

**MONTHLY REVENUE MANAGEMENT REPORT**  
**SCOTTISH BORDERS COUNCIL** 2018/19  
**SUMMARY**
**AT END OF MONTH: Sep-18**


	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	5,981	3,006	6,036	6,036	0	0	0	Balanced position forecast.
Asset & Infrastructure	29,475	17,658	30,484	30,710	(226)	226	(0)	Delays in delivery of financial plan savings within Roads and Waste Management Services and pressures from waste vehicles and hired and contracted services funded by alternative proposals in Assets & Infrastructure and corporate savings.
Economic Development & Corporate Services	583	404	584	607	(23)	23	0	Projected shortfall in commercial property income offset by efficiency measures and corporate savings.
Health & Social Care	56,601	14,242	51,181	51,885	(704)	704	(0)	Continued demand pressures in service and delays in delivery of savings by SBCares supported by non-recurring budget transfer from other services of £852k. Planning team transfer from H & SC to Transformation of £148k.
Public Health	88	(22)	88	88	(0)	0	(0)	
Children & Young People	114,568	52,081	117,360	116,782	578	(578)	0	Overall projected breakeven position allowing managed underspends over the remainder of the year to be used to support corporate pressures. Potential NDR, utilities and cleaning pressure in new primary and secondary schools requires further analysis and mitigation.
Customer & Communities	12,188	(13,401)	13,658	13,377	281	(281)	0	Release core Housing Benefits budget to fund corporate pressures.
Finance, IT & Procurement	35,412	20,350	33,733	33,851	(118)	118	0	Reduced borrowing requirement due to favourable interest rates to support corporate pressures. Capital financed by current revenue adjustment.
Human Resources	3,877	2,549	5,635	5,806	(171)	171	0	Drawdown from ERVS allocated Reserve (£235k), staff turnover and discretionary spend savings to fund corporate pressures.
Regulatory Services	7,650	4,078	10,793	8,235	2,558	(2,558)	0	Pressures within Planning & Building Standards fee income, are being offset within the Service by vacancy savings and expenditure controls. Earmarking Second Homes Council Tax to support future investment in affordable housing.
<b>Total</b>	<b>266,423</b>	<b>100,945</b>	<b>269,552</b>	<b>267,378</b>	<b>2,174</b>	<b>(2,174)</b>	<b>0</b>	
<b>Financed by:</b>								
Revenue Support Grant	(177,693)	(71,729)	(172,006)	(172,097)	91	(91)	0	Additional income from Scottish Government to support the increased clothing and footwear grant.
Non-Domestic Rates	(32,790)	(13,242)	(32,790)	(32,790)	0	0	0	
Council Tax	(60,077)	(60,308)	(59,977)	(59,774)	(203)	203	(203)	Projected under recovery due to increased exemptions/discounts.
Council Tax Reduction Scheme	6,242	5,275	5,507	5,304	203	203	203	Projected underspend offsetting under recovery in Council Tax.
Reserves:								
Earmarked Balances from 2017/18	(2,782)	0	(9,934)	(9,934)	0	0	0	
Earmarked Balances for future years	0	0	0	2,500	(2,500)	2,500	0	To earmark into 2019/20 projected underspend in 2nd Homes Council Tax.
Transfer to/from Reserves	677	0	(352)	(587)	235	(235)	0	Drawdown from ERVS allocated reserve (£235k).
<b>Total</b>	<b>(266,423)</b>	<b>(140,004)</b>	<b>(269,552)</b>	<b>(267,378)</b>	<b>(2,174)</b>	<b>2,174</b>	<b>0</b>	

<b>Culture &amp; Sport</b>	<b>Base Budget (£'000)</b>	<b>Actual to Date (£'000)</b>	<b>Revised Budget (£'000)</b>	<b>Projected Outturn (£'000)</b>	<b>Outturn Variance (£'000)</b>	<b>Proposed Virement (£'000)</b>	<b>Projected (over)/under spend</b>	<b>Summary Financial Commentary</b>
Cultural Services	3,669	1,739	3,773	3,773	0	0	0	
Sports Services	2,312	1,267	2,263	2,263	0	0	0	
<b>Total</b>	<b>5,981</b>	<b>3,006</b>	<b>6,036</b>	<b>6,036</b>	<b>0</b>	<b>0</b>	<b>0</b>	

**Key Highlights, Challenges & Risks**

A balanced position is forecast with all financial plan savings on target for permanent delivery in 2018/19.

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	4,008	1,531	4,182	4,041	141	(141)	0	Vacancy savings (£25k), delay of planned works (£50k) and additional income (£41k) transferred towards Neighbourhood Services pressure. Budget movement to Corporate Landlord (£25k) from additional vacancy savings.
Estates Management Services	438	169	434	393	41	(41)	0	Transfer of vacancy savings to Network & Infrastructure Asset Management (£38k) and Neighbourhoods (£3k)
Catering Services	782	1,713	777	777	0	0	0	
Cleaning & Facilities Management	1,516	1,923	1,782	1,782	0	0	0	
Design Services	226	391	214	181	33	(33)	0	Vacancy savings (£19k) towards roads review saving, (14k) additional income from Capital towards Neighbourhood Services pressure
Major Projects	129	140	92	17	75	(75)	0	Transfer budget (£75k) to Corporate savings from additional income.
Neighbourhood Operations	13,270	3,905	13,873	13,650	223	(223)	0	Transfer of Revenue budget to Capital for shared access paths (£138k) and play facilities (£218k). Delay in delivery of financial plan savings (£110k) and materials pressure (£23k). Budget transfer from Design (£14k), Property (£116k) and Estates (£3k)
Network & Infrastructure Asset Management	1,287	902	1,105	1,404	(299)	299	0	£280k delay in delivery of financial plan savings. £243k received from Corporate underspends and £38k from Estates Management. £19k from Design Services towards roads review saving.
SBContracts	(549)	1,725	(699)	(699)	0	0	0	Continued control of overhead spend and close monitoring of profits is required to achieve the current budgeted target.
Fleet Management Services	(295)	2,398	(246)	(246)	0	0	0	
Pay Parking	0	(56)	145	45	100	(100)	0	Transfer £100k of Galashiels Pay parking surplus to Capital for Play Park facilities
Waste Management Services	9,145	2,916	9,004	9,444	(440)	440	(0)	Delay in implementation of kerbside collection review (£175k), increased refuse collection vehicle hire costs (£205k) and increase in hired and contracted costs (£60k). Budget received from corporate underspends (£440k)
Corporate Savings	(484)	0	(179)	(79)	(100)	100	0	Budget transfer from Property Management (£25k) and Major Projects (£75k)
<b>Total</b>	<b>29,475</b>	<b>17,658</b>	<b>30,484</b>	<b>30,710</b>	<b>(226)</b>	<b>226</b>	<b>(0)</b>	

**Key Highlights, Challenges and Risks**

Asset & Infrastructure had identified pressures of £1.2m at September month end, these were primarily from the delay in delivery of Financial Plan savings within Neighbourhood Operations and Network & Infrastructure Asset Management, linked to the Roads Review and also in Waste Management Services. In addition there were pressures within Neighbourhoods Operations relating to increased material, hired plant & sub-contractor spend and increased vehicle hires within Waste Management Services. The service have identified budgets of £539k from within to mitigate these pressures, with a budget of £683k being transferred into Asset & Infrastructure from other services on a non-recurring basis.

Work is ongoing to action the budget changes required following approval of the Roads Review paper which will split Neighbourhood Operations into two component parts; Roads and Environmental. The Roads element of the service will be aligned with SB Contracts to form a new operational service which will perform all roads related operations.

Delivery of the SBC Contracts surplus can be influenced by market conditions, operational performance and contract tenders won forming key components of the routine financial monitoring processes.

Waste Management Services is currently showing increased costs for leachate, should this position continue to year end there may be a requirement to drawdown from the adverse weather reserve. They continue to work on several key pieces of complex work including the development of the Waste Transfer Station, kerbside collection modelling and the procurement of the residual waste contract.

<b>Economic Development &amp; Corporate Services</b>	<b>Base Budget (£'000)</b>	<b>Actual to Date (£'000)</b>	<b>Revised Budget (£'000)</b>	<b>Projected Outturn (£'000)</b>	<b>Outturn Variance (£'000)</b>	<b>Proposed Virement (£'000)</b>	<b>Projected (over)/under spend</b>	<b>Summary Financial Commentary</b>
Corporate Policy	254	95	195	195	0	0	0	
Economic Development	1,413	1,431	1,485	1,457	28	(28)	0	Staff turnover savings (£13k) and managed underspends (£15k).
Emergency Planning	160	71	148	139	9	(9)	0	Staff turnover savings (£5k) and operational efficiencies (£4k).
Commercial Property Income	(1,244)	(1,193)	(1,244)	(1,184)	(60)	60	0	Projected shortfall in commercial property income (£60k).
<b>Total</b>	<b>583</b>	<b>404</b>	<b>584</b>	<b>607</b>	<b>(23)</b>	<b>23</b>	<b>0</b>	

**Key Highlights, Challenges & Risks**

A forecast shortfall in commercial property income is being partly offset by staff turnover savings and reductions in discretionary spend with the balance being funded from savings from other Council services.

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	181	62	181	171	10	0	10	Staff turnover savings
Adult Protection	394	92	356	344	12	0	12	Staff turnover savings
Emergency Duty Team	293	161	292	335	(43)	0	(43)	Over-establishment pressure assumed to continue due to demand pressures
Business Support - Staff Development	255	30	255	215	40	0	40	Managed reduction in training commitment.
Quality Improvement	211	97	171	186	(15)	0	(15)	Staffing pressures
Services in Criminal Justice System	1,123	(15)	1,183	1,183	0	0	0	
Safer Communities	721	25	720	688	32	0	32	Staff turnover savings
Older People	23,960	5,697	19,924	20,296	(372)	372	(0)	Additional Extra Care Housing pressure, demographic and long term underfunding pressures in Community-based and Older Peoples Services. Resulting pressure of £372k being addressed through corporate budget transfer.
Joint Learning Disability	16,644	6,780	17,434	17,437	(3)	0	(3)	
Joint Mental Health	2,108	983	2,170	2,178	(8)	0	(8)	Increased client commitments
People with Physical Disabilities	5,831	1,358	3,408	3,638	(230)	230	0	Additional client pressure with increased number of client packages (£230k), being addressed through corporate budget transfer
Generic Services	4,881	(1,028)	5,087	5,214	(127)	102	(25)	Undelivered SB Cares savings of £422k partially offset by managed savings in other areas. Pressure of £275k being partially addressed through corporate budget transfer. Centralisation of Planning Team to Corporate Transformation £148k.
<b>Total</b>	<b>56,601</b>	<b>14,242</b>	<b>51,181</b>	<b>51,885</b>	<b>(704)</b>	<b>704</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	Summary Financial Commentary
Public Health	88	(22)	88	88	(0)	0	(0)	
<b>Total</b>	<b>88</b>	<b>(22)</b>	<b>88</b>	<b>88</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	

**Key Highlights, Challenges and Risks**

Health and Social Care continues to face budget pressures in Older Peoples Services and People with Physical Disabilities with a long term trend of more complex and expensive packages of home-care and non delivery of Financial Plan savings by SB Cares in Generic Services. To support the service budget of £852k has been moved into Health and Social Care from other services on a non-recurring basis. In addition an action plan has been agreed by the leadership team to manage in year expenditure and deliver savings of £300k.

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	6,689	2,913	7,485	7,193	292	(292)	0	18/19 Financial Plan saving £220k reduction in teachers delivered from disestablishment of 5 vacant ELC teaching posts to Primary Schools. Transfer £72k to Additional Support Needs to fund pre-school visiting teachers.
Primary Schools	30,377	14,121	32,687	32,883	(196)	196	0	18/19 Financial Plan saving £220k reduction in teachers delivered from disestablishment of 5 vacant ELC posts. Saving was originally budgeted within Primary Schools.(£29k) to reflect 2018/19 probationer funding devolved from Central Schools.Transfer£5k budget from Community Learning and Development to allow adult learners in Burnfoot Nursery.
Secondary Schools	39,588	20,259	41,207	41,327	(120)	120	(0)	£350k to reflect 2018/19 probationer funding devolved from Central Schools. Reductions in discretionary spend are contributing to corporate pressures.
Additional Support Needs	10,505	4,291	10,541	10,232	309	(309)	0	Further work is being undertaken to identify the impact of additional ANA allocations to schools although this is offset by identified savings elsewhere within ASN service. Further analysis being undertaken to update projected cost of ASN school transport. £72k transferred from Early Years to fund pre-school visiting teachers. Uncommitted budget is being transferred to support corporate pressures.
Children & Families Social Work	15,294	6,583	15,039	15,039	0	0	0	There are a range of emerging pressures within Children & Families Social Work, primarily due to temporary staffing and agency cover attributable to ongoing absence and demand-led pressures. These are currently being mitigated by identified planned savings elsewhere within the service. Placements and the delivery of £400k Financial Plan saving continues to be an area of close and robust management action.
Educational Psychology	647	126	647	644	3	(3)	0	Financial Plan savings met permanently from hired & contracted services due to a reduction in speech and language contract. Outturn position also relates to current vacancies within the service projected to remain so until 31.03.19.
Central Schools	4,842	1,715	3,097	2,812	285	(285)	0	To allocate grant funding from Scottish Government to support the increased clothing and footwear grant £91k. To devolve 2018/19 probationer budget to Primary and Secondary schools (£321k).
School Meals	1,782	(232)	1,782	1,782	0	0	0	
School Transport	3,627	1,574	3,627	3,627	0	0	0	Projected pressure in School Transport based on April to August information.
Community Learning & Development	1,219	731	1,248	1,243	5	(5)	0	Projected breakeven position assumes mitigating savings are identified over the remainder of the year to offset £18k unfunded post pressure in Opportunities for All. Transfer ESOL budget to Early Years to allow spaces for adult learners in Burnfoot Creche (£5k).
<b>Total</b>	<b>114,568</b>	<b>52,081</b>	<b>117,360</b>	<b>116,782</b>	<b>578</b>	<b>(578)</b>	<b>0</b>	

**Key Highlights Challenges & Risks**

Potential pressure in Primary and Secondary Schools pressure currently attributable to NDR, Utilities and cleaning under provision in new schools - Kelso HS, Langlee PS, Broomlands PS and Duns PS. Awaiting NDR bills for 2018/19 to be confirmed.

Active management of remaining CYP budgets in this financial year the Service are contributing to supporting pressures within other Services to the value of £669k on a one-off basis.

Majority of 18/19 Financial Plan savings have been or are in the process of being delivered. This includes £230k teacher reductions, £320k redesign of Early Years, £85k School Estate, £476k Central Schools and managing External Placements £400k. Other planned savings have required temporary mitigation due to delay in delivery for a number of reasons, including the ongoing interim management arrangements within Children & Families Social Work.

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	6,564	2,981	6,123	6,123	0	0	0	
Business Planning Performance & Policy Development	1,033	440	985	942	43	(43)	0	Underspend in staffing (£43k) to part fund staffing pressure in Community Planning (Locality Co-ordinator).
Community Planning & Engagement	588	308	1,118	1,205	(87)	87	0	Staffing pressure (Locality Co-ordinators) funded from underspends in Business Planning & Business Change (£87k).
Localities Fund	300	91	250	250	0	0	0	
Customer Advice & Support Services	3,175	1,579	2,746	2,816	(70)	70	0	Transfer of SWF administration budget (£81k), discretionary spend savings (£11k).
Democratic Services	1,386	718	1,350	1,350	0	0	0	
Business Change & Programme Management	422	285	473	502	(29)	29	0	Underspend in staffing (£44k) to part fund staffing pressure in Community Planning (Locality Co-ordinator). Transfer of Planning Team from Health & Social Care (£148k). Vacancy management and discretionary spend savings (£75k).
Discretionary Housing Payments	58	196	58	58	0	0	0	
Housing Benefits	593	(78)	593	60	533	(593)	(60)	Release core budget (£593k) and use 2017/18 year-end accrual balance to support corporate pressures.
Non Domestic Rates Relief	150	(20,114)	150	171	(21)	0	(21)	
Scottish Welfare Fund	492	201	492	330	162	(81)	81	Transfer of administration budget to CASS (£81k).
Corporate Savings	(2,572)	(7)	(680)	(430)	(250)	250	0	Digital Transformation savings not achievable in year, being met from projected underspends within Customer & Communities.
<b>Total</b>	<b>12,188</b>	<b>(13,401)</b>	<b>13,658</b>	<b>13,377</b>	<b>281</b>	<b>(281)</b>	<b>0</b>	

**Key Highlights, Challenges & Risks**

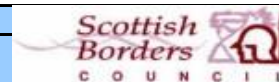
As part of a balance sheet review undertaken at year end to ensure the balance sheet is as accurate as possible indicated that there has been an over accrual of Housing Benefit in previous years and this £593k can now be released to support the revenue plan. The Service is contributing to a corporate target of £500k by delivering £250k digital transformation savings permanently from 2018/19. Savings from discretionary spend areas are being used to support corporate pressures.

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	392	87	389	381	8	(8)	0	Discretionary spend savings (£8k).
Finance	4,049	2,257	3,949	3,952	(3)	3	0	
Information Technology	11,332	5,100	11,391	11,391	0	0	0	
Corporate Savings	(232)	0	(232)	(232)	0	0	0	
Capital Financed from Current Revenue	0	0	0	456	(456)	456	0	Transfer of revenue from Neighbourhood Operations for shared access paths (£138k) and play facilities (£218k). Transfer from Pay Parking surplus (£100k), also for play park facilities.
Interest on Revenue Balances	(20)	0	(20)	(20)	0	0	0	
Loan Charges	20,467	12,618	18,667	18,267	400	(400)	0	Reduced borrowing requirement due to favourable interest rates (£400k) to support corporate pressures.
Provision for Bad Debts	125	287	290	290	0	0	0	
Recharge to Non-General Fund	(701)	0	(701)	(634)	(67)	67	0	Pressure to be funded from Loans Charges (£62k) and discretionary spend savings within Chief Executive (£5k).
<b>Total</b>	<b>35,412</b>	<b>20,350</b>	<b>33,733</b>	<b>33,851</b>	<b>(118)</b>	<b>118</b>	<b>0</b>	

**Key Highlights, Challenges & Risks**

Reduced borrowing requirement due to favourable interest rates has allowed £400k to be transferred from Loans Charges to support corporate pressures.



**MONTHLY REVENUE MANAGEMENT REPORT**
**SCOTTISH BORDERS COUNCIL**
**2018/19**
**AT END OF MONTH: Sep-18**


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	4,080	1,769	4,077	4,013	64	(64)	0	Staff turnover (£12k) and discretionary spend savings (£52k) to fund corporate pressures.
Early Retiral/Voluntary Severance	67	259	67	302	(235)	235	0	Drawdown from ERVS allocated reserve (£235k) to fund known commitments.
Communications & Marketing	466	280	501	501	0		0	
Corporate Transformation	773	241	990	990	0		0	
Corporate Savings	(1,509)	0	0	0	0		0	
<b>Total</b>	<b>3,877</b>	<b>2,549</b>	<b>5,635</b>	<b>5,806</b>	<b>(171)</b>	<b>171</b>	<b>0</b>	

**Key Highlights, Challenges & Risks**

Savings from discretionary spend areas are being transferred to support corporate pressures. A drawdown from the Allocated Reserve for ER/VS has been actioned to fund known ER/VS and redundancy commitments.

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	648	(423)	802	1,007	(205)	205	0	Budget transfer from Assessors (£35k), Passenger Transport (£69k), Legal Services (£73k) and Protective Services (£28k) to offset Planning & Building Standards fee income pressure (£205k)
Assessor & Electoral Registration Services	658	215	601	566	35	(35)	0	Vacancy underspend £35k towards Planning & Building Standards fee income pressure
Passenger Transport	2,140	2,493	2,041	1,972	69	(69)	0	Underspend of £69k from discretionary spend areas transferred to fund Planning & Building Standards Fee income pressure
Audit & Risk	332	190	328	331	(3)	3	0	Budget transfer from Legal Services (£3k) to offset Audit pressure
Legal Services	726	272	722	646	76	(76)	0	Vacancy savings (£76k) towards Planning & Building Standards fee income pressure (£73k) and Audit pressure (£3k)
Protective Services	1,579	635	1,493	1,407	86	(86)	0	Vacancy savings (£12k) and reduction in discretionary spend (£16k) towards Planning & Building Standards fee income pressure. Additional vacancy savings (£58k) towards corporate pressures.
Housing Strategy & Services	1,568	695	4,807	2,307	2,500	(2,500)	0	Second Homes Council Tax earmarked balance (£2.5m)
<b>Total</b>	<b>7,650</b>	<b>4,078</b>	<b>10,793</b>	<b>8,235</b>	<b>2,558</b>	<b>(2,558)</b>	<b>0</b>	

**Key Highlights, Challenges & Risks**

Planning & Building Standards fee income is highly variable and the current pressure is being managed from underspends within the Service. This income will be closely monitored over the remainder of the year. In addition to managing the pressure within the Service, budget has also been made available to support other corporate pressures across the Council.