7	0	0	0	
People with Mental Health Needs	101	28	101	101	0	0	0	
Adults with Learning Disabilities	3	0	3	3	0	0	0	
Generic Services & Staff Teams	680	195	723	723	0	0	0	
Services in the Criminal Justice System	0	(91)	0	0	0	0	0	
Sub-total Adult Services	791	132	834	834	0	0	0	
Social Care & Health Partnership								
Older People	29,144	6,734	27,586	27,617	(31)	31	0	
Adults with Learning Disabilities (AWLD)	14,671	2,479	15,501	15,503	(2)	2	0	
People with Physical Disabilities (PWPD)	3,180	599	3,455	3,315	140	(140)	0	
People with Mental Health Needs	2,161	449	2,111	2,111	0	0	0	
Generic Services & Staff Teams	3,642	(2,142)	4,092	4,199	(107)	107	0	
Contribution from SB Cares	(1,027)	(86)	(1,027)	(1,027)	0	0	0	
Sub-total Social Care & Health Partnership	51,771	8,033	51,718	51,718	0	0	0	Projected outturn shows a breakeven position and assumes that £1.427m of current pressures will be approved by IJB
Business Support	3,066	0	0	0	0	0	0	
Total - People	171,144	36,878	167,806	167,669	137	(137)	0	

Key Highlights

The Children & Young People's Service has experienced delays in fully delivering the savings in the 2016/17 Financial Plan. The service is working to deliver alternative savings where delays have been experienced. Since the last monitoring round Adult Services have successfully secured funding from the Social Care Fund of £0.813m to cover the 2016/17 impact of the Living Wage from October 2016. A further paper is being developed to draw down further resources of £1.427m from the Social Care Fund to cover identified contract increases and other service pressures. Assuming there is approval for this at the Integration Joint Board (IJB) on the 15th August; Adult Services is projecting a breakeven outturn position.

Key Challenges

Delivering approx. £3.6m of savings in the Children & Young People's Service on 2016/17 year whilst maintaining teacher numbers. Delivery of agreed 2016/17 Financial Plan savings continues to be challenging within Adult Services. Project delivery meetings are being held to provide clarity on actions required to ensure full delivery.

Key Risks

Recruitment challenges in teacher recruitment may make maintaining teacher numbers a high risk area. Adult Services are reliant on further funding being approved through the IJB from the Social Care Fund. The assumption is this approval will be granted although this is not guaranteed. A report will be presented to the next IJB meeting on the 15th August which will provide the clarity on the budget position required.

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PLACE

AT END OF MONTH: Jun-16



Place	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/under spend	Summary Financial Commentary
Commercial Services								
Infrastructure Asset Management	1,982	388	2,004	2,004	0	0	0	Pressure in electricity covered by additional income. Financial plan savings met temporarily through underspends in manpower and additional income. Plans in progress to meet savings permanently.
Pay Parking	0	(10)	82	82	0	0	0	
Fleet Management	(191)	263	(191)	(191)	0	0	0	
Passenger Transport	2,095	1,347	2,095	2,095	0	0	0	Underspends in Galashiels Transport Interchange and Mini buses offsetting pressure in Bus Subsidies
Design Services	122	43	140	140	0	0	0	
Projects	156	43	205	205	0	0	0	
Trading Contribution	(549)	1,528	(549)	(549)	0	0	0	Reduced gross margin on Contract Works and Surfacing has resulted in a forecast budget pressure, work is underway to address this pressure within the Place department.
Property & Facilities Management	3,679	1,491	3,647	3,706	(59)	59	0	Budget transfer from Assessors (£8k) to cover additional cost of postages for 2016-17 relating to the Individual Electoral Registration. Budget transfer from various services (£51k) relating to savings generated from the boiler optimisation project. It is assumed all financial plan savings will be achieved.
Sub-total Commercial Services	7,294	5,093	7,433	7,492	(59)	59	0	
Neighbourhood Services								
Customer Services	1,716	797	1,776	1,867	(91)	91	0	Administration costs of Scottish Welfare fund (£68k) and Discretionary Housing Payments (£23k) from Other.
Waste	9,347	1,207	9,346	9,072	274	(274)	0	Virement to Planning for Income pressure (£274k)
Safer Communities	442	(113)	513	500	13	(13)	0	Funding towards IT Transformation 2016/17 (£13k)
Neighbourhood Operations	12,610	4,730	12,728	12,728	0	0	0	Pressures have been identified and an action plan will be prepared to address these from within Neighbourhood Services.
Strategy & Policy	0	179	836	836	0	0	0	
Sub-total Neighbourhood Services	24,115	6,800	25,199	25,003	196	(196)	0	
Regulatory Services								
Assessor & Electoral Registration Officer	716	194	716	674	42	(42)	0	Budget transfer to Cleaning (£8k) to cover additional cost of postages for 2016-17 relating to the Individual Electoral Registration. Budget transfer to Planning for Fee Income pressure (30k) and a temporary additional resource requirement (£4k).
Legal Services	757	185	762	695	67	(67)	0	Permanent budget transfer to Planning to cover shortfall in Chief Planning Officer Post (£19k). Budget transfer to Planning Implementation to cover income pressure (£48k)

Place	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/under spend	Summary Financial Commentary
Planning	987	(895)	1,086	1,339	(253)	253	0	Budget transfer from Waste (£274k) and Assessors (£30k) to cover Fee Income Pressure. Budget transfer from Legal (£48k) to cover Implementation income pressure. Budget transfer from Business Support (£200k) correcting the miscoding of Financial Plan savings. Budget transfer from Health and Safety towards financial plan savings (£88k). Budget transfer from Assessors (£4k) to cover additional resource requirement. CFCR to Capital for E-Development IT (£10k). Permanent budget transfer from Legal services (£19k) to cover shortfall in Chief Planning Officer Post.
Regulatory Services	1,290	319	1,290	1,290	0	0	0	
Housing Strategy & Services	3,170	812	5,063	5,063	0	0	0	
Audit & Risk	372	103	372	372	0	0	0	
Health & Safety	438	53	438	350	88	(88)	0	
Sub-total Regulatory Services	7,730	771	9,727	9,783	(56)	56	0	
Business Support	1,163	0	0	0	0	0	0	
Total - Place	40,302	12,664	42,359	42,278	81	(81)	0	

Key Highlights

The Place department is currently projecting a balanced position. Challenging Financial plan savings are planned to be delivered and identified pressures are being addressed within existing departmental budgets. The main pressures are identified within SBC contracts where reduced gross margin on Contract Works and Surfacing has resulted in a pressure. Historical Neighbourhood Operations pressures have again been identified; plans are being developed to address these from within Neighbourhood Services.

Key Challenges

Regulatory services has significant financial plan savings to deliver, the figures reported assumes this will be achieved.
 Pressures have been identified within SBC contracts through reduced gross margin on Contract Works and Surfacing, actions are being developed to manage this within the Place department budget.
 A review of Bus Services is underway and due to be implemented by September 2016 with significant savings attached.
 Neighbourhood Operations have significant historical in-service pressures which they are looking to deal with from within existing Neighbour Services budgets.

Key Risks

Winter activity levels assumed are based on long-term historical averages, if weather conditions are worse than average this could again pose a financial risk to Neighbourhoods in 2016/17 later in the year.
 The Planning service is highly dependent on fee income to achieve their budget target although the current projection realistically reflects what is achievable.
 Although the order book is strong margins remain under pressure within SBC Contracts

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OTHER

Other	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/underspend	Summary Financial Commentary
Corporate Transformation	(444)	125	648	588	60	(60)	0	Budget transfer relating to the reallocation of Financial Plan for Printer Refresh (£100k). Budget transfer for ICT Programme Manager from IT.
Early Retirement/Voluntary Severance	418	72	418	418	0	0	0	
Fairer Scotland	223	(11)	13	13	0	0	0	
Loan Charges	20,485	(9,429)	20,515	20,496	19	(19)	0	Transfer of budget (£19k) to fund new ICT leasing costs
Capital Financed from Current Revenue (CFCR)	0	0	0	40	(40)	40	0	CFCR from Place for E-development (£10k). CFRC from People for provision of the reception/office space and secure entrance at Philiphaugh Primary School. (£30k)
Interest on Revenue Balances IORB	(10)	0	(10)	(20)	10	(10)	0	Budget transfer to Recharge to Non-General Fund (£10k) to support historical income pressure
Contribution to Property Maintenance	2,176	2,176	2,176	2,176	0	0	0	
Provision for Bad Debts	125	125	125	125	0	0	0	
Housing Benefits								
Gross Expenditure	29,910	4,450	29,910	29,910	0	0	0	
Income	(29,317)	(4,435)	(29,317)	(29,317)	0	0	0	
	593	15	593	593	0	0	0	
Discretionary Housing Payments								
Gross Expenditure	58	225	147	791	(644)	644	0	Additional funding from DWP (£500k), Additional funding through RSG (£78k) and (£123k). Budget transfer to workforce development funding (£34k) and Scottish Welfare Staffing to Customer Services (£23k)
Income	0	(167)	0	(500)	500	(500)	0	Additional income from DWP (£500k)
	58	58	147	291	(144)	144	0	
Council Tax Reduction Scheme	5,707	5,172	5,707	5,707	0	0	0	
Non Domestic rates Relief	150	118	150	150	0	0	0	
Commercial Rents	(1,225)	(934)	(1,225)	(1,225)	0	0	0	
Scottish Welfare Fund	492	77	492	424	68	(68)	0	Budget transfer to Customer Services for administration of Scottish Welfare Fund (£68k)
Total - Other	28,748	(2,436)	29,749	29,776	(27)	27	0	

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OTHER

Key Highlights

Loan Charges remain with a balanced projection. A review of our short to medium term borrowing requirements is underway following the EU referendum results to highlight any risks or benefits which may result.

Key Challenges

Continuing to fully resource the Corporate Transformation as it develops is likely to prove challenging as existing budget will need to be identified from within departments.

Key Risks

The ongoing supply of Real Time Information changes from the Department Of Work and Pensions which affects Housing Benefit entitlement continues to impact the overall award and payment position administered by Customer Services. Although Customer Services is reviewing the position further there is a risk this will impact on the financial monitoring of this budget.

MONTHLY REVENUE MANAGEMENT REPORT

PERFORMANCE INDICATOR INFORMATION **2016/17** **AT END OF :** **Jun-16**

Key Cost Driver Performance Analysis - Chief Executive

	Month Jun-15	Month May-16	Month Jun-16	Narrative
1 No of Homelessness Properties	165	160	160	
2 No of homelessness presentations	78	70	48	
3 No in B&B	2	2	0	

Key Cost Driver Performance Analysis - People

	Month Jun-15	Month May-16	Month Jun-16	Narrative
Schools				
1 Transportation (proj % of budget)	100%	100%		
2 Unitary Charge (proj % of budget)	100%	100%		
3 Staff Turnover (% of target)	100%	100%		
ADULT SERVICES				
	Baseline @ June 15	Month May-16	Month June-16	
4 Homecare Hours		TBC		
5 Residential: Elderly Beds (excl respite beds, and Intermediate care)		TBC		
ICS				
	Baseline @ June 15	Month May-16	Month June-16	
6 Out of Authority Placements	56	44	36	
7 Foster Care	91	108	110	
8 Kinship Care	51	53	57	
9 Secure Placements	1	0	0	

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PERFORMANCE INDICATOR INFORMATION **2016/17** **AT END OF :** **Jun-16**

Key Cost Driver Performance Analysis - Place

				Narrative	
	Month Jun-15	Month May-16	Month Jun-16		
Commercial Services					
1	Contracts Won (by value £k)	145	1,243	38	
2	PT Fares Income (£k)	171	138	192	
3	FM Dayworks costs (£k)	98	41	72	
4	Fuel Price (Derv ppl)	94	89	91	
5	Primary school meal uptake per day	56%	TBC	TBC	Reviewing Indicator which currently excludes Parent Pay
6	Secondary school income per day	£4,874	TBC	TBC	Reviewing Indicator which currently excludes Parent Pay
Neighbourhood Services					
7	Roads Expenditure Committed	242	198	216	
8	Salt Stock (t)	12,658	TBC	TBC	
9	Recyclate Tonnage	2,038	TBC	TBC	
10	Landfill Tonnage (MSW)	3,645	TBC	TBC	

Key Cost Driver Performance Analysis - Other Services

				Narrative	
	Month Jun-15	Month May-16	Month Jun-16		
Other					
1	Current live procurement contracts	35	50	53	
2	ER/VS approved (FTE)	44.78	0.00	5.55	
3	Compulsory redundancies approved (FTE)	2.00	0.00	0.00	
4	Number of new HB Claimants	121	75	34	
5	Number of ongoing HB Claims requiring action	1,041	TBC	TBC	
6	No of properties eligible for full NDR Relief	3,590	3,710	3,734	
7	No of properties eligible for partial NDR Relief	1,145	1,243	1,239	