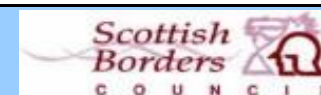


**MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL
2017/18
SUMMARY**


	Final Approved Budget (£'000)	Final Outturn Actual (£'000)	Variance pre adjustments (£'000)	Decrease/ (Increase) to Earmarked Balances (£'000)	Variance against final adjusted Budget (£'000)	Summary Financial Commentary
Culture & Sport	6,190	6,146	44	0	44	Small underspend due to the delayed transfer of Kelso 3G pitch management
Asset & Infrastructure	27,585	28,958	(1,374)	(80)	(1,453)	Adverse winter conditions have created a significant overspend within Asset & Infrastructure (£1,038k). The impact of the adverse weather conditions and reduced profit Margins in SBContracts have also contributed to the year end position
Economic Development & Corporate Services	573	651	(79)	46	(33)	Small overspend due to lower than anticipated Commercial Rent income being achieved.
Health & Social Care	49,230	49,346	(115)	0	(115)	The Health and Social Care service is reporting a net overspend of £115k. Within the IJB delegated services demand pressures in Older People of £613k have been offset by underspends in the Joint Learning Disability service, Joint Mental Health, and People with Physical Disabilities.
Public Health	68	63	5	0	5	
Children & Young People	112,335	111,065	1,269	(717)	553	This outturn reflects the position after £1.3m DSM and £1.1m Pupil Equity Funding have been carried forward to 2018/19. Net underspend primarily attributable to managed freeze on discretionary spend across all services including schools and vacancy management across all services and primarily within Additional Support Needs. Partially offset by pressures on Children's Out of Area Placements, C&YP Leadership Group new contract arrangements, School Transport and School Meals
Customer & Communities	14,476	14,138	338	0	338	Underspends in Business Support, Business Planning, Democratic services and Customer Advice and Support have been achieved through non filling of vacancies and a reduction in discretionary spend. An underspend in Scottish Welfare Fund has also arisen due to a reduced number of claims in year.
Finance, IT & Procurement	32,481	31,698	783	0	783	Corporate underspends within Loans Charges, IT and Non Domestic Rates rebates are held within this service position.
Human Resources	5,536	5,450	85	0	85	Underspends within HR due to non filling of vacancies and discretionary spend savings.
Regulatory Services	7,029	6,690	339	0	339	Underspends due to increased income from Planning and Building standards and underspends due to vacancy management and the impact of the freeze on discretionary spend.
Total	255,502	254,207	1,295	(750)	545	

Financed by:						
Revenue Support Grant	(170,708)	(170,707)	(1)	0	(1)	
Non-Domestic Rates	(32,673)	(32,673)	0	0	0	
Council Tax	(58,041)	(57,798)	(243)	0	(243)	Council tax billed is 0.5% lower than projected mid year reducing the anticipated income collection by £243k, original financial plan assumption was exceeded by £0.6m. Overall collection rates are not impacted.
Council Tax Reduction Scheme	5,815	5,086	729	0	729	Additional RSG of £675k was received in the latter part of 2017/18 following legislative changes to Council tax. In 2017/18 the level of claim did not increase accordingly but the budget was retained to support the anticipated winter pressure.
Capital Financed by Current Revenue	458	458	0	0	0	
Reserves:						
Earmarked Balances from 2016/17	(6,446)	(6,446)	0	0	0	
Earmarked Balances for future years	7,139	7,889	(750)	750	0	Increase to DSM and PEF carry forwards (£717k), to earmark unallocated small schemes budget into 2018/19 (£80k), clawback match funding for Employability ESF project required in 2017/18 (£46k).
Transfers to\from Reserves	(1,045)	(1,045)	0	0	0	
Total	(255,502)	(255,236)	(266)	750	484	

Total underspend					1,029
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MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL **2017/18**



Culture & Sport	Final Approved Budget (£'000)	Final Outturn Actual (£'000)	Variance pre adjustments (£'000)	Decrease/ (Increase) to Earmarked Balances (£'000)	Variance against final adjusted Budget (£'000)	Summary Financial Commentary
Cultural Services	3,650	3,642	9	0	9	Underspend due to lower than anticipated costs of pitch management
Sports Services	2,540	2,505	35	0	35	
Total	6,190	6,146	44	0	44	

Key Highlights, Challenges & Risks

Management fee payments to Live Borders and sports trusts have largely occurred as previously projected.


MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL **2017/18**




Asset & Infrastructure	Final Approved Budget (£'000)	Final Outturn Actual (£'000)	Variance pre adjustments (£'000)	Decrease/ (Increase) to Earmarked Balances (£'000)	Variance against final adjusted Budget (£'000)	Summary Financial Commentary
Property Management Services	3,763	3,852	(89)	0	(89)	Property rationalisation savings (£34k) and Energy Efficiency savings (£62k) not achieved
Estates Management Services	342	344	(2)	0	(2)	
Catering Services	704	922	(218)	0	(218)	Reduced school meal income due to 5.5 snow days. £100k Assets & Infrastructure savings approved at the last Executive met from underspends in Cleaning and Design Services below
Cleaning & Facilities Management	1,246	1,213	33	0	33	Reduced materials spend and improved income in the last quarter
Design Services	206	134	72	0	72	£32k vacancy savings within Engineers. £40k increased Architects income due to commercially focussed working & maximisation of external income
Major Projects	139	116	23	0	23	Less projects than anticipated required funding from the feasibility budget
Neighbourhood Operations	11,754	12,793	(1,039)	(80)	(1,119)	Impact of adverse winter £1,039k. Increased earmarked balance for Small Schemes delayed due to Bellwin works (£80k)
Network & Infrastructure Asset Management	1,365	1,321	43	0	43	£43k underspend due to the impact of the severe winter weather. This affected the ability to complete repair works to the Council's assets in the latter part of the financial year
SBcContracts	(449)	(266)	(182)	0	(182)	Increased overhead expenditure and reduced gross profit margin on Major Contracts works, partially offset by improved margin on Surfacing and Bond Coat work
Fleet Management Services	(296)	(293)	(3)	0	(3)	
Pay Parking	(17)	(17)	0	0	0	
Waste Management Services	8,827	8,838	(11)	0	(11)	
Total	27,585	28,958	(1,374)	(80)	(1,453)	

Key Highlights, Challenges and Risks

The challenging winter weather has created a significant overspend within Asset & Infrastructure. Increased costs of £1.437m compared to an average winter in Salt, overtime, Vehicles and road repairs has been incurred. These have partly offset by the Receipt of £0.401m from Scottish Government leaving a pressure of £1.038m to be funded by SBC.

MONTHLY REVENUE MANAGEMENT REPORT SCOTTISH BORDERS COUNCIL 2017/18						
Asset & Infrastructure	Final Approved Budget (£'000)	Final Outturn Actual (£'000)	Variance pre adjustments (£'000)	Decrease/ (Increase) to Earmarked Balances (£'000)	Variance against final adjusted Budget (£'000)	Summary Financial Commentary
Snow days have also negatively impacted on Catering income in Secondary schools and a reduced profit margin in SBContracts has resulted in lower than anticipated trading profit.						

MONTHLY REVENUE MANAGEMENT REPORT						
SCOTTISH BORDERS COUNCIL 2017/18						
Economic Development & Corporate Services	Final Approved Budget (£'000)	Final Outturn Actual (£'000)	Variance pre adjustments (£'000)	Decrease/ (Increase) to Earmarked Balances (£'000)	Variance against final adjusted Budget (£'000)	Summary Financial Commentary
Corporate Policy	221	219	3	0	3	Staff turnover saving Under recovery of income compared to budget
Economic Development	1,428	1,461	(33)	46	13	
Commercial Property Income	(1,233)	(1,185)	(48)	0	(48)	
Emergency Planning	156	156	(0)	0	(0)	
Total	573	651	(79)	46	(33)	
Key Highlights, Challenges & Risks						
Economic Services and Corporate services have a largely balanced year end position. Commercial Property income was 4% lower than the challenging budget set, despite this an occupancy rate of almost 90% was achieved.						

MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL **2017/18**



Health & Social Care	Final Approved Budget (£'000)	Final Outturn Actual (£'000)	Variance pre adjustments (£'000)	Decrease/ (Increase) to Earmarked Balances (£'000)	Variance against final adjusted Budget (£'000)	Summary Financial Commentary
Child Protection	178	159	20	0	20	Discretionary spend saving
Adult Protection	391	349	42	0	42	Discretionary spend saving
Emergency Duty Team	287	323	(36)	0	(36)	Staffing pressure due to increased demand
Business Support - Staff Development	256	224	32	0	32	Efficiencies following centralisation of resources
Quality Improvement	206	191	15	0	15	Staff turnover saving
Services in Criminal Justice System	1,122	1,066	56	0	56	In year underspend against SG allocation but significant commitments carried forward to 2018/19
Safer Communities	449	399	50	0	50	Underspends in Hired & Contracted Services £68k offset by overspend in Community Safety Manager post.
Older People	18,685	19,298	(613)	0	(613)	Demand pressure in Residential Care / Housing with Care / Respite / Additional hours have resulted in a significant overspend Outturn exceeds base budget by £1.425m.
Joint Learning Disability	16,730	16,593	137	0	137	Staffing saving and increased diligence in service delivery
Joint Mental Health	2,135	2,007	128	0	128	Staffing saving in early part of year and increased diligence in service delivery
People with Physical Disabilities	3,570	3,535	35	0	35	Saving due to reduced service demand
Generic Services	5,221	5,202	19	0	19	Staff turnover saving
Total	49,230	49,346	(115)	0	(115)	
Public Health	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/underspend	
Public Health	68	63	5	0	5	
Total	68	63	5	0	5	
Key Highlights, Challenges and Risks						
Health and Social Care services have experienced significant financial pressure in the year, in particular across those services delegated to the Health and Social Care Partnership. These pressures are primarily attributable to demand. Across each service where financial pressure is being experienced, there is consistently additional levels of service being commissioned above available budget, either due to a greater number of clients or more intensive care and support being required. Where possible, Health and Social Care services have identified areas where savings can be delivered in order to mitigate these pressures.						

MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL **2017/18**



Children & Young People	Final Approved Budget (£'000)	Final Outturn Actual (£'000)	Variance pre adjustments (£'000)	Decrease/ (Increase) to Earmarked Balances (£'000)	Variance against final adjusted Budget (£'000)	Summary Financial Commentary
Early Years	5,722	5,601	121	0	121	Delayed staff recruitment and management of discretionary spend.
Primary Schools	31,344	30,773	571	(276)	295	Increase Pupil Equity Fund (PEF) earmarked balance (£294k) and a reduction in DSM carry forward (£18k).
Secondary Schools	40,111	39,682	429	(441)	(12)	Increase PEF earmarked balance (£145k) and DSM carry forward (£296k).
Additional Support Needs	10,380	9,946	434	0	434	Underspend arising from staffing vacancies and unallocated ANA hours.
Children & Families Social Work	14,402	14,518	(117)	0	(117)	Increased cost of External residential placements from September 2017 when £300k was transferred from Children & Families budget to fund slippage in corporate transformation programme.
Educational Psychology	538	522	16	0	16	
Central Schools	3,372	3,450	(78)	0	(78)	Adverse one-off variance on Children & Young People's Leadership Group (£92k) attributable to additional costs of 3 months start-up of Quarriers contract and additional cost of 1 month extension of Action for Children contract.
School Meals	1,782	1,804	(23)	0	(23)	
School Transport	3,627	3,728	(101)	0	(101)	Increased costs at outturn as a result of additional bus and taxi provision during academic year 2017/18, increased contracts prices and scholar pass fare increases.
Community Learning & Development	1,058	1,041	17	0	17	
Total	112,335	111,065	1,269	(717)	553	

Key Highlights Challenges & Risks

The Children & Young People Service has delivered a managed net underspend following carrying forward Devolved School Management and Pupil Equity Funding balances. The expansion of Early Years provision to 1,140 hours per child has been rolled out in seven locations from August 2017 (Burnfoot / Coldstream / Eyemouth / Greenlaw / Kirkhope / Langlee / Philiphaugh) being fully funded by the Scottish Government. Enrolment has now taken place for the next stage of the expansion in August 2018 across a further 5 settings, with further expansion planned across remaining settings in 2019 and 2020.

Children & Families continues to experience financial pressure, particularly in relation to the cost and volatility of external residential placements. A plan has now been put in place to target the most expensive and manageable placements and to identify and implement better, more appropriate and cost-effective alternative options for young people from the start of 2018/19. £300k was removed from this budget to fund corporate pressures in September 2017.

Primary and Secondary schools have both delivered a positive year-end variance as a result of a number of management actions, not least a freeze on all non-essential spend since late 2017. There is an adverse variance on the Children and Young People Leadership Group budget, one-off this year. This is attributable to the parallel running of 2 main contracts over the January to April period as new commissioning arrangements come into effect.

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Customer & Communities	Final Approved Budget (£'000)	Final Outturn Actual (£'000)	Variance pre adjustments (£'000)	Decrease/ (Increase) to Earmarked Balances (£'000)	Variance against final adjusted Budget (£'000)	Summary Financial Commentary
Business Support	5,383	5,328	55	0	55	Staff turnover and discretionary spend savings
Business Planning Performance & Policy Development	956	934	22	0	22	Underspend in School Boards (£7k), staff turnover savings (£7k), discretionary spend (£8k)
Community Planning & Engagement	591	594	(2)	0	(2)	
Localities Fund	0	0	0	0	0	
Customer Advice & Support Services	3,130	2,949	181	0	181	£51k increased staff turnover following delayed filling of posts, £47k reduced expenditure following freeze on discretionary spend and £74k higher than anticipated income.
Democratic Services	1,657	1,632	25	0	25	Underspends in projected appeal expenses (£7k), elected members costs (training, travel & catering (£11k) and civic hospitality (£7k).
Business Change & Programme Management	490	473	16	0	16	Staff turnover savings
Discretionary Housing Payments	700	733	(33)	0	(33)	Pressure due to misalignment of expected and actual funding due to unanticipated funding calculation revisions during the year.
Housing Benefits	979	975	5	0	5	
Non Domestic Rates Relief	172	173	(1)	0	(1)	
Scottish Welfare Fund	417	348	69	0	69	Lower level of claims than anticipated in year
Total	14,476	14,138	338	0	338	

Key Highlights, Challenges & Risks

Significant underspends have been achieved during the year due to non filling of vacancies reflecting business process improvements and the cessation of non essential spend across the services.

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SCOTTISH BORDERS COUNCIL **2017/18**



Finance, IT & Procurement	Final Approved Budget (£'000)	Final Outturn Actual (£'000)	Variance pre adjustments (£'000)	Decrease/ (Increase) to Earmarked Balances (£'000)	Variance against final adjusted Budget (£'000)	Summary Financial Commentary
Chief Executive	339	341	(1)	0	(1)	
Finance	4,418	4,203	215	0	215	Corporate rates refund following appeal £230k, offset by absorbing 3 months of IJB CFO post cost (£16k)
Information Technology	9,880	9,626	253	0	253	Lower than anticipated direct 3rd party costs incurred within ICT.
Capital Financed from Current Revenue	0	0	0	0	0	
Interest on Revenue Balances	(20)	(1)	(19)	0	(19)	Lower than anticipated interest on revenue balances
Loan Charges	18,324	18,002	322	0	322	Lower than anticipated borrowing costs
Provision for Bad Debts	125	135	(10)	0	(10)	Higher write off of Corporate debts than anticipated
Recharge to Non-General Fund	(586)	(609)	23	0	23	Additional income from loans and pension fund recharge
Total	32,481	31,698	783	0	783	

Key Highlights, Challenges & Risks

Savings have been delivered through the restructuring of the service following the launch of Business World. Corporate underspends relating to Loans charges, Non domestic rates rebates following successful appeals and IT are contained within the Finance, Procurement & IT year end position.

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SCOTTISH BORDERS COUNCIL 2017/18



Human Resources	Final Approved Budget (£'000)	Final Outturn Actual (£'000)	Variance pre adjustments (£'000)	Decrease/ (Increase) to Earmarked Balances (£'000)	Variance against final adjusted Budget (£'000)	Summary Financial Commentary
Human Resources	3,957	3,905	53	0	53	Staff turnover savings (£37k) reduced quantity of Long Service Awards payments required (£6k) and discretionary spend efficiencies (£10k) Pool car costs lower than anticipated due to delayed pilot implementation
Early Retirement/Voluntary Severance	355	355	0	0	0	
Communications & Marketing	509	502	7	0	7	
Corporate Transformation	715	690	25	0	25	
Total	5,536	5,450	85	0	85	

Key Highlights, Challenges & Risks

Underspends have been achieved during the year due to non filling of vacancies and the cessation of non essential spend.

MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL 2017/18



Regulatory Services	Final Approved Budget (£'000)	Final Outturn Actual (£'000)	Variance pre adjustments (£'000)	Decrease/ (Increase) to Earmarked Balances (£'000)	Variance against final adjusted Budget (£'000)	Summary Financial Commentary
Planning Services	1,101	1,057	43	0	43	Improved Planning Development Fee income (£25k) and control of discretionary expenditure in the last quarter (£18k).
Assessor & Electoral Registration Services	612	589	22	0	22	Reduced expenditure relating to postages (£17k) and Canvassers (£5k).
Passenger Transport	2,242	2,063	179	0	179	Increased Income from Bus Subsidies (£67k), reduced Galashiels Transport Interchange expenditure (£35k), increased net income in Minibuses (£63k), reduced expenditure for Borders Community Transport (£14k)
Audit & Risk	325	310	15	0	15	Vacancy savings
Legal Services	615	597	17	0	17	Improved Licencing Income
Protective Services	1,429	1,371	58	0	58	Reduced sampling expenditure (£47k) and discretionary spend savings (£11k).
Housing Strategy & Services	706	702	4	0	4	
Total	7,029	6,690	339	0	339	

Key Highlights, Challenges & Risks

Regulatory Services has successfully delivered their 2017-18 Financial plan savings. Planning and Building standards income is highly variable but has exceeded that achieved in recent years. Further income targets have been included in the 2018-19 Financial plan which will be challenging. However, the service will continue to engage with the Scottish Government on potential changes to these fees. Underspends in other areas within Regulatory Services relate to vacancy management and the impact of the freeze on discretionary spend.