

**MONTHLY REVENUE MANAGEMENT REPORT**  
**SCOTTISH BORDERS COUNCIL**      **2017/18**  
**SUMMARY**
**AT END OF MONTH:**      Jun-17


	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
Culture & Sport	6,336	3,018	6,415	6,363	52	(52)	0	A balanced position is forecast. The Service has been able to contribute £30k from NDR relief to support corporate pressures.
Asset & Infrastructure	28,474	7,909	28,365	27,960	405	(405)	0	Commitment to meet savings pressures from the Roads Review and the Janitorial element on the Cleaning Services review in 17/18. To be monitored closely and managed.
Economic Development & Corporate Services	2,458	716	5,454	6,534	(1,080)	1,080	0	A balanced position is forecast.
Health & Social Care	55,755	2,762	55,744	56,207	(463)	463	0	A forecast balanced position assumes that pressures across Older People (residential care, care at home and Borders Ability and Equipment Service equipment) are met through direction of remaining social care funding by the Integration Joint Board.
Public Health	68	(29)	68	68	0	0	0	A balanced position is forecast.
Children & Young People	116,719	23,695	118,370	117,962	408	(408)	0	The Children & Young People Service is forecasting a balanced position pending confirmation of pupil, teacher and other support staff numbers for the 2017/18 academic year and after the removal of £500k to contribute to corporate pressures.
Customer & Communities	12,297	1,067	12,301	13,151	(850)	850	0	A breakeven outturn is forecast. Reviews within Business Support and Customer Advice & Support services are underway and expected to meet revised financial plan savings targets within the departments.
Finance, IT & Procurement	30,249	4,906	30,428	33,027	(2,599)	2,599	0	A balanced position is forecast.
Human Resources	3,064	1,330	3,060	2,968	92	(92)	0	A balanced position is forecast.
Regulatory Services	6,520	439	6,494	6,429	65	(65)	0	Balanced position is forecast. Key issue is level of Planning & Development control fees. A good first quarter has been achieved and will be monitored closely.
<b>Total</b>	<b>261,940</b>	<b>45,813</b>	<b>266,699</b>	<b>270,669</b>	<b>(3,970)</b>	<b>3,970</b>	<b>0</b>	
<b>Financed by:</b>								
Revenue Support Grant	(175,643)	(41,739)	(175,643)	(175,828)	185	(185)	0	Additional RSG for Discretionary Housing Payments (£790k) and Scottish Welfare Fund (£56k). Corresponding decrease in estimated distributable NDRI pool.
Non-Domestic Rates	(31,938)	(4,674)	(31,938)	(32,673)	735	(735)	0	Re-allocation of Scottish Government funding between NDR and RSG.
Council Tax	(57,202)	(58,455)	(57,202)	(57,502)	300	(300)	0	Additional Council Tax to be used to offset Digital Transformation savings (£300k).
Council Tax Reduction Scheme	5,707	5,286	5,707	5,557	150	(150)	0	Underspend to fund Digital Transformation savings (£150k).
Reserves:								
Earmarked Balances from 2016/17	(1,349)	0	(6,117)	(6,117)	0	0	0	
Earmarked Balances for future years					0	0	0	
Transfers to/from Reserves	(1,515)	0	(1,506)	(4,106)	2,600	(2,600)	0	Transfer to IT as per Business Case.
<b>Total</b>	<b>(261,940)</b>	<b>(99,582)</b>	<b>(266,699)</b>	<b>(270,669)</b>	<b>3,970</b>	<b>(3,970)</b>	<b>0</b>	

Culture & Sport	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
Cultural Services	3,806	1,738	3,806	3,754	52	(52)	0	Transfer to NDR to cover impact of SBC Funded NDR relief on Cultural properties following transfer to Trust £22k. Transfer of budget to offset Digital Transformation savings £30k.
Sports Services	2,530	1,280	2,609	2,609	0	0	0	
<b>Total</b>	<b>6,336</b>	<b>3,018</b>	<b>6,415</b>	<b>6,363</b>	<b>52</b>	<b>(52)</b>	<b>0</b>	

**Key Highlights, Challenges & Risks**

Following the transfer of Cultural services to Trust a permanent virement is required to move rates budget to the Non Domestic Rates relief budget to cover the element of awarded discretionary relief awarded by the Council. Work on the synthetic pitch programme to improve the condition of our synthetic pitches is continuing.

Asset & Infrastructure	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
Property Management Services	3,777	328	3,772	3,722	50	(50)	0	A balanced position is forecast. Additional savings (£50k) made to offset Digital Transformation savings.
Estates Management Services	431	78	430	430	0		0	
Catering Services	951	312	930	930	0		0	
Cleaning & Facilities Management	535	708	527	527	0	0	0	The service has committed to covering the Janitorial element of the cleaning savings is in 17/18 despite implementation delays to allow further TU discussions.
Design Services	136	197	134	134	0		0	A balanced position is forecast. Capital income to be agreed and Top Sliced.
Major Projects	169	66	169	169	0		0	A balanced position is forecast. Capital income to be agreed and Top Sliced.
Neighbourhood Operations	12,617	1,744	12,487	12,431	56	(56)	0	Additional staff turnover savings (£50k) to offset Digital Transformation savings. Transfer of budget (6k) to fund pressures in SB Cares.
Network & Infrastructure Asset Management	1,390	351	1,384	1,384	0	0	0	A balanced position is forecast. Roads Review savings of £491k are also coded within this budget and the service has committed to achieving these in 2017/18.
SBContracts	(549)	2,119	(549)	(549)	0		0	A balanced position is forecast. Forward order book is strong and the focus on the coming months will be on ensuring that the required margins are generated on the various work streams to meet the surplus required.
Fleet Management Services	(224)	606	(246)	(266)	20	(20)	0	Additional surplus of (£20k) committed to offset Digital Transformation savings.
Pay Parking	0	(23)	128	128	0		0	
Waste Management Services	9,241	1,423	9,199	8,920	279	(279)	0	Transfer of available budget to Planning to cover expected income fee pressure (£170k). Underspend in leachate to fund Digital Transformation savings (£100k). Transfer of budget (£9k) to fund pressures in SB Cares.
<b>Total</b>	<b>28,474</b>	<b>7,909</b>	<b>28,365</b>	<b>27,960</b>	<b>405</b>	<b>(405)</b>	<b>0</b>	

**Key Highlights, Challenges and Risks**

A projecting balanced position for Assets & Infrastructure Directorate overall. The key areas of budget pressure arising are from the Roads Review, the Janitorial element of the Cleaning Services review which is subject to on-going TU discussions and savings within Neighbourhood Services.  
 Delivery of the SBC Contracts surplus which can be influenced by market conditions, operational performance and contract tenders won.  
 Recruitment challenges within Neighbourhood services are putting pressure on existing resources within the service. Waste Management services are undertaking several key pieces of work including development of the Waste transfer station, kerbside collection modelling, and the procurement of the residual waste contract.

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Economic Development & Corporate Services	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 & Marketing	464	124	463	463	0		0	
Economic Development	1,683	462	1,740	1,740	0		0	
Commercial Property Income	(1,244)	(953)	(1,244)	(1,244)	0		0	
Emergency Planning	172	41	171	161	10	(10)	0	Underspend in Resilient Communities (£6k) and discretionary spend savings (£4k) to go towards unachievable Financial Plan savings relating to review of commissioning arrangements - grants.
Housing Strategy & Services	1,606	1,034	3,923	3,863	60	(60)	0	Underspend in repairs and maintenance on private sector leasing properties and discretionary spend savings (£60k) to go towards unachievable Financial Plan savings relating to review of commissioning arrangements - grants.
Corporate Transformation	(223)	8	401	1,551	(1,150)	1,150	0	Transfer from Culture & Sport (£30k), Council Tax (£300k), Council Tax Reduction Scheme (£150k), Children & Families - Social Work (£300k), Waste Management (£100k), Neighbourhood Operations (£50k), Fleet Management (£20k) and Property Managements (£50k) to offset Digital Transformation savings and unachievable Financial Plan savings relating to review of commissioning arrangements - grants (£150k).
<b>Total</b>	<b>2,458</b>	<b>716</b>	<b>5,454</b>	<b>6,534</b>	<b>(1,080)</b>	<b>1,080</b>	<b>0</b>	

**Key Highlights, Challenges & Risks**

Meeting financial plan savings in Communications and marketing will prove challenging and will require a corporate approach across the Council. The review of Economic Development is ongoing. Commercial property income generation is dependant on continued occupancy.

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Health & Social Care	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
Child Protection	179	19	179	179	0		0	
Adult Protection	392	43	392	392	0		0	
Emergency Duty Team	293	78	289	289	0		0	
Business Support - Staff Development	257	11	257	257	0		0	
Quality Improvement	207	52	207	207	0		0	
Services in Criminal Justice System	1,124	78	1,124	1,124	0		0	
Safer Communities	431	54	445	445	0		0	
Older People	24,448	539	24,447	24,910	(463)	463	0	Additional residential care beds above budget (23) projected to cost an additional £407k / £100k Housing with Care pressure due to increasing need/demand requiring additional units to be commissioned - position assumes IJB direct additional social care funding at august meeting for both of these pressures. Projected shortfall in SB Cares contribution to general fund of £463k in 2017/18 being addressed corporately.
Joint Learning Disability	15,753	2,849	15,750	15,750	0		0	Additional young clients with complex needs transitioning from Children's services projected pressure of £200k - assumes IJB direct additional social care funding at August meeting.
Joint Mental Health	2,142	430	2,137	2,137	0		0	
People with Physical Disabilities	6,497	648	6,497	6,497	0		0	
Generic Services	4,032	(2,039)	4,020	4,020	0		0	Projected pressure of £285k in relation to Borders Ability and Equipment Service equipment budget. Reporting to IJB in September and position assumes direction of additional social care funding thereon.
<b>Total</b>	<b>55,755</b>	<b>2,762</b>	<b>55,744</b>	<b>56,207</b>	<b>(463)</b>	<b>463</b>	<b>0</b>	
Public Health	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/under spend	
Public Health	68	(29)	68	68	0		0	
<b>Total</b>	<b>68</b>	<b>(29)</b>	<b>68</b>	<b>68</b>	<b>0</b>	<b>0</b>	<b>0</b>	

**Key Highlights, Challenges and Risks**

An increase in the Scottish Living Wage of £8.45 for all adult social care staff within the Scottish Borders was implemented in April, in advance of the Scottish Government's directed date of 1st May 2017. This implementation covers all care and support staff employed by care organisations within the Scottish Borders and includes meeting the impact on salary on-costs, organisational grade differential erosion and the removal of provider organisation contribution to its implementation. The total projected cost of these factors is £830k, which the Integration Joint Board (IJB) agreed the direction of social care funding allocation towards. The COSLA residential care home uplift has been agreed for 2017/18 at 2.8%. This will cost an additional £260k which the IJB again agreed direction of funding towards.

The Scottish Borders IJB received an additional allocation of £2.28m of social care funding in 2017/18 on top of the £5.267m recurring received in 2016/17 which in the main was fully directed on a recurring basis. In terms of risk, it is imperative that following direction of this funding already made above, the remaining balance (£1.190m) is secured by the Council to meet the pressures it faces this year across social care functions, including those arising from further Scottish Government commitments such as disregard of war veteran pensions from financial assessment. The projected breakeven position is therefore dependent on the Integration Joint Board directing a further £707k of its social care funding allocation to these pressures at its August board meeting and a further £285k of funding on consideration of a wider report on the Borders Ability and Equipment Service, when it next meets in September.

Pressures currently faced include the need to bridge the gap between demand for residential care home placements and available budget capacity (c.£380k), ongoing increasing requirement for investment in BAES equipment in order to better support people to remain independent in their own homes (£250k-£300k), an increase to a currently insufficient Direct Payment rate (c. £250k) and other demand and price factors across care and support service provision. These pressures, where possible are being managed within the service, however it is critical that the remaining social care funding is directed appropriately to meet them where ongoing pressure continues. This forms a key assumption in the ability to report a projected breakeven position.

A further key risk faced relates to the delivery of the Health and Social Care savings plans. £779k of these remain requiring delivery and are highly dependent on the delivery of the IJB integrated transformation programme which remains in development and any slippage on this programme, which is now a strong possibility, this financial year, will result in the requirement for alternative mitigating savings to be identified and delivered over the remaining 9 months of the financial year.

Managing ongoing demographic increases remains a key challenge for the service also, against a backdrop of funding restraint and again it is critical that this is fully appreciated by the IJB when considering how its funding should be directed. A

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Children & Young 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
Early Years	6,419	1,531	6,407	6,208	198	(198)	0	Roll-out of 1,140 hours provision in seven locations on-going and fully funded by the Scottish Government. £200k of targeted savings to fund budget pressures in SB cares. 2017/18 CPD Allocation £2k.
Primary Schools	31,988	6,773	32,584	34,171	(1,587)	1,587	0	The commencement of the new academic year will allow teacher numbers and budget availability to be confirmed by September 2017. (Pupil Equity Funding allocation £1.373m. Deprivation Funding Allocation £180k. CPD Allocation £34k.)
Secondary Schools	40,723	8,687	41,786	42,465	(679)	679	0	The commencement of the new academic year will allow teacher numbers and budget availability to be confirmed by September 2017. (Pupil Equity Funding allocation £468k. Deprivation Funding Allocation £180k. CPD Allocation £31k.)
Additional Support Needs	9,963	2,156	9,985	9,992	(7)	7	0	The commencement of the new academic year will allow support teacher numbers and ANA numbers and budget availability to be confirmed by September 2017. (CPD Allocation £7k.)
Children & Families Social Work	14,927	2,911	14,890	14,590	300	(300)	0	The forecast reflects costs of agreed Social Work restructure delivering Financial Plan savings in full. £300k of targeted savings to fund Digital Transformation budget pressures.
Educational Psychology	636	108	635	635	0	0	0	Financial Plan saving on commissioned services forecast to be delivered in full.
Central Schools	5,600	572	5,626	3,425	2,201	(2,201)	0	PEF / CPD / Deprivation allocations to schools from Central. Additional £74k income from Scottish Government.) (£11k PEF & £63k 1+ 2 language funding).
School Meals	1,782	148	1,782	1,782	0	0	0	
School Transport	3,627	539	3,627	3,627	0	0	0	
Community Learning & Development	1,054	272	1,049	1,067	(18)	18	(0)	Additional £18k funding for Opportunities for All. Balanced position forecast, restructure to be agreed to deliver Financial Plan savings.
<b>Total</b>	<b>116,719</b>	<b>23,695</b>	<b>118,370</b>	<b>117,962</b>	<b>408</b>	<b>(408)</b>		

**Key Highlights Challenges & Risks**

The Children & Young People Service is forecasting a balanced position pending confirmation of pupil, teacher and other support staff numbers for the 2017/18 academic year. The service has 2017/18 Financial Plan savings of £1.2m to deliver with a further £0.6m of savings carried forward from earlier years and not delivered permanently.

The expansion of Early Years provision to 1,140 hours per child is being rolled out in seven locations from August 2017 (Burnfoot / Coldstream / Eyemouth / Greenlaw / Kirkhope / Langlee / Philliphaugh) fully funded by the Scottish Government. £500k of targeted savings have been identified in the service to fund in year delays in delivery of Digital Transformation Pressures (£300k) and SB Cares (£200k) Financial Plan savings.

Maintaining teacher numbers remains a priority for the service and budget has been devolved to schools to enable teacher numbers to be maintained with numbers to be confirmed at the start of the new academic year.

The External Placement budget remains a potential risk within Children & Families Social Work, with any new placements potentially resulting in a budget pressure.

Customer & Communities	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
Business Support	5,527	1,512	5,523	5,523	0		0	
Community Planning & Engagement	1,055	127	1,060	1,060	0		0	
Customer Advice & Support Services	2,992	653	2,973	3,048	(75)	75	0	Budget transfer into Customer Services for administration of Scottish Welfare Fund (£75k)
Democratic Services	1,430	800	1,430	1,430	0		0	
Discretionary Housing Payments	58	106	80	852	(772)	772	0	Additional Scottish Government Funding through RSG £790k. Virement to Education £18k to fund Borders Guarantee post.
Housing Benefits	593	(2,213)	593	593	0		0	Actuals reflect difference in timing between receipt of income from DWP and expenditure incurred.
Non Domestic Rates Relief	150	171	150	172	(22)	22	0	Transfer from Culture to fund impact of SBC Funded NDR relief on Cultural properties following transfer to Trust £22k.
Scottish Welfare Fund	492	(89)	492	473	19	(19)	0	Additional Scottish Government Funding through RSG £56k. Budget transfer to Customer Services for administration of Scottish Welfare Fund (£75k). Actuals still reflect reversal of year end accruals.
<b>Total</b>	<b>12,297</b>	<b>1,067</b>	<b>12,301</b>	<b>13,151</b>	<b>(850)</b>	<b>850</b>	<b>0</b>	

**Key Highlights, Challenges & Risks**

Reviews within Business Support and Customer Advice & Support services are underway and expected to meet revised financial plan savings targets within the departments.



Finance, IT & Procurement	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	496	44	495	495	0		0	
Corporate Finance	1,355	543	1,353	1,353	0		0	
Financial Services	2,334	429	2,334	2,334	0		0	
Information Technology	6,475	3,091	6,657	10,756	(4,099)	4,099	0	Transfers from Loans Charges (£1.5m) and Reserves (£2.6m) per approved IT Business Case. Transfer of budget (1k) to fund pressures in SB Cares.
Capital Financed from Current Revenue	0	0	0	0	0		0	
Interest on Revenue Balances	(20)	0	(20)	(20)	0		0	
Loan Charges	20,185	799	20,185	18,685	1,500	(1,500)	0	Planned transfer to IT per approved Business Case to fund implementation and transformation for Business World.
Provision for Bad Debts	125	0	125	125	0		0	
Recharge to Non-General Fund	(701)	0	(701)	(701)	0		0	
<b>Total</b>	<b>30,249</b>	<b>4,906</b>	<b>30,428</b>	<b>33,027</b>	<b>(2,599)</b>	<b>2,599</b>	<b>0</b>	

**Key Highlights, Challenges & Risks**

A balanced position is forecast overall. Changes within the capital programme and cash flow requirements may impact on the amount the Council's anticipated borrowing levels and the resulting loans charges paid by the Council. There is continued pressure in the service to support significant change within organisation, implement a new system and undertake a significant staffing review whilst maintaining 'business as usual' services to departments.

Human Resources	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
Human Resources	1,974	738	1,972	1,972	0	0	0	Unachievable 2016/17 Financial Plan saving relating to training (£30k) offset by available Financial Plan growth for salary sacrifice within HR Shared Services. Additional staff turnover and discretionary spend savings (£30k) to fund in year delay in delivery of an element of SBCares planned efficiency savings.
HR Shared Services	672	191	670	628	42	(42)	0	Available budget to offset Financial Plan saving within Human Resources (£30k). Discretionary spend savings (£12k) to fund in year delay in delivery of an element of SBCares planned efficiency savings.
Early Retirement/Voluntary Severance	418	401	418	368	50	(50)	0	Projected underspend through staff deployment (£50k).
<b>Total</b>	<b>3,064</b>	<b>1,330</b>	<b>3,060</b>	<b>2,968</b>	<b>92</b>	<b>(92)</b>	<b>0</b>	

**Key Highlights, Challenges & Risks**

Projecting a balanced position. Continued pressure in the service to support significant change within organisation, implement new system and deliver historic financial plan savings whilst maintaining 'business as usual'. It is anticipated that £30k of undeliverable financial plan savings relating to training will be met from growth included in the financial plan to account for the down turn in employees joining the technology salary sacrifice scheme following changes to the tax allowances which is not fully required.

Regulatory Services	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 Services	757	(869)	746	856	(110)	110	0	Main financial risk going forward is around the level of Planning and Development Control income. First quarter income was good and is being supported by a (£170k) virement from Waste. Additional savings from vacancies of (£60k) to offset delays in savings from the review of Commissioning arrangement Grants.
Assessor & Electoral Registration Services	682	183	678	627	51	(51)	0	Transfer of budget (51k) to fund delays in delivery of savings in SB Cares.
Passenger Transport	2,253	591	2,247	2,240	7	(7)	0	Transfer of budget (7k) to fund delays in delivery of savings in SB Cares.
Audit & Risk	375	85	375	365	10	(10)	0	Transfer of budget (10k) to fund delays in delivery of savings in SB Cares.
Legal Services	736	160	736	711	25	(25)	0	Transfer of budget (25k) to fund delays in delivery of savings in SB Cares.
Protective Services	1,717	289	1,712	1,630	82	(82)	0	Transfer of budget (62k) to fund delays in delivery of SB Cares savings. Additional savings from vacancies of (£20k) to offset delays in savings from the review of Commissioning arrangement Grants
<b>Total</b>	<b>6,520</b>	<b>439</b>	<b>6,494</b>	<b>6,429</b>	<b>65</b>	<b>(65)</b>	<b>0</b>	

**Key Highlights, Challenges & Risks**

Regulatory Services is forecasting a balanced position overall. An agreed increase from the Scottish Government on the level of planning fees on certain types of application should help to support the critical planning fee income stream. First quarter income has been good and a virement of £170k is being made from Waste which expected to provide a balanced annual position in 2017/18. Actual income will be monitored closely on a monthly basis.