

MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL 2017/18
SUMMARY

AT END OF MONTH: Sep-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	4,216	6,281	6,281	0	0	0	A balanced position is forecast.
Asset & Infrastructure	28,474	16,859	27,387	27,584	(197)	197	0	Balanced position forecast following virement to offset pressures resulting from the delay in implementation of cleaning and janitorial review.
Economic Development & Corporate Services	1,748	782	6,126	6,455	(329)	329	0	Projecting an overall balanced position following virements to offset delays in delivery of Financial Plan savings.
Health & Social Care	55,755	15,923	56,159	56,159	0	0	0	Breakeven projected outturn forecast assuming delivery of remaining financial plan savings and recovery plan £302k to meet forecast pressure within Older People.
Public Health	68	(17)	68	68	0	0	0	A balanced position is forecast.
Children & Young People	116,719	51,625	115,076	113,572	1,504	(1,504)	0	Balanced position forecast after £1.4m DSM carry forward has been earmarked. All Financial Plan savings forecast to be delivered either as planned or by alternative means.
Customer & Communities	13,126	4,090	14,795	14,998	(203)	203	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	30,130	9,469	34,036	33,467	569	(569)	0	A balanced position is forecast overall following the re-allocation of corporate budgets held temporarily. Projected underspend in Loans Charges to be earmarked to support 2018/19 Financial Plan.
Human Resources	3,064	1,860	4,428	4,220	208	(208)	0	A breakeven outturn is forecast. Available budget being earmarked to fund 2018/19 Financial Plan and offset delays in delivery of Financial Plan savings in-year.
Regulatory Services	6,520	2,494	6,312	6,198	114	(114)	0	Balanced position is forecast. Income from Planning & Building Standards fees has seen a good second quarter. This will continued to be monitored closely.
Total	261,940	107,300	270,668	269,002	1,666	(1,666)	0	
Financed by:								
Revenue Support Grant	(175,643)	(70,594)	(175,828)	(175,828)	0	0	0	
Non-Domestic Rates	(31,938)	(16,337)	(32,673)	(32,673)	0	0	0	
Council Tax	(57,202)	(31,329)	(57,502)	(57,902)	400	(400)	0	Additional Council Tax to be earmarked for the 2018/19 Financial Plan (£400k).
Council Tax Reduction Scheme	5,707	5,215	5,557	5,204	353	(353)	0	Transfer available budget to fund pressure in Housing Benefits (£293k), earmark budget to support 2018/19 Financial Plan (£60k).
Reserves:								
Earmarked Balances from 2016/17	(1,349)	(7,457)	(6,117)	(6,117)	0	0	0	
Earmarked Balances for future years	0	0	0	2,419	(2,419)	2,419	0	Earmarking to fund 2018/19 Financial Plan (£1m) and Primary and Secondary DSM carry forward (£1.419k).
Transfers to/from Reserves	(1,515)	0	(4,106)	(4,106)	0	0	0	
Total	(261,940)	(120,502)	(270,669)	(269,003)	(1,666)	1,666	0	

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	2,684	3,693	3,693	0	0	0	
Sports Services	2,530	1,532	2,588	2,588	0	0	0	
Total	6,336	4,216	6,281	6,281	0	0	0	

Key Highlights, Challenges & Risks

Currently projecting a balanced position. 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	2,292	3,710	3,710	0	0	0	
Estates Management Services	431	161	377	377	0	0	0	
Catering Services	951	549	913	773	140	(140)	0	Projected additional income (£40k) to offset pressure within SBcContracts. Additional underspends (£100k) towards cleaning and janitorial review pressure.
Cleaning & Facilities Management	535	1,340	509	739	(230)	230	0	Delay in implementation of cleaning and janitorial review to allow further Trade Union discussions (£230k) to be funded from additional planning fee income (£100k), managed underspends within Catering Services (£100k) and available rates budget (£30k).
Design Services	136	407	130	130	0	0	0	
Major Projects	169	131	168	168	0	0	0	
Neighbourhood Operations	12,617	4,553	12,063	12,070	(7)	7	0	Transfer of budget from Regulatory Services to fund 0.3 FTE Lead Officer Post (£7k).
Network & Infrastructure Asset Management	1,390	505	1,374	1,374	0	0	0	Pressures arising from the delay in implementation of the roads review are being managed within the service therefore a balanced position is being forecast.
SBcContracts	(549)	3,328	(549)	(449)	(100)	100	0	Increased overheads reducing overall surplus (£100k), funded from additional catering income and Secondary Schools.
Fleet Management Services	(224)	481	(299)	(299)	0	0	0	
Pay Parking	0	11	128	128	0	0	0	
Waste Management Services	9,241	3,101	8,862	8,862	0	0	0	
Total	28,474	16,859	27,387	27,584	(197)	197	0	

Key Highlights, Challenges and Risks

A projected overspend for Assets & Infrastructure Directorate overall is being managed from within existing budgets. The key areas of budget pressures arising from the Janitorial & Cleaning Services review which is subject to on-going Trade Unions discussions and Roads review savings.

Delivery of the SBc Contracts surplus which can be influenced by market conditions, operational performance and contract tenders won.

Neighbourhood services are managing budget pressures arising from difficulty in delivering savings targets from within existing budgets. 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 anticipated pressures within the service are being managed within existing budgets.

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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
Corporate Policy	119	49	117	117	0	0	0	
Communications & Marketing	464	263	460	510	(50)	50	0	Delays in delivery of financial plan saving relating to SB Connect (£50k) to be funded from Economic Development projected underspend.
Economic Development	1,683	1,216	1,692	1,642	50	(50)	0	Efficiencies and slippage in 2017/18 work plan to offset delays in delivery of Financial Plan saving relating to SB Connect (£50k).
Commercial Property Income	(1,244)	(1,246)	(1,244)	(1,244)	0	0	0	
Emergency Planning	172	78	156	156	0	0	0	
Housing Strategy & Services	1,606	598	3,870	3,713	157	(157)	0	Consultancy and premises saving to fund delays in delivery of organisational efficiencies saving (£145k) and pressure relating to Digital transformation (£12k).
Corporate Transformation	(1,052)	(176)	1,075	1,561	(486)	486	0	Delays in delivery of Financial Plan saving relating to organisational efficiencies (£390k), pressure relating to Digital Transformation (£96k).
Total	1,748	782	6,126	6,455	(329)	329	0	

Key Highlights, Challenges & Risks

Projecting an overall balanced position. The review of Economic Development is underway. Commercial property income generation is dependant on continued occupancy.

A Jedburgh Marketing/Tourism business group has been established to help improve and promote the town centre. The Group has completed a tidy up of key visitor areas in the town centre including Abbey Ramparts and the High Street with input from local businesses and volunteers. The Group are also progressing the development of the town website, new visitor leaflets, pop up displays for empty shops and town entry signage.

The Scottish Government Regeneration Capital Grant Fund 2017 is aimed at providing new/improved infrastructure for capital expenditure supporting community projects in 2018/19 – 2020/21. The focus for Round 5 is for projects that are capable of starting in the financial year 2017/18 and to fully utilise the grant allocated for that financial year. Two applications were submitted at the first stage of the application process i) Regenerating Galashiels - Great Tapestry of Scotland ii) Eastgate Theatre Extension & Refurbishment, Peebles. The Great Tapestry of Scotland, Galashiels has been invited to progress to a Stage 2 application with a deadline in early December. Notification will be given to all applicants of funding recommendations by the end of February 2018.

The Tweed Valley Tourism Consortium has been successful in securing Scottish Government Seedcorn funding for the development of a Tweed Valley Tourism Business Improvement District. The aim of the BID is for the Tweed Valley to be a recognised brand in the UK, to promote a year round events programme and to strive to be the greenest destination in the UK. The BID is seeking to capitalise on the world class mountain biking and events that take place in the Tweed Valley and ensure that a large range of other activities support and add diversity to the visitor offer in the region.

Tour of the Borders this year reported 2,086 amateur riders participating with an estimated 5,000 spectators/supporters.

Tour of Britain saw 10,000 spectators including 7,000 in Kelso, income figures for the Scottish Borders was £285k against a spend of £65k.

The LEADER Local Action Group has approved grant funding of £1.62m so far in 2017, including 17 community, 3 farm diversification, 8 rural business development and 2 Enterprise Facilitator projects. Up to 10 applications are expected for consideration by the Local Action Group in January 2018. The next application deadline for LEADER funding is 14 November 2017.

Business Gateway assisted 324 businesses and 50 start-up businesses during the last quarter.

2 business loans were approved from the Scottish Borders Business Loan Fund totalling £40k and 7 business grants were awarded totalling £20k.

The inaugural Scottish Borders Business Conference took place in October with 170 people in attendance at Springwood park. Excellent feedback was received with calls for it to become an annual event.

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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	59	179	179	0	0	0	
Adult Protection	392	130	391	392	(1)	0	(1)	
Emergency Duty Team	293	159	287	316	(29)	0	(29)	
Business Support - Staff Development	257	35	257	257	0	0	0	
Quality Improvement	207	103	206	201	5	0	5	
Services in Criminal Justice System	1,124	289	1,124	1,124	0	0	0	
Safer Communities	431	(18)	443	443	0	0	0	
Older People	24,448	6,624	26,255	26,424	(169)	0	(169)	A number of areas of pressure, in particular the level of care at home hours is causing further pressure across the Older People's service.
Joint Learning Disability	15,753	7,136	16,807	16,553	254	0	254	Projected savings across community-based services attributable to ongoing redesign and changes to clients' care and support plans.
Joint Mental Health	2,142	861	2,153	2,166	(13)	0	(13)	
People with Physical Disabilities	6,160	1,733	3,856	3,661	195	0	195	Projected savings on the client care plans delivery due to some client turnover and the reprovisioning of a small number of client plans.
Generic Services	4,369	(1,188)	4,201	4,443	(242)	0	(242)	Actual includes carry forward of ICF from 2016/17. Main driver of reported variance is concern over the delivery of savings from previous year's financial plan, which still require delivery actions to be identified and actioned. Assumes delivery in full of £302k recovery plan in development.
Total	55,755	15,923	56,159	56,159	0	0	0	
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	(17)	68	68	0		0	
Total	68	(17)	68	68	0	0	0	

Key Highlights, Challenges and Risks

A small number of additional demand-led pressures for care and support of Older People in particular, is causing projected financial pressure.

This has been compounded by a number of savings brought forward from last financial year for which, permanent savings actions have yet to be identified. Further measures will be brought forward in order to mitigate their impact this financial year. £302k net total remedial actions now require to be brought forward. Application will be made to the IJB for the direction of £127k residual social care funding as part of the recovery plan.

Social Care functions require to deliver over £1.1m of transformation savings this financial year as part of the financial plan. These will require delivery in full over the remainder of the year or alternative mitigating actions to be identified and delivered.

**MONTHLY REVENUE MANAGEMENT REPORT
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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	2,400	6,183	6,111	72	(72)	0	Transfer £72k to Additional Support Needs to fund pre-school visiting teachers.
Primary Schools	31,988	15,439	32,793	32,368	425	(425)	0	£114k devolved from Central Schools to reflect probationer recruitment for 2017/18 academic year. Projected DSM carry forward earmarked from 2017/18 (£539k).
Secondary Schools	40,723	20,433	41,275	40,462	813	(813)	0	£127k devolved from Central Schools to reflect probationer recruitment for 2017/18 academic year. Transfer (£60k) to SBContract to offset pressure. Projected DSM carry forward earmarked from 2017/18 (£880k).
Additional Support Needs	9,963	4,316	9,962	10,343	(381)	381	0	£72k transferred from Early Years to cover Financial Plan Savings. £309k transferred from Central Schools to meet 2017/18 Financial Plan savings.
Children & Families Social Work	14,927	7,056	14,514	14,514	0	0	0	The forecast reflects costs of agreed Social Work restructure delivering Financial Plan savings in full.
Educational Psychology	636	207	632	632	0	0	0	Financial Plan saving on commissioned services forecast to be delivered in full.
Central Schools	5,600	(524)	3,280	2,705	575	(575)	0	Transfer (£25k) to Regulatory Services to fund dedicated school estate Solicitor. (£241k) devolved to schools for the recruitment of probationer teachers for 2017/18 academic year. (£309k) budget transferred to Additional Support Needs to meet 2017/18 Financial Plan savings.
School Meals	1,782	769	1,782	1,782	0	0	0	Balanced position forecast
School Transport	3,627	962	3,627	3,627	0	0	0	Balanced position forecast
Community Learning & Development	1,054	567	1,028	1,028	0	0	0	Balanced position forecast reflecting full delivery of Financial Plan savings.
Total	116,719	51,625	115,076	113,572	1,504	(1,504)		

Key Highlights Challenges & Risks

The Children & Young People Service is forecasting a balanced position with pupil, teacher and other support staff numbers for the 2017/18 academic year now confirmed. 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 not having been 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.

Maintaining teacher numbers remains a priority for the service and budget has been devolved to schools to enable teacher numbers to be maintained as confirmed in the September 2017 teacher census.

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	5,068	2,404	5,962	5,962	0	0	0	
Business Planning Performance & Policy Development	459	439	455	455	0	0	0	
Community Planning & Engagement	555	302	560	560	0	0	0	
Localities Fund	500	0	500	500	0	0	0	
Customer Advice & Support Services	2,992	1,648	2,965	2,965	0	0	0	
Democratic Services	1,430	1,081	1,444	1,444	0	0	0	
Business Change & Programme Management	829	351	819	729	90	(90)	0	Staff turnover savings to fund delays in delivery of organisational efficiency Financial Plan saving (£90k).
Discretionary Housing Payments	58	289	852	852	0	0	0	
Housing Benefits	593	(2,523)	593	886	(293)	293	0	Pressure to be funded from Council Tax Reduction Scheme (£293k).
Non Domestic Rates Relief	150	170	172	172	0	0	0	
Scottish Welfare Fund	492	(70)	473	473	0	0	0	
Total	13,126	4,090	14,795	14,998	(203)	203	0	

Key Highlights, Challenges & Risks

Reviews within Business Support and Customer Advice & Support services are now complete and expected to meet revised financial plan savings targets within the departments. The pressure within Housing Benefit will be met from Council Tax Reduction Scheme, as has occurred in previous years. A review of Housing Benefit income and expenditure is underway and a permanent virement will be actioned upon its completion.

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	377	48	331	331	0		0	
Corporate Finance	1,355	1,129	2,695	2,695	0		0	
Financial Services	2,334	827	2,251	1,823	428	(428)	0	Additional staff turnover savings to be earmarked to fund 2018/19 Financial Plan (£43k). Financial Plan growth relating to rates revaluation (£350k) no longer required and underspend due to reduction in poundage (£35k) to fund pressures within i) ICT (£210k), ii) Recharge to Non General Fund (£90k), iii) Cleaning & Facilities Management due to delayed implementation of cleaning and janitorial review (£30k), iv) Corporate Transformation due to increased ERP implementation costs (£20k) and v) unachievable organisational efficiencies Financial Plan saving (£35k).
Information Technology	6,475	6,119	10,670	10,880	(210)	210	0	Funding pressure relating to delivery of ICT model (£210k) offset by available rates budget.
Capital Financed from Current Revenue	0	0	0	0	0		0	
Interest on Revenue Balances	(20)	(1)	(20)	(20)	0		0	
Loan Charges	20,185	1,221	18,685	18,244	441	(441)	0	Available budget to be earmarked to fund 2018/19 Financial Plan (£441k).
Provision for Bad Debts	125	125	125	125	0		0	
Recharge to Non-General Fund	(701)	0	(701)	(611)	(90)	90	0	Pressure funded from available rates budget (£90k).
Total	30,130	9,469	34,036	33,467	569	(569)	0	

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.

Corporate budgets for Rates and Staff Turnover Adjustments which were temporarily coded to Finance are now being allocated across the Council resulting in a large budget being removed from Finance Services in year.

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	1,424	3,448	3,408	40	(40)	0	Apprenticeship Levy less than anticipated, to be earmarked to support the 2018/19 Financial Plan (£40k).
HR Shared Services	672	373	612	576	36	(36)	0	Available Financial Plan growth for salary sacrifice to be earmarked to support 2018/19 Financial Plan (£16k). Staff turnover savings to fund unachievable organisational efficiency savings (£20k).
Early Retirement/Voluntary Severance	418	62	368	236	132	(132)	0	Available budget to fund unachievable organisational efficiency Financial Plan saving (£100k) and offset pressure in Corporate Transformation relating to ERP implementation (£32k).
Total	3,064	1,860	4,428	4,220	208	(208)	0	

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'. Small underspends from the Apprenticeship Levy introduced in April 2017 and the salary sacrifice scheme are contributing to the funding of the 2018/19 financial plan.

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	(587)	837	717	120	(120)	0	Planning & Building Standards Fee income tracking strong, additional £100k projected to fund pressure due to delayed implementation of cleaning and janitorial review. Transfer budget to Neighbourhood Services for 0.3 FTE Lead Officer Post (£7k). Manpower budget not required as funding received through Biodiversity Projects (£13k) to offset pressure in Corporate Transformation relating to ERP implementation.
Assessor & Electoral Registration Services	682	339	612	612	0	0	0	
Passenger Transport	2,253	1,684	2,211	2,271	(60)	60	0	Projected overspend predominantly relating to pressure in minibuses due to cancellation of bus contracts (£60k) to be funded from underspend in Legal Services.
Audit & Risk	375	148	348	329	19	(19)	0	Additional staff turnover savings due to delayed recruitment (£19k) to offset pressure in Corporate Transformation relating to ERP implementation.
Legal Services	736	271	685	650	35	(35)	0	Budget transferred from Children & Young People to fund dedicated school estate Solicitor (£25k). Underspend to offset pressure in Passenger Transport (£60k).
Protective Services	1,717	639	1,619	1,619	0	0	0	
Total	6,520	2,494	6,312	6,198	114	(114)	0	

Key Highlights, Challenges & Risks

Regulatory Services is forecasting an overall underspend. The agreed increase from the Scottish Government on the level of planning fees on certain types of application is helping to support the critical planning fee income stream.