



**REVENUE OUTTURN STATEMENT  
SCOTTISH BORDERS COUNCIL  
SUMMARY**

2014/15

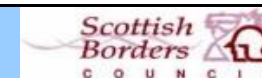


	Final Approved Budget (£'000)	Final Outturn Actual (£'000)	Variance pre adjustments (£'000)	Decrease/ (Increase) to Earmarked Balances	Variance against final adjusted Budget (£'000)	Summary Financial Commentary
Chief Executive	28,881	28,805	77	0	77	The Chief Executive's department has generated a minor underspend of £77k as a result of a number of small service variances.
People	164,150	163,650	500	(527)	(27)	The People Department outturn of £163.6m reflects an underspend of £301k in Children & Young People, an underspend of £15k in Business Support and an overspend of £334k in Adult Services. A delay in the full roll-out of the enhanced Early Years provision, with a lower profiled uptake to date, has resulted in an underspend of £237k when compared to budget. Minor changes to manpower spend compared to previous forecasts leave a net underspend of £14k in Primary and Secondary schools after earmarking £1.517m in DSM carry forward.  A cessation of non critical expenditure in the last six weeks of the financial year has generated an underspend of £38k in Central Schools, £18k in Community Learning & Development and £15k in Business Support.  A combination of reduced income from client contributions against prior year (£300k) and increased demand for services above budget (£450k), offset by reduction in care package unit costs and management of staff turnover.
Place	36,275	35,808	467	0	467	The Place dept outturn of an underspend of £467k was created from a number of different budget centre underspends and generation of additional income. Most significant of these were Fleet Management £89k, Property & Facilities Management £178k, within this budget area there was a significant contribution from Catering due to lower food costs. Within Neighbourhood Services Waste has an underspend of £77k assisted by lower leachate management costs due to drier than average weather. Neighbourhoods underspent by £126k due to additional income earned from Capital Works. These savings were partially offset by higher one-off legal costs associated with a Waste court action which was successfully defended.
Loan Charges	19,376	19,330	46	0	46	Saving due to tactical deferral of borrowing.
Other	10,244	10,114	130	(96)	34	Other has generated a minor underspend of £34k as a result of a number of small budget movements.
<b>Total</b>	<b>258,925</b>	<b>257,707</b>	<b>1,219</b>	<b>(623)</b>	<b>596</b>	
<b>Financed by:</b>						
Revenue Support Grant	(175,624)	(175,624)	0	0	0	
Non-Domestic Rates	(31,013)	(31,013)	0	0	0	
Council Tax	(51,392)	(51,699)	307	0	307	Additional Council Tax collected.
Reserves:						
Earmarked Balances from 2013/14	(5,352)	(5,352)	0	0	0	
Earmarked Balances for future years	6,700	7,323	(623)	623	0	
Transfers to/from Reserves & Year-end Adj's	(2,244)	(1,744)	(500)	0	(500)	£100k provision for SB Cares PVG checks / residential care home uplift SB Cares, £300k provision for contribution to Energy Efficiency & Change Fund, £100k provision for roads maintenance.
	<b>(258,925)</b>	<b>(258,109)</b>	<b>(816)</b>	<b>623</b>	<b>(193)</b>	
<b>Under/(Overspend)</b>	(0)	(403)	403	(0)	403	

REVENUE OUTTURN STATEMENT SCOTTISH BORDERS COUNCIL CHIEF EXECUTIVE						
Chief Executive	Final Approved Budget (£'000)	Final Outturn Actual (£'000)	Variance pre adjustments (£'000)	Decrease/ (Increase) to Earmarked Balances	Variance against final adjusted Budget (£'000)	Reasons for material variances
<b>Chief Executive</b>	<b>409</b>	<b>403</b>	<b>6</b>	<b>0</b>	<b>6</b>	
<b>Executive Support</b>	<b>389</b>	<b>397</b>	<b>(8)</b>	<b>0</b>	<b>(8)</b>	
<b>Strategy &amp; Policy</b>						
Strategic Policy Unit	1,129	1,130	(1)	0	(1)	
Economic Development	1,859	1,875	(16)	0	(16)	Additional costs incurred for train publicity wrap (£5k) and destination audit for the Scottish Borders as per Borders Railway Blueprint (£11k).
Housing Strategy & Services	3,377	3,329	48	0	48	Additional income received from Private Sector Leasing (PSL) properties. This is the first year of running the service in-house in addition to operating a new rent accounting system.
Democratic Services	1,388	1,383	5	0	5	
Audit & Risk	558	547	11	0	11	Underspend in employee costs due to transfer of Housing Benefit Fraud Investigation Team to Department for Work and Pensions (DWP) wef 1 March 2015.
<b>Sub-total Strategy &amp; Policy</b>	<b>8,311</b>	<b>8,264</b>	<b>47</b>	<b>0</b>	<b>47</b>	
<b>Finance</b>	<b>3,885</b>	<b>3,876</b>	<b>10</b>	<b>0</b>	<b>10</b>	External audit fee less than anticipated (£10k).
<b>Human Resources</b>						
HR	1,443	1,393	50	0	50	Occupational Health Fee lower than anticipated £50k
HRSS	744	731	13	0	13	Staff turnover savings (£13k) - vacancies projected but not filled, and overtime less than projected.
<b>Sub-total Human Resources</b>	<b>2,187</b>	<b>2,124</b>	<b>63</b>	<b>0</b>	<b>63</b>	
<b>Business Transformation</b>						
Transformation	835	830	5	0	5	
Information Technology	5,196	5,182	14	0	14	Underspend due to delayed recruitment (£14k).
Community Services	4,777	4,772	5	0	5	
Health & Safety	372	368	4	0	4	
Emergency Planning	129	128	1	0	1	
Communications	583	601	(18)	0	(18)	Additional click and paper costs within Print Services due to significant increase in usage by departments (£18k).

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Sports Trusts	2,424	2,425	(1)	0	(1)	Unachievable income (£51k) due to reduced level of recharges to funds (e.g. Pension, Loans, Common Good) being lower than budget assumption.
<b>Sub-total Business Transformation</b>	<b>14,316</b>	<b>14,306</b>	<b>10</b>	<b>0</b>	<b>10</b>	
<b>Recharge to Non-General Fund</b>	<b>(616)</b>	<b>(565)</b>	<b>(51)</b>	<b>0</b>	<b>(51)</b>	
<b>Total - Chief Executive</b>	<b>28,881</b>	<b>28,805</b>	<b>77</b>	<b>0</b>	<b>77</b>	
<b>Key Highlights</b>						
<p>Scottish Government and EU funding has been approved to fund 158 work placements for young unemployed people via the 'Youth Employment Scotland Scheme' (increased from original 50 placements). 152 job offers have been made, and 158 are expected to be approved by end March. Over 65% of these 6 month work placements have now concluded, with an estimated retention rate of around 80% of young people staying on in employment. In parallel, youth unemployment rates are falling, with the number of 18-24 year olds claiming Job Seekers Allowance in January 2015 now 320 (4.1%), down from 370 in September (4.7%). The Youth Employment Scotland Scheme ended in March 2015.</p> <p>The 2014/15 business grant fund was 122% allocated for the year (£121,738). The over-commitment was funded by unclaimed grant from previous years. 44 grants have now been awarded in total to support projects with a value of over £266k. These projects are forecast to create 84.5 jobs and safeguard 118 jobs, with a forecast economic impact of £2 million Gross Value Added (GVA).</p> <p>Fraud Team transferred to Department for Working Pensions (DWP) on 1 March 2015 (3 FTE).</p>						
<b>Key Challenges</b>						
<p>Achieving savings identified in the Financial Plan on a permanent basis proved to be challenging, but was delivered despite low staff turnover.</p> <p>Demand in 2014/15 for business grants exceeded the base budget, as planned.</p>						
<b>Key Risks</b>						
<p>Failure to deliver the Business Transformation programme within available resources was an ongoing risk to the achievement of longer term savings. £1.4m of savings were delivered during 2014/15, 20% of which still requires permanent solutions to be delivered. Ongoing review of the transformation savings delivery plan continues.</p>						

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SCOTTISH BORDERS COUNCIL  
PEOPLE**



People	Final Approved Budget (£'000)	Final Outturn Actual (£'000)	Variance pre adjustments (£'000)	Decrease/ (Increase) to Earmarked Balances	Variance against final adjusted Budget (£'000)	Reasons for material variances
<b>Children &amp; Young People</b>						
Early Years	5,706	5,469	237	0	237	£249k underspend reported to Executive in February. £199k resulting from the phased introduction of a more flexible Early Years and Childcare service and further £50k budget made available through ceasing discretionary spend on ICT equipment. This amount has reduced by £12k to £237k as a result of higher than anticipated Contracted Private & Voluntary Nursery payments.
Primary Schools	31,568	31,297	271	(233)	38	£233k increase to DSM carry forwards was funded from underspends in schools cash budgets. £42k final underspend due to lower than anticipated long term absence costs during February and March. Total Primary DSM carry forward is £808k.
Secondary Schools	40,045	39,779	266	(294)	(28)	£294k increase to DSM carry forwards was funded across both staffing and cash budgets. £28k net overspend resulting from the approval of 2 late manpower pressures (1 relating to overlap with a departing teacher and the other attributable to the costs of accrued leave of a long term absence). Total Secondary DSM carry forward is £709k.
Central Schools	2,510	2,477	33	0	33	Further to a £12k reported underspend to the February Executive resulting from a cessation of non service critical expenditure, further savings have been made in this area during March.
Transportation	3,533	3,523	10	0	10	Small underspend in home to school transport costs following significant additional resource transferred to this service during the year to meet projected pressures.
School Meals	1,275	1,291	(16)	0	(16)	Increased uptake of free meals for P1-P3 during February & March after a slower start in January. Total uptake of free school meals provision is 76% at the end of the financial year.
Community Learning & Development	1,053	1,035	18	0	18	Underspend in line with that reported to the February Executive due to one off savings in third party payments.
Integrated Children's Services (ICS)	25,489	25,489	0	0	0	
<b>Sub-total Children &amp; Young People</b>	<b>111,179</b>	<b>110,360</b>	<b>819</b>	<b>(527)</b>	<b>292</b>	

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PEOPLE**



People	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/underspend	
<b>Chief Social Work Officer</b>						
Services in the Criminal Justice System						
Gross Expenditure	1,334	1,334	0	0	0	
Income	(1,334)	(1,334)	0	0	0	
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Adult Services</b>						
Older People	23,690	24,195	(505)	0	(505)	Increased demand for homecare / residential care £450k being only partially addressed by investment of demographic growth funding, together with unbudgeted corporate pressure on holiday pay £71k, £86k additional transport costs and £81k additional Bordercare costs. Care package reductions following review (£240k) have partly mitigated these pressures.
Adults with Learning Disabilities (AWLD)	13,844	13,766	78	0	78	Managed review of care packages for a small number of additional clients has enhanced ability to contribute to offset pressures across department.
People with Physical Disabilities (PWPD)	3,081	3,174	(93)	0	(93)	As reported last month a substantial care package for an additional client agreed for during the last third of the financial year, in addition to previous pressures in care packages above budget coupled to one particular package not now being funded by NHS Borders as previously assumed.
People with Mental Health Needs	2,231	2,162	69	0	69	Efficiencies delivered through: Housing support Contract re-negotiations, staff turnover management savings and package cost reductions.
Generic Services & Staff Teams	5,293	5,177	116	0	116	Further savings on vacancy management and rigorous challenge of staff turnover.
<b>Adult Services</b>	<b>48,140</b>	<b>48,474</b>	<b>(334)</b>	<b>0</b>	<b>(334)</b>	
<b>Business Support</b>						
SW Performance & Improvement	3,174	3,181	(7)	0	(7)	
E&LL Strategic Support	1,657	1,635	22	0	22	Underspend in Disclosure costs as well as general underspends resulting from the cessation of non business critical expenditure.
<b>Sub-total Business Support</b>	<b>4,831</b>	<b>4,816</b>	<b>15</b>	<b>0</b>	<b>15</b>	
<b>Total - People</b>	<b>164,150</b>	<b>163,650</b>	<b>500</b>	<b>(527)</b>	<b>(27)</b>	

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PEOPLE**



**Key Highlights**

Savings in the delivery of the Early Years Service and the cessation of non-business critical expenditure during March has resulted in Children & Young People and Business Support reporting savings of £301k and £15k respectively. These amounts vary slightly from those reported to the February Executive, details noted above.

Pressures in the Children & Young People department in Integrated Children's Services - Out of Authority Placements and also in non-devolved schools long term absence costs have been managed throughout the year.

The impact of the savings within Children and Young People offsetting the residual pressures across Adult Services has resulted in a near-breakeven position to be reported at outturn for the People Department as a whole. This position has only been achieved through rigorous challenge and management of expenditure and income across the department and masks significant ongoing issues within Older People services.

**Key Challenges**

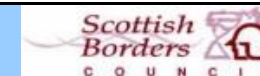
Delivering savings detailed in the Financial Plan from the Children & Young People transformation program, whilst being unable to reduce teacher absolute numbers will be the key challenge for the service in 2015/16.

A number of areas of pressure within Older People and Learning / Physical Disability services reported during 2014/15 will continue into 2015/16. A combination of additional Financial Plan investment into these areas of budget in 2015/16 (£1.6m), coupled to ongoing plans for management of these pressures should in the main, address this position going forward.

**Key Risks**

Ongoing delivery of savings assumed in the Financial Plan in relation to the learning delivery framework & schools review is a key area of risk to the Council in 2015/16.

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PLACE**



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<b>Commercial Services</b>						
Infrastructure Asset Management	2,385	2,362	23	0	23	£13k additional saving in final quarter electricity, £9k manpower saving.
Pay Parking	33	33	0	0	0	
Fleet Management	(71)	(160)	89	0	89	Higher Dayworks Labour income & Material profit. Increased profit margin from vehicle hires and decreased sub-contractor costs in the final two months. Review of Business Support processes in FM and possible software upgrades to be examined to address Dayworks forecasting issues experienced.
Passenger Transport	2,076	2,050	26	0	26	Known manpower saving within Passenger Transport Management.
Design Services	137	104	33	0	33	Additional income recharges in final quarter.
Projects	104	103	1	0	1	
Trading Contribution	(655)	(606)	(49)	0	(49)	Lower than anticipated margin on contract works has impacted on Sbc Contracts' profit.
Property & Facilities Management	3,639	3,461	178	0	178	Lower than anticipated food cost percentage within Catering £97k. Small increases in a number of income sources £27k. Utility savings across the office accommodation portfolio £37k and West Linton Primary School rates paid within Education £17k.
<b>Sub-total Commercial Services</b>	<b>7,648</b>	<b>7,347</b>	<b>301</b>	<b>0</b>	<b>301</b>	
<b>Neighbourhood Services</b>						
Customer Services	1,646	1,653	(7)	0	(7)	
Waste	8,141	8,064	77	0	77	Leachate is weather dependant and it has been drier than anticipated in the latter months of 2014/15 resulting in a one-off £45k underspend. Increased income for metal, bulky uplifts and tipping fees predominately relating to price negotiations and increased fees £19k. Overtime decreased following various service efficiency drives.
Safer Communities	395	392	3	0	3	
Neighbourhoods	12,834	12,708	126	0	126	Additional net trunk road income due to prolonged cold weather. An anticipated underspend of £100k prior to year end was allocated to Neighbourhoods roads to undertake road maintenance which was carried out in early 2015/16.
<b>Sub-total Neighbourhood Services</b>	<b>23,016</b>	<b>22,817</b>	<b>199</b>	<b>0</b>	<b>199</b>	

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<b>Regulatory Services</b>						
Assessor & Electoral Registration Officer	648	613	35	0	35	Lower than anticipated Individual Electoral Registration (IER) canvassing costs £15k. Lower postage costs as a consequence of increased online registration £10k. IER funding claim settled in full.
Legal Services	527	602	(75)	0	(75)	Known additional legal fees from Waste Consultancy case (£85k), partially offset by manpower and transport savings £10k
Planning	985	1,010	(25)	0	(25)	Lower than anticipated planning fee income.
Regulatory Services	1,184	1,159	25	0	25	£10k Additional pest control income, £10k saving in food sampling costs and £5k manpower saving.
Built & Natural Heritage	928	926	2	0	2	
<b>Sub-total Regulatory Services</b>	<b>4,272</b>	<b>4,310</b>	<b>(38)</b>	<b>0</b>	<b>(38)</b>	
<b>Business Support</b>	<b>1,339</b>	<b>1,334</b>	<b>5</b>	<b>0</b>	<b>5</b>	
<b>Total - Place</b>	<b>36,275</b>	<b>35,808</b>	<b>467</b>	<b>0</b>	<b>467</b>	

**Key Highlights**

Achieved an overall Underspend of £467k with significant contributions from a number of service areas having dealt with several known in-year pressures.

**Key Challenges**

Embedding and further developing effective budgetary controls into key areas of the new Place service is ongoing.

**Key Risks**

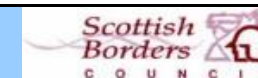
Key risk for potential future in year pressures are centred on effectively controlling Neighbourhood services expenditure on overtime and materials in line with available budgets.

Maintaining the SBC Contracts surplus level in challenging trading conditions post The Borders Railway project work.

The Planning service is highly dependent on fee income to achieve their budget target although the current projection realistically reflects what is achievable.



**REVENUE OUTTURN STATEMENT  
SCOTTISH BORDERS COUNCIL  
OTHER**



Other	Final Approved Budget (£'000)	Final Outturn Actual (£'000)	Variance pre adjustments (£'000)	Decrease/ (Increase) to Earmarked Balances	Variance against final adjusted Budget (£'000)	Reasons for material variances
<b>Corporate Transformation</b>						
Transformation (Projects)	319	363	(44)	0	(44)	One-off costs associated with project work to establish SB Cares & implement SW Charging Review project.
Change Fund	0	0	0	0	0	
Broadband	314	218	96	(96)	0	Issues with contractor has caused delays in roll-out resulting in increase to Earmark balance (£96k).
<b>Sub-total Corporate Transformation</b>	<b>633</b>	<b>581</b>	<b>52</b>	<b>(96)</b>	<b>(44)</b>	
<b>Early Retirement/Voluntary Severance</b>	<b>982</b>	<b>1,048</b>	<b>(66)</b>	<b>0</b>	<b>(66)</b>	One-off costs associated with changes to the Council's workforce.
<b>Fairer Scotland</b>	13	13	0	0	0	
<b>Loan Charges</b>	<b>18,179</b>	<b>18,133</b>	<b>46</b>	<b>0</b>	<b>46</b>	£146k saving due to tactical deferral of borrowing. Position reported follows transfer of £100k budget to increase Provision for Bad Debts.
Capital Financed from Current Revenue (CFCR)	1,197	1,197	0	0	0	
<b>Interest on Revenue Balances IORB</b>	<b>(10)</b>	<b>(20)</b>	<b>10</b>	<b>0</b>	<b>10</b>	Higher cash balances resulting in increased interest received (£10k).
<b>Contribution to Property Maintenance</b>	<b>2,218</b>	<b>2,218</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Provision for Bad Debts</b>	<b>225</b>	<b>225</b>	<b>0</b>	<b>0</b>	<b>0</b>	Provision increased from underspend in Loan Charges (£100k).
<b>Housing Benefits</b>						
Gross Expenditure	30,008	29,873	135	0	135	
Income	(29,241)	(29,155)	(86)	0	(86)	
	<b>767</b>	<b>718</b>	<b>49</b>	<b>0</b>	<b>49</b>	Higher than anticipated subsidy income received in relation to Rent Allowance claims
<b>Discretionary Housing Payments</b>						
Gross Expenditure	802	813	(11)	0	(11)	Higher than anticipated DHP claim Adjustments.
Income	(465)	(465)	0	0	0	
	<b>337</b>	<b>348</b>	<b>(11)</b>	<b>0</b>	<b>(11)</b>	
<b>Council Tax Reduction Scheme</b>	<b>5,600</b>	<b>5,550</b>	<b>50</b>	<b>0</b>	<b>50</b>	Reduction in benefit caseload despite various take up campaigns being carried out. This reducing caseload is line with a National Trend.

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<b>Non Domestic rates Relief</b>	150	127	23	0	23	Additional income from rent reviews, new tenancies.
<b>Commercial Rents</b>	(1,046)	(1,066)	20	0	20	
<b>Scottish Welfare Fund</b>						
Gross Expenditure	375	372	3	0	3	
Income	0	0	0	0	0	
	<b>375</b>	<b>372</b>	<b>3</b>	<b>0</b>	<b>3</b>	
<b>Total - Other</b>	<b>29,620</b>	<b>29,444</b>	<b>176</b>	<b>(96)</b>	<b>80</b>	

**Key Highlights**

**Key Challenges**

Loan charges are dependant on progress with the Capital Plan and borrowing required throughout the year.

**Key Risks**