

MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL
SUMMARY

2016/17

AT END OF MONTH: Dec-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	26,179	30,362	38,805	38,564	241	(241)	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 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	116,779	163,697	162,106	1,591	(1,591)	0	The People department is overall projecting a balanced position and is actively managing known current pressures particularly with the Social Care and Health budget. External Placement pressures are currently being managed within the Children & Families Social Work Service budget with available budget from the service being used to address pressures elsewhere in the Council. Plans to address pressures of £387k from within adult services are being compiled.
Place	37,132	27,908	35,478	35,514	(36)	36	0	Place are forecasting a balanced position. Key costs pressures arising from reduced SBC Contracts surplus (£200k) and lower Planning Fee Income (£285k) have been fully covered from underspends elsewhere in Place and from Housing.
Loan Charges	20,485	138	18,459	18,110	349	(349)	0	Available budget in Loans charges as a result of favourable interest rates and tactical borrowing is being used to support pressures elsewhere in the Council.
Other	8,263	7,823	8,906	9,280	(374)	374	0	Pressures within Corporate Transformation are being addressed through underspends from elsewhere in the Council.
Total	263,203	183,010	265,344	263,573	1,771	(1,771)	0	
Financed by:								
Revenue Support Grant	(174,617)	(127,371)	(169,530)	(170,213)	683	(683)	0	Additional RSG for probationers (£463k), 1+2 Languages (£106k) and flood grants (£114k).
Non-Domestic Rates	(33,594)	(25,195)	(33,594)	(33,594)	0	0	0	
Council Tax	(52,242)	(43,308)	(53,082)	(53,082)	0	0	0	
Reserves:								
Earmarked Balances from 2015/16	(1,788)	0	(11,049)	(11,049)	0	0	0	
Earmarked Balances for future years	0	0	1,215	3,155	(1,940)	1,940	0	
Transfers to\from Reserves	(962)	0	696	1,210	(514)	514	0	Drawdown from ERVS allocated Reserve (£25k). Allocation of £539k to IT Reserve for 2017/18.
	(263,203)	(195,874)	(265,344)	(263,573)	(1,771)	1,771	0	

MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL **2016/17**
CHIEF EXECUTIVE

AT END OF MONTH: Dec-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	319	425	414	11	(11)	0	Underspend in Management Initiative (£2k) and Civic Hospitality (£9k) budgets.
Business Support	335	4,452	5,558	5,456	102	(102)	0	Additional staff turnover savings (£74k) plus managed savings within service (£28k).
Executive Support	335	225	304	279	25	(25)	0	
Place Business Support	0	1,340	1,343	1,333	10	(10)	0	
People Business Support	0	2,765	3,754	3,687	67	(67)	0	
Corporate Performance & Information	0	122	157	157	0	0	0	
Public Health								
Gross Expenditure	0	33	68	68	0	0	0	
Income	0	0	0	0	0	0	0	
	0	33	68	68	0	0	0	
Strategic Policy	869	509	762	710	52	(52)	0	Staff turnover savings (£15k). Transfer of Community Justice funding carried forward from 2015/16 (£11k) and balance of funds in 2016/17 (£26k) to Safer Communities for delivery.
Finance	3,587	2,493	3,408	3,438	(30)	30	0	Corporate procurement pressures (£30k).
Housing Strategy & Services	3,170	1,132	5,039	4,936	103	(103)	0	Staff turnover savings (£37k), additional landlord registration (£10k) and rental income (£10k), removal of bad debt provision (£20k) and managed underspends in Homeless service (£26k).
Human Resources								
HR	1,494	957	1,332	1,310	22	(22)	0	Reduced costs from re-negotiation of occupational health contract (£20k), underspend in Long Service Awards (£2k).
HRSS	734	431	557	605	(48)	48	0	Salary sacrifice savings pressure (£41k) plus unachievable income budget (£7k).
Sub-total Human Resources	2,228	1,388	1,889	1,915	(26)	26	0	
Corporate Transformation								
Transformation	939	643	825	825	0	0	0	
Information Technology	5,112	11,154	11,058	11,184	(126)	126	0	IT pressure funded from within department (£126k)
Emergency Planning	181	108	162	162	0	0	0	

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
Communications	469	446	505	565	(60)	60	0	Shortfall in Financial Plan savings - reduction in external print and use of National Framework (£50k), increased copier charges (£10k).
Economic Development	1,584	1,354	1,705	1,584	121	(121)	0	To earmark Hawick Action Plan budget for delivery in 2017/18 (£15k) plus match funding for ESF project recently approved (£46k). Staff turnover savings (£39k), reduction in events budget (£15k) and managed underspends within service (£6k) to support Communications.
Democratic Services	1,371	1,041	1,347	1,359	(12)	12	0	Financial Plan savings to be funded from Staff savings Executive Support (£12k).
Integrated Trusts	6,606	5,338	6,745	6,578	167	(167)	0	To earmark synthetic pitch maintenance budget for delivery in 2017/18 (£79k). To capitalise revenue budget for pitch replacement rather than rejuvenation (£88k).
Sub-total Corporate Transformation	16,262	20,084	22,347	22,257	90	(90)	0	
Recharge to Non-General Fund	(701)	(48)	(691)	(630)	(61)	61	0	Shortfall based on current projected recharges funded from underspend within C&YP (£61k).
Total - Chief Executive	26,179	30,362	38,805	38,564	241	(241)	0	

Key Highlights

A SWAN pressure resulting from increased Vodafone costs as a consequence of continuing delayed migration of sites by Capita 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. which have been approved.

Key Risks

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

MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL
2016/17
AT END OF MONTH: Dec-16

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
Children & Young People (CYP)								
Early Years	6,514	4,368	6,085	5,996	89	(89)	0	Available budget after £200k contribution towards the 2017/18 Financial Plan. (£35k) transferred to Transportation to cover increased school transport costs. £54k to fund pressure from corporate procurement savings (£30k) and Corporate Transformation (£24k).
Primary Schools	32,054	23,972	32,632	31,950	682	(682)	0	Projected DSM carry forward earmarked into 2017/18 (£539k). (£30k) CFCR for Earlston Primary School Multi-Use Games Area. (£113k) available budget vired to Secondary for Rates pressure.
Secondary Schools	40,748	30,383	41,523	40,756	767	(767)	0	Projected DSM carry forward earmarked into 2017/18 (£880k). Rates pressure of £113k met from Primary schools.
Central Schools	3,853	2,441	3,497	3,685	(188)	188	0	Funding received for probationers £463k and 1+2 Languages £106k. £226k earmarked for Financial Plan savings and £40k for HR resource in 2017/18. £115k to fund pressures within Corporate Transformation.
Transportation	3,352	2,286	3,627	3,662	(35)	35	0	£35k vired from Early Years to cover increased school transport costs.
School Meals	2,133	1,369	1,782	1,782	0	0	0	
Community Learning & Development	997	846	1,129	1,129	0	0	0	
Additional Support Needs	0	7,832	10,877	10,839	38	(38)	0	Rephasing of running costs for the new Leader Valley School being earmarked (£28k). Additional Needs Assistants training as per manifesto being earmarked (£10k).
Children & Families (Social Work)	25,866	10,089	14,803	14,528	275	(275)	0	External placement costs are currently projected to be below budget, £275k has been released from the Children & Families budget, with £50k retained to cover the possible impact of any new placements between now and year end. £162k to be earmarked for IT transformation in 2017/18. Transfer to CE to fund pressure within Recharge to Non General Fund £61k and £52k to Corporate Transformation.
Sub-total Children & Young People	115,517	83,586	115,955	114,327	1,628	(1,628)	0	
Adult Services								
Older People	7	0	7	7	0	0	0	
People with Mental Health Needs	101	77	101	105	(4)	0	(4)	
Adults with Learning Disabilities	3	5	3	3	0	0	0	
Generic Services & Staff Teams	679	503	723	747	(24)	0	(24)	
Safer Communities	0	171	492	499	(7)	37	30	Moved from Place, Neighbourhood Services. £37k Community Justice budget from Strategic Policy.
Services in the Criminal Justice System	0	148	0	0	0	0	0	

MONTHLY REVENUE MANAGEMENT REPORT

SCOTTISH BORDERS COUNCIL

2016/17

AT END OF MONTH: Dec-16



PEOPLE

Sub-total Adult Services	790	904	1,326	1,361	(35)	37	2
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MONTHLY REVENUE MANAGEMENT REPORT

SCOTTISH BORDERS COUNCIL

2016/17

AT END OF MONTH: Dec-16



PEOPLE

Social Care & Health Partnership								
Older People	29,144	17,088	21,986	22,046	(60)	(145)	(205)	Pressure of £535k on budget due to increase in residential placements, and pressure on planned savings. The resulting pressure is partly addressed from elsewhere in the service (£205k) with the remainder to be addressed by internal management actions (£330k).
Adults with Learning Disabilities (AWLD)	14,671	10,966	15,295	15,224	71	0	71	
People with Physical Disabilities (PWPD)	3,180	2,482	3,426	3,347	79	0	79	
People with Mental Health Needs	2,161	1,454	2,124	2,029	95	0	95	Projected underspend of £95k in the main due to cessation of Border Crisis Centre Contract which will be non-recurring but which will offset pressures elsewhere in SC&H during 2016/17.
Generic Services & Staff Teams	3,642	1,069	4,612	4,799	(187)	145	(42)	The main pressures in this area are due to increased community based services and savings that have not been fully met. The resulting pressure is partly addressed from elsewhere in the service (£42k) with the remainder to be addressed by internal management actions (£57k).
Contribution from SB Cares	(1,027)	(770)	(1,027)	(1,027)	0	0	0	
Sub-total Social Care & Health Partnership	51,771	32,289	46,416	46,418	(2)	0	(2)	Projected outturn shows a pressure of £387k as a result of an increase in care packages and residential bed numbers, these pressures will be met by internal management actions and anticipated seasonal fluctuations.
Business Support	3,066	0	0	0	0	0	0	
Total - People	171,144	116,779	163,697	162,106	1,591	(1,591)	0	

Key Highlights

Initial delays in delivery of the Children & Young People's Service 2016/17 Financial Plan savings have been addressed, with all budget savings either delivered per the Financial Plan or by alternative means. External Placement cost forecasts have remained unchanged in the third quarter of the Financial Year and any further placements will be managed within the Children & Families Social Work Service.

Projected outturn in Adult Services shows a budget pressure. This pressure will be reduced back to a balanced position through internal management actions and anticipated seasonal fluctuations.

Key Challenges

Work is underway to identify permanent delivery of £0.6m of savings achieved by alternative means in 2016/17 in CYP.

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

Further increase in external placements would place an additional strain on the budget.

MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL **2016/17**
PLACE

AT END OF MONTH: Dec-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	1,132	2,000	1,893	107	(107)	0	Transfer to SBc Contracts (£100k) towards surplus pressure. Transfer to Capital (£7k) as CFCR as contribution to Gibson Park
Pay Parking	0	(44)	79	79	0	0	0	
Fleet Management	(191)	(37)	(201)	(201)	0	0	0	
Passenger Transport	2,095	1,276	2,087	2,060	27	(27)	0	Transfer to Planning (£27k) towards Planning & Building Standards fee income pressure
Design Services	122	99	142	110	32	(32)	0	Transfer to SBc Contracts (£32k) towards surplus pressure
Projects	156	106	235	210	25	(25)	0	Transfer to SBc Contracts (£25k) towards surplus pressure
Trading Contribution	(549)	1,905	(549)	(349)	(200)	200	0	Highly competitive market impacting on profit margins. £200k met from underspends in Asset Management, Design, Projects and Property.
Property & Facilities Management	3,679	2,164	3,674	3,557	117	(117)	0	Transfer to SBc Contracts (£43k) towards surplus pressure. Transfer to Planning (£50k) towards Planning & Building Standards fee income pressure. Transfer to Capital for Catering equipment (£3k) and replacement windows (£21k).
Sub-total Commercial Services	7,294	6,601	7,467	7,359	108	(108)	0	
Neighbourhood Services								
Customer Services	1,716	1,977	1,555	1,669	(114)	114	0	Reduction in Penalty Income and Housing Benefit Overpayment Recovery due to significant drop in payment levels compared to 2015-16 being funded from available budget within Customer Services. £114k from RSG for Flood Grant Income.
Waste	9,347	5,485	8,996	8,946	50	(50)	0	£50k transfer to Corporate Transformation to help towards current pressure.
Safer Communities	442	0	0	0	0	0	0	Safer Community service moved to People, Adult Services
Neighbourhood Operations	12,610	11,541	12,806	12,751	55	(55)	0	£55k EMB for Quality of Life to 2017-18.
- Roads	3,965	3,629	4,027	4,009				
- Parks & Open Spaces	3,007	2,752	3,054	3,041				
- Winter Maintenance	3,889	3,559	3,949	3,932				
- Burials	26	24	26	26				
- Public Conveniences	313	286	318	316				
- Street Cleansing	1,410	1,290	1,432	1,426				
Sub-total Neighbourhood Services	24,115	19,003	23,357	23,366	(9)	9	0	

MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL **2016/17**
PLACE

AT END OF MONTH: Dec-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
Regulatory Services								
Assessor & Electoral Registration Officer	716	489	667	667	0	0	0	
Legal Services	757	390	695	670	25	(25)	0	Transfer to Planning (£25k) towards Planning & Building Standards fee income pressure.
Planning	987	48	1,331	1,616	(285)	285	0	Planning & Building standards fee income pressure met from underspends in Passenger transport (£27k), Property (£50k), Legal (£25k) Regulatory Services (£32k), Health & Safety (£74k) and Housing (£58k). Transfer towards financial plan savings from Health & safety (£19k).
Regulatory Services	1,290	918	1,247	1,215	32	(32)	0	Transfer to Planning (£32k) towards Planning & Building Standards fee income pressure
Audit & Risk	372	289	371	381	(10)	10	0	Additional employee expenses (£10k) met from underspends in Health & Safety.
Health & Safety	438	170	343	240	103	(103)	0	Transfer to Planning (£74k) towards Planning & Building Standards fee income pressure and £19k towards financial plan savings. Transfer of £10k to Audit & Risk to cover increased employee costs
Sub-total Regulatory Services	4,560	2,304	4,654	4,789	(135)	135	0	
Business Support	1,163	0	0	0	0	0	0	
Total - Place	37,132	27,908	35,478	35,514	(36)	36	0	

Key Highlights

A projected balanced position is forecast for the Place department. The areas of pressure arising are from a lower surplus in SBc Contracts (£200k) and reduced planning fee income (£285k). Both of these pressures have been fully covered by under-spends elsewhere within the Place department and from Housing.
 The Council has now received the Bellwin Claim Audit Certification from KPMG for all eligible Bellwin related works, which totals £4.3m. The audited claim has now settled at the full value (£3.8m taking account of the Council's required contribution of £0.508m).

Key Challenges

Margin pressures have been identified within SBc Contracts through reduced gross margin on Contract Works and Surfacing. These have been fully offset within the Place directorate and the future order book still remains strong.
 A review of Bus Services is required to identify yield savings required in the 2017/18 financial year.
 Completion of the Roads Review and implementation to yield savings required in 2017/18 from Alternative Models of Service Delivery.

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. Conversely, continued mild conditions could produce savings from reduced overtime and salt costs. The Planning service is highly dependent on fee income to achieve their budget target. This income is running below budgeted level but has been covered for 2016/17.
 Although the order book is strong margins remain under pressure within SBc Contracts

MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL
2016/17
AT END OF MONTH: Dec-16

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)	480	573	1,023	(450)	450	0	Additional transformation costs (HR support to programme & ERP Implementation) £200k, undeliverable Financial Plan savings (ICT investment in new technologies £150k and printer refresh £100k).
Early Retirement/Voluntary Severance	418	393	418	443	(25)	25	0	Drawdown of £25k from allocated reserves.
Fairer Scotland	223	14	13	7	6	(6)	0	Underspend to Corporate Transformation (£6k).
Loan Charges	20,485	138	18,296	17,798	498	(498)	0	Underspend due to favourable interest rates to be transferred to Corporate Transformation (£121k) and IT Allocated Reserve (£377k).
Capital Financed from Current Revenue (CFCR)	0	0	163	312	(149)	149	0	Capitalisation of revenue budget from departments.
Interest on Revenue Balances IORB	(10)	0	(20)	(20)	0	0	0	
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	22,565	31,333	31,568	(235)	235	0	Underspend to fund Corporate Transformation pressure (£23k).
Income	(29,317)	(21,940)	(30,438)	(30,696)	258	(258)	0	
	593	625	895	872	23	(23)	0	
Discretionary Housing Payments								
Gross Expenditure	58	559	772	750	22	(22)	0	£22k earmarked balance for additional staffing costs in 2017/18 for the Digital Customer Access Project.
Income	0	(500)	(500)	(500)	0	0	0	
	58	59	272	250	22	(22)	0	
Council Tax Reduction Scheme	5,707	4,991	5,105	5,086	19	(19)	0	Underspend to fund Corporate Transformation pressure (£19k).
Non Domestic rates Relief	150	108	150	119	31	(31)	0	Underspend to fund Corporate Transformation pressure (£31k).
Commercial Rents	(1,225)	(1,198)	(1,225)	(1,225)	0	0	0	
Scottish Welfare Fund	492	50	424	424	0	0	0	
Total - Other	28,748	7,961	27,365	27,390	(25)	25	0	

MONTHLY REVENUE MANAGEMENT REPORT

SCOTTISH BORDERS COUNCIL

2016/17

AT END OF MONTH: Dec-16



OTHER

Key Highlights

Available budget within Loan Charges as a result of favourable interest rates as well as shorter term borrowing being undertaken, is being used to address known pressures.

Key Challenges

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 :** **Dec-16**

Key Cost Driver Performance Analysis - Chief Executive

	Month Dec-15	Month Nov-16	Month Dec-16	Narrative
1 No of Homelessness Properties	164	164	164	
2 No of homelessness presentations	38	56	42	
3 No in B&B	1	0	0	

Key Cost Driver Performance Analysis - People

	Month Dec-15	Month Nov-16	Month Dec-16	Narrative
Schools				
1 Transportation (proj % of budget)	102%			
2 Unitary Charge (proj % of budget)	100%			
ADULT SERVICES				
	Baseline @ Dec-15	Month Nov-16	Month Dec-16	
3 Homecare Hours	10,747	9,250	9,130	
4 Residential: Elderly Beds (excl respite beds, and Intermediate care)	641	671	671	
ICS				
	Baseline @ Dec-15	Month Nov-16	Month Dec-16	
5 Out of Authority Placements	44	32	31	
6 Foster Care	102	95	96	
7 Kinship Care	50	59	69	
8 Secure Placements	1	0	0	

MONTHLY REVENUE MANAGEMENT REPORT

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

Key Cost Driver Performance Analysis - Place

				Narrative	
	Month Dec-15	Month Nov-16	Month Dec-16		
Commercial Services					
1	Contracts Won (by value £k)	84	1,400	12	
2	PT Fares Income (£k)	170	180	141	
3	FM Dayworks costs (£k)	61	82	46	
4	Fuel Price (Derv ppl)	82	94	98	
5	Primary school meal uptake per day	56%	56%	56%	
6	Secondary school income per day	£5,986	£6,773	£6,890	Reviewing Indicator
Neighbourhood Services					
7	Roads Expenditure Committed	209	251	114	
8	Salt Stock (t)	16,470	15,022	15,474	
9	Recyclate Tonnage	1,743	1,770	TBC	
10	Landfill Tonnage (MSW)	3,439	2,954	TBC	

Key Cost Driver Performance Analysis - Other Services

				Narrative	
	Month Dec-15	Month Nov-16	Month Dec-16		
Other					
1	Current live procurement contracts	56	34	38	
2	ER/VS approved (FTE)	47.78	9.35	9.35	
3	Compulsory redundancies approved (FTE)	4.39	3.26	3.26	
4	Number of new HB Claimants	167	134	119	
5	Number of ongoing HB Claims requiring action	496	1,010	931	
6	No of properties eligible for full NDR Relief	3,633	3,765	3,764	
7	No of properties eligible for partial NDR Relief	1,155	1,293	1,312	