

MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL
SUMMARY

2016/17

AT END OF MONTH: Sep-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	21,345	37,343	37,891	(548)	548	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 £556k 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	74,173	164,356	163,907	449	(449)	0	The People department is projecting a balanced outturn position and is actively managing known current pressures. An increase in External Placements is currently being managed within the Children & Families Social Work Service budget.
Place	37,132	20,404	36,661	36,354	307	(307)	0	Place are forecasting an over-spend of £566k arising from a range of cost and income pressures in SBC Contracts, Planning Fee Income and Property & Facilities Management. The department is seeking to identify solutions to these costs pressures and return the Directorate to a balanced position.
Loan Charges	20,485	8,114	20,415	18,894	1,521	(1,521)	0	
Other	8,263	7,288	9,240	9,313	(73)	73	0	
Total	263,203	131,324	268,015	266,359	1,656	(1,656)	0	
Financed by:								
Revenue Support Grant	(174,617)	(55,840)	(169,544)	(169,571)	27	(27)	0	Transfer of £41k to Neighbourhoods for flooding. Transfer £14k from Loan Charges for financial plan adjustment.
Non-Domestic Rates	(33,594)	(10,983)	(33,594)	(33,594)	0	0	0	
Council Tax	(52,242)	(30,508)	(52,882)	(52,882)	0	0	0	
Reserves:								
Earmarked Balances from 2015/16	(1,788)	0	(11,007)	(11,007)	0	0	0	
Earmarked Balances for future years	0	0	0	0	0	0	0	
Transfers to\from Reserves	(962)	0	(987)	696	(1,683)	1,683	0	Movement to reserves for IT Transformation (£177k) and 2017/18 Financial Plan (£1.506m).
	(263,203)	(97,331)	(268,014)	(266,358)	(1,656)	1,656	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
Chief Executive	429	236	429	425	4	(4)	0	£2k available budget within employee costs, transferred to Corporate Transformation. £2k to Information Technology for centralisation of ICT budgets.
Business Support	335	2,987	5,580	5,402	178	(178)	0	Underspend in employee costs due to staff turnover and delayed recruitment. Transfer of £90k to Corporate Transformation and £31k to fund pressure in Democratic Services. £57k to Information Technology for centralisation of ICT budgets.
Public Health								
Gross Expenditure	0	25	138	138	0	0	0	
Income	0	(70)	(70)	(70)	0	0	0	
	0	(45)	68	68	0	0	0	
Strategic Policy	869	49	114	114	0	0	0	
Finance	3,587	1,814	3,534	3,408	126	(126)	0	£126k to Information Technology for centralisation of ICT budgets.
Housing Strategy & Services	3,170	1,867	5,063	5,043	20	(20)	0	£20k to Information Technology for centralisation of ICT budgets.
Human Resources								
HR	1,494	637	1,332	1,331	1	(1)	0	£1k to Information Technology for centralisation of ICT budgets.
HRSS	734	409	734	557	177	(177)	0	Options are being considered to address a pressure of around £40k within the full year Employee Benefit Financial Plan savings following lower than anticipated savings from this scheme. £177k to Information Technology for centralisation of ICT budgets.
Sub-total Human Resources	2,228	1,046	2,066	1,888	178	(178)	0	
Corporate Transformation								
Transformation	939	446	928	825	103	(103)	0	Transfer of direct staff costs relating to IT client function, to new IT Service Contract wef 1 October 2016.
Information Technology	5,112	6,170	9,775	10,990	(1,215)	1,215	0	Direct staff costs relating to IT client function as above (£103k). Centralisation of ICT budgets from departments (£1.160m). Transfer to Reserves for IT Transformation in 2017/18 (£48k).
Emergency Planning	181	73	173	162	11	(11)	0	£11k to Information Technology for centralisation of ICT budgets.
Communications	469	357	566	504	62	(62)	0	£62k to Information Technology for centralisation of ICT budgets.
Economic Development	1,584	820	1,704	1,687	17	(17)	0	Underspend in employee costs due to staff turnover and delayed recruitment. Virement of £15k to fund pressure in Democratic Services. £2k to Information Technology for centralisation of ICT budgets.
Democratic Services	1,371	728	1,371	1,318	53	(53)	0	Pressures in Children's Panel £2k, Reporting Officers £7k, property clearance shortfall £5k and Appeal Expenses £9k. £31k virement from Executive support to fund financial plan savings. £15k virement from Economic Development. Transfer to Reserves of £29k for IT Transformation in 2017/18 (Members broadband charges now covered by SWAN). £70k to Information Technology for centralisation of ICT budgets.
Integrated Trusts	6,606	4,845	6,663	6,748	(85)	85	0	£85k from C&YP (Hawick MUGA) towards pitch maintenance fund.
Sub-total Corporate Transformation	16,262	13,439	21,180	22,234	(1,054)	1,054	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
Recharge to Non-General Fund	(701)	(48)	(691)	(691)	0	0	0	
Total - Chief Executive	26,179	21,345	37,343	37,891	(548)	548	0	

Key Highlights

A SWAN pressure resulting from increased Vodafone costs as a consequence of continuing delayed migration of sites by Capita of around £556k 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, Integration Joint Board Chief Financial Officer (Interim) and other additional Transformational costs 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 £550k pressure which has arisen due to the implementation delay. Budget of c£640k needs to be identified from departments to fund the new ICT contract.

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	2,911	6,417	6,287	130	(130)	0	£128k available Early Years budget being transferred to cover pressure in Additional Support Needs. £2k to Information Technology for centralisation of ICT budgets.
Primary Schools	32,054	16,711	32,720	32,637	83	(83)	0	Probationer allocation for August to March (£33k). Final confirmation of contractual staffing arrangements to be confirmed. £49k to Information Technology for centralisation of ICT budgets.
Secondary Schools	40,748	21,277	41,538	41,495	43	(43)	0	Rates pressure of (£113k) forecast to be managed within the service from Utilities budgets. Probationer allocation for August to March £69k. Hawick HS Multi Use Games Area transferred to Chief Executive (£85k). Final confirmation of contractual staffing arrangements to be confirmed. £27k to Information Technology for centralisation of ICT budgets.
Central Schools	3,853	1,609	3,692	3,528	164	(164)	0	£36k Probationer allocation for August to March devolved to Primary and Secondary Schools £36k. £11k transferred to Place for School Estate review legal support. £116k to Information Technology for centralisation of ICT budgets.
Transportation	3,352	971	3,627	3,627	0	0	0	
School Meals	2,133	813	1,782	1,782	0	0	0	
Community Learning & Development	997	598	1,130	1,129	1	(1)	0	£1k to Information Technology for centralisation of ICT budgets.
Additional Support Needs	0	5,025	10,686	10,798	(112)	112	0	Pressure in ANA and Art Therapist savings targets (£128k), met from available budget in Early Years. £15k to Information Technology for centralisation of ICT budgets.
Children & Families (Social Work)	25,865	6,576	14,989	14,870	119	(119)	0	External placement costs are currently within budget, with the impact of new placements being assessed monthly. Pressures within Kinship care and the impact of delayed delivery of Financial Plan savings are currently being managed within the Children & Families Social work budget. £19k to Information Technology for centralisation of ICT budgets. £100k to Information Technology towards in year pressures.
Sub-total Children & Young People	115,516	56,491	116,580	116,152	428	(428)	0	
Adult Services								
Older People	7	0	7	7	0	0	0	
People with Mental Health Needs	101	62	101	101	0	0	0	
Adults with Learning Disabilities	3	3	3	3	0	0	0	
Generic Services & Staff Teams	680	339	723	723	0	0	0	
Safer Communities	0	77	500	493	7	(7)	0	Moved from Place, Neighbourhood Services. £7k to Information Technology for centralisation of ICT budgets.
Services in the Criminal Justice System	0	191	0	0	0	0	0	
Sub-total Adult Services	791	672	1,334	1,327	7	(7)	0	

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
Social Care & Health Partnership								
Older People	29,144	8,863	22,282	22,275	7	(7)	0	Pressure of £240k on budget due to increase in client packages of care and increased number of residential placements, however the resulting budget pressure will be met by internal management actions. £7k to Information Technology for centralisation of ICT budgets
Adults with Learning Disabilities (AWLD)	14,671	6,688	15,081	15,081	0	0	0	
People with Physical Disabilities (PWPD)	3,180	1,492	3,360	3,360	0	0	0	
People with Mental Health Needs	2,161	899	2,129	2,124	5	(5)	0	Projected underspend of £105k 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. £5k to Information Technology for centralisation of ICT budgets.
Generic Services & Staff Teams	3,642	(419)	4,617	4,615	2	(2)	0	Savings still to be achieved but are on track to being met to bring in a balanced position. £2k to Information Technology for centralisation of ICT budgets.
Contribution from SB Cares	(1,027)	(514)	(1,027)	(1,027)	0	0	0	
Sub-total Social Care & Health Partnership	51,771	17,010	46,442	46,428	14	(14)	0	Projected outturn shows a breakeven position. Additional pressures due to increase of care packages and residential bed numbers 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	74,173	164,356	163,907	449	(449)	0	

Key Highlights

There have been delays in delivering the Children & Young People's Service 2016/17 Financial Plan savings within the Additional Support Needs service which are being addressed from a projected underspend within the Early Years Service. There has been an increase in External Placements from the second quarter of the Financial Year which is currently being managed within the Children & Families Social Work Service.

Projected outturn in Adult Services shows a breakeven position. Additional pressures due to increase of care packages and residential bed numbers will be met by internal management actions and anticipated seasonal fluctuations in the number of care packages provided.

Key Challenges

The Children & Young People's Service has £3.6m of savings to deliver permanently in 2016/17. £0.6m of these savings have been achieved by alternative means and work is underway with the service to identify permanent solutions in future years.

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

Any further increase in external placements, and delays in delivering balance of Financial Plan savings e.g. Business Support savings within schools.

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

AT END OF MONTH: Sep-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	1,146	2,004	2,000	4	(4)	0	£4k to Information Technology for centralisation of ICT budgets.
Pay Parking	0	(28)	82	79	3	(3)	0	£3k to Information Technology for centralisation of ICT budgets.
Fleet Management	(191)	186	(194)	(199)	5	(5)	0	£5k to Information Technology for centralisation of ICT budgets.
Passenger Transport	2,095	1,100	2,092	2,087	5	(5)	0	Small underlying pressure in Passenger Transport arising primarily from Bus Subsidies. Place are working to identify savings from elsewhere within the Place Directorate to offset this pressure. £5k to Information Technology for centralisation of ICT budgets.
Design Services	122	88	142	142	0	0	0	
Projects	156	85	205	235	(30)	30	0	£30k from Loan Charges to fund Chambers Institute commissioned feasibility works.
Trading Contribution	(549)	1,726	(549)	(549)	0	0	0	A balanced position is projected. It is anticipated that a current pressure on margins will be offset by the current level of workload and forward order book looking strong.
Property & Facilities Management	3,679	1,429	3,696	3,676	20	(20)	0	There are under-lying cost pressures in Cleaning (Postage costs and Equipment Maintenance) and Office Accommodation (utilities and rates). Place are working to identify savings from elsewhere within the Place Directorate to offset this pressure. £3k transfer for Feasibility works. £20k to Information Technology for centralisation of ICT budgets.
Sub-total Commercial Services	7,294	5,732	7,478	7,471	7	(7)	0	
Neighbourhood Services								
Customer Services	1,716	1,509	1,867	1,554	313	(313)	0	£19k into Customer services for Scottish Welfare Fund admin costs, £97k increased income to Neighbourhood Operations to reduce pressure as part of the action plan. £235k to Information Technology for centralisation of ICT budgets.
Waste	9,347	3,172	9,060	9,045	15	(15)	0	£16k to Information Technology for centralisation of ICT budgets.
Safer Communities	442	0	0	0	0	0	0	Safer Community service moved to People, Adult Services
Neighbourhood Operations	12,610	8,535	12,705	12,811	(106)	106	0	Projected service overspend to be managed through additional Contracts income. £97k from Customer Services, and £19k from Strategy & Policy to fund current pressure. £29k to Capital for contributions to play parks. Transfer of £41k from RSG for flooding. £22k to Information Technology for centralisation of ICT budgets.
- Roads	3,965	2,684	3,994	4,029				
- Parks & Open Spaces	3,007	2,035	3,030	3,055				
- Winter Maintenance	3,889	2,632	3,918	3,951				
- Burials	26	18	27	27				
- Public Conveniences	313	212	316	318				
- Street Cleansing	1,410	954	1,420	1,432				
Strategy & Policy	0	406	839	820	19	(19)	0	£19k to Neighbourhood operations to reduce pressure as part of the action plan.
Sub-total Neighbourhood Services	24,115	13,622	24,471	24,230	241	(241)	0	

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	308	674	667	7	(7)	0	£34k transfer from Planning to cover increased employee costs. £41k to Information Technology for centralisation of ICT budgets.
Legal Services	757	292	684	695	(11)	11	0	£12k transfer from Education to provide Legal support for School Estate review. £1k to Information Technology for centralisation of ICT budgets.
Planning	987	(382)	1,342	1,330	12	(12)	0	£34k transfer to Assessors to fund employee costs pressure. There is an underlying pressure on Planning Fee which is continuing to run below the required rate to meet the income target. Place are working to identify savings from elsewhere within the Directorate to offset this pressure. £19k to Information Technology for centralisation of ICT budgets.
Regulatory Services	1,290	516	1,290	1,247	43	(43)	0	£41k transfer to Planning towards financial plan savings. £2k to Information Technology for centralisation of ICT budgets.
Audit & Risk	372	200	372	372	0	0	0	
Health & Safety	438	116	350	342	8	(8)	0	£8k to Information Technology for centralisation of ICT budgets.
Sub-total Regulatory Services	4,560	1,050	4,712	4,653	59	(59)	0	
Business Support	1,163	0	0	0	0	0	0	
Total - Place	37,132	20,404	36,661	36,354	307	(307)	0	

Key Highlights

A projected balanced position is forecast for the Place department. There are several potential cost and income pressures identified notably within Property & Facilities Management and in Planning where lower than forecast income is creating a potential in-year pressure. Place are actively reviewing all cost projections to identify savings from elsewhere within the Place Directorate to offset this pressure.

We have now received the Bellwin Claim Audit Certificated from KPMG for works done to 30th of June we expect to receive Bellwin compensation which totals £3.8m for this first phase of works shortly.

Following discussion at the Executive Committee meeting in August around allocating Neighbourhood Operations budgets into constituent parts, an allocation has been reflected above. This information comes with the caveat that as Neighbourhood Operations operate an integrated budget with an integrated staffing model, the split can only be notional.

Key Challenges

Pressures have been identified within SBc Contracts through reduced gross margin on Contract Works and Surfacing, it is anticipated that this will be offset by the current level of workload and forward order book looking strong.

A review of Bus Services rationalisation which is underway is not expected to yield savings until the 2017/18 financial year.

Neighbourhood Operations have significant historical in-service pressures which they are dealing with from within existing Neighbourhood 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 which now looks unlikely and has been reflected in this round of monitoring.

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: Sep-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)	211	588	680	(92)	92	0	Additional Corporate Transformation pressures being presented elsewhere on agenda following which financial implications will be confirmed.
Early Retirement/Voluntary Severance	418	43	418	418	0	0	0	
Fairer Scotland	223	0	13	13	0	0	0	
Loan Charges	20,485	8,114	20,281	18,731	1,550	(1,550)	0	£1.506m movement to Reserves. £14k RSG financial plan adjustment and £30k to Place (feasibility) for Chambers Institute.
Capital Financed from Current Revenue (CFCR)	0	0	134	163	(29)	29	0	Capitalisation of revenue budget.
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	15,667	29,910	31,333	(1,423)	1,423	0	Pressure of £302k. This area is directly affected by customer actions and Department Of Work and Pensions change notification procedures for Housing Benefit claims. Relatively new procedures are identifying historic changes causing unavoidable increases for which trend information is not yet available. The expectation is that there will be a decline in future years.
Income	(29,317)	(15,219)	(29,317)	(30,438)	1,121	(1,121)	0	
	593	448	593	895	(302)	302	0	
Discretionary Housing Payments								
Gross Expenditure	58	370	791	772	19	(19)	0	£19k to Customer Services for Scottish Welfare Fund Admin costs.
Income	0	(167)	(500)	(500)	0	0	0	
	58	203	291	272	19	(19)	0	
Council Tax Reduction Scheme	5,707	5,112	5,707	5,405	302	(302)	0	Reduction in benefit caseload. £302k transferred to cover pressures in Housing Benefit.
Non Domestic rates Relief	150	107	150	150	0	0	0	
Commercial Rents	(1,225)	(1,090)	(1,225)	(1,225)	0	0	0	
Scottish Welfare Fund	492	(47)	424	424	0	0	0	
Total - Other	28,748	15,402	29,655	28,207	1,448	(1,448)	0	

MONTHLY REVENUE MANAGEMENT REPORT

SCOTTISH BORDERS COUNCIL

2016/17

AT END OF MONTH: Sep-16



OTHER

Key Highlights

Available budget within Loan Charges as a result of favourable interest rates is being used to address known pressures. 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

Budget needs to be identified from within departments to resource the Corporate Transformation as it develops, this is likely to prove challenging.

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 : **Sep-16**

Key Cost Driver Performance Analysis - Chief Executive

	Month Sep-15	Month Aug-16	Month Sep-16	Narrative
1 No of Homelessness Properties	165	164	165	
2 No of homelessness presentations	53	72	64	
3 No in B&B	1	0	1	

Key Cost Driver Performance Analysis - People

	Month Sep-15	Month Aug-16	Month Sep-16	Narrative
Schools				
1 Transportation (proj % of budget)	100%	100%	100%	
2 Unitary Charge (proj % of budget)	100%	100%	100%	
ADULT SERVICES				
	Baseline @ Sep-15	Month Aug-16	Month Sept-16	
3 Homecare Hours	10,785	9,473	9,542	
4 Residential: Elderly Beds (excl respite beds, and Intermediate care)	652	664	672	
ICS				
	Baseline @ Sept 15	Month Aug-16	Month Sept-16	
5 Out of Authority Placements	50	34	34	
6 Foster Care	95	96	98	
7 Kinship Care	55	56	59	
8 Secure Placements	1	0	0	

MONTHLY REVENUE MANAGEMENT REPORT

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

Key Cost Driver Performance Analysis - Place

		Month Sep-15	Month Aug-16	Month Sep-16	Narrative
Commercial Services					
1	Contracts Won (by value £k)	1,327	588	2,246	
2	PT Fares Income (£k)	176	197	174	
3	FM Dayworks costs (£k)	114	77	64	
4	Fuel Price (Derv ppl)	90	92	96	
5	Primary school meal uptake per day	55%	54%	54%	
6	Secondary school income per day	£5,470	£4,381	£6,348	Reviewing Indicator
Neighbourhood Services					
7	Roads Expenditure Committed	313	156	798	
8	Salt Stock (t)	16,519	18,754	18,754	
9	Recyclate Tonnage	2029	n/a	n/a	
10	Landfill Tonnage (MSW)	3345	n/a	n/a	

Key Cost Driver Performance Analysis - Other Services

		Month Sep-15	Month Aug-16	Month Sep-16	Narrative
Other					
1	Current live procurement contracts	45	tbc	25	
2	ER/VS approved (FTE)	44.78	5.55	7.55	
3	Compulsory redundancies approved (FTE)	0.00	0.00	tbc	
4	Number of new HB Claimants	168	n/a	100	
5	Number of ongoing HB Claims requiring action	1240	n/a	979	
6	No of properties eligible for full NDR Relief	3,593	3,747	3,734	
7	No of properties eligible for partial NDR Relief	1,140	1,262	1,239	