

**MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL 2021/22
SUMMARY**
AT END OF MONTH: Jun-21


	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
Asset & Infrastructure	44,885	9,606	48,035	47,067	968	(968)	0	Balanced position is forecast following virements to reflect latest expenditure and income forecasts across the Council.
Health & Social Care	76,773	6,956	76,802	78,287	(1,485)	1,485	0	Balanced position is forecast following virements to reflect latest expenditure and income forecasts across the Council.
Young People Engagement & Inclusion	96,863	27,138	104,054	105,278	(1,225)	1,225	0	Significant Covid funding is being utilised to engage additional teachers and support staff for the 2021/22 academic year as well as to accelerate the Inspire program roll out. A balanced position is forecast following virements to reflect latest expenditure and income forecasts across the Council.
Customer & Communities	22,459	10,163	24,667	24,937	(270)	270	0	Pressures in Housing Benefit and Council Tax Reduction Scheme. Balanced position is forecast following virements to reflect latest expenditure and income forecasts across the Council.
Finance & Regulatory Services	43,872	8,899	46,861	44,307	2,554	(2,554)	0	The COVID-19 reserve is held within Finance reflecting corporate COVID-19 costs and additional Scottish Government funding to be allocated to services. Balanced position is forecast following virements to reflect latest expenditure and income forecasts across the Council.
Human Resources	6,905	1,526	7,035	7,135	(100)	100	0	Small pressure within the service being managed within, additional income and staff turnover savings being reallocated to address other service and COVID-19 pressures. Balanced position is forecast following virements to reflect latest expenditure and income forecasts across the Council.
Total	291,757	64,287	307,453	307,011	442	(442)	0	
Financed by:								
Revenue Support Grant	(190,186)	(45,642)	(197,089)	(199,829)	2,740	(2,740)	0	Additional funding confirmed for i) Covid-19 (£2.145m), including learning needs of children and young people; ii) Pupil Equity Fund in relation to a 15% pupil premium (£281k); iii) increase in Clothing & Footwear Grant (£245k); and iv) free music tuition (£69k).
Non-Domestic Rates	(33,571)	(6,154)	(26,668)	(26,668)	0	0	0	
Council Tax	(65,261)	(66,698)	(65,261)	(65,261)	0	0	0	
Second Homes Council Tax	(1,177)	0	(1,177)	(1,040)	(137)	137	0	Reduction in projected income through Second Homes Council Tax.
Capital Financed from Current Revenue	0	0	0	267	(267)	267	0	Capitalise available revenue budget to fund waste containers (£9k) and the purchase of curricular laptops to address Windows 10 requirements (£258k).
Reserves:								
Earmarked Balances from 2020/21	(1,562)	(16,695)	(17,258)	(17,258)	0	0	0	
Earmarked Balances for future years	0	0	0	3,037	(3,037)	3,037	0	To earmark Second Homes Council Tax budget into 2021/22 to support future investment in affordable housing.
Transfers to/from Reserves	0	0	0	(260)	260	(260)	0	Drawdown from unallocated reserves as per 2020/21 outturn report - i) temporary units at Peebles HS (£170k); and ii) recently announced increased insurance premiums (£90k).
Total	(291,757)	(135,189)	(307,453)	(307,011)	(442)	442	0	

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	12,601	937	12,530	12,773	(244)	244	0	
Property Management Services	13,115	1,788	13,035	13,233	(198)	198	0	Permanent virement to reflect transfer of Employment Infrastructure from Economic Development wef 1 September 2021 (£18k). Peebles High school pressure relating to temporary classrooms (£180k), partially funded from the unallocated reserve (£170k).
Estates Management Services	476	84	482	482	0		0	
Commercial Property Income	(1,264)	(997)	(1,264)	(1,243)	(21)	21	0	Commercial rents pressure as a result of reduced occupancy
Architects	126	90	126	126	0		0	
Major Projects	148	(27)	151	176	(25)	25	0	Additional staffing costs
Facilities	5,470	1,069	5,306	6,025	(719)	719	0	
Catering Services	756	(75)	758	1,042	(284)	284	0	Covid pressure relating to canteen & events catering (£210k). Net service pressure of £74k made up from a reduction in Schools & Nurseries income (£85k), increased cost of food (£144k) partially offset by reduced employee costs (£129k), conference expenses (£11k), equipment (£10k) & marketing & licences (£5k).
Cleaning & Facilities Management	4,714	1,145	4,548	4,983	(435)	435	0	Financial Plan savings not deliverable due to Covid (£261k). £85k Covid pressure relating to Galashiels Transport Interchange income partially offset by other available budgets within the Interchange (£68k) net pressure £17k. An additional Covid pressure relating to materials & PPE is now expected (£107k). External income pressure (£82k) also due to Covid is being partially offset through vacancy savings £54k. Equipment pressure (£33k) is being partially offset by various underspends (£11k)
Parks & Environment	4,359	830	4,367	4,367	0	0	0	
								Covid pressures relating to reduced toilet income (£63.5k) and expenditure relating to supply of bins in car parks where the restrictions on overnight parking for motor homes has been lifted temporarily (£1k) is being offset by reduced expenditure relating to employee costs £32k, Third Party Payments £19k, vehicles £13.5k, supplies & Services (£3k) & toilets cash collecting services (£8k). Service pressure relating to burials (£11k) is also being reported.
Roads & Infrastructure	9,658	4,211	9,881	9,901	(20)	20	0	
Network & Infrastructure Asset Management	9,841	2,182	9,893	9,893	0		0	
SBContracts	(701)	1,473	(701)	(701)	0		0	Balanced position forecast however risk around material price increases, longer lead times, potential shortage of required materials and reduced availability of skilled contractors. This will continue to be closely monitored.
Engineers	856	164	857	857	0		0	
Fleet Management Services	(338)	394	(338)	(318)	(20)	20	0	External income pressure (£20k).

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
Pay Parking	0	(3)	170	170	0		0	
Waste Management Services	9,003	1,776	9,001	9,700	(699)	699	0	Transfer of additional income from Democratic Services for the purchase of household bins (£9k). Covid pressures including hired vehicles (£36k), Agency (£150k), trade waste income (£118k), dry mixed recycle (£14k) and glass (£50k). Pressures relating to reduced gas income (£90.5k), increased cost for dry mixed recycle (£400k), increased residual waste cost (£119k), other waste treatment costs (£35k) (including wood, green waste, food & rubble) and reduced income from sale of waste material (£28k) partially offset by savings in staffing (£207k), premises related (£26k), Supplies & Services (£70k) and third party payments (£39k).
Passenger Transport	1,678	474	1,852	1,961	(109)	109	0	Covid related pressures include Bus Subsidies from reduced passengers (£62k), reduced external income (£9k), vaccine travel expenses (£1.5k), Route Planning software subscription (£19.5k) and reduced income relating to Schollars passes (£26k). Service savings in staffing costs (£19k) is partially offset by reduced income (£10k).
Planning Services	889	(23)	977	1,427	(450)	450	0	Estimated impact of Covid-19 on planning and building standards fee income. Forecast based on data for first quarter of 2021/22. Should pattern continue, we anticipate a pressure of £421k at this time. The situation is highly volatile and the service will continue to monitor this budget closely on a monthly basis and revise any forecast as the year unfolds. Permanent virement to reflect staffing structural changes wef 1 September 2021 (£79k)
Housing Strategy & Services	1,227	330	4,121	913	3,208	(3,208)	0	Reduction in projected income through Second Homes Council Tax (£137k). Release of Financial Plan pressure no longer required (£34k). To earmark 2nd Homes Council Tax into 22/23 (£3.037m) to support future investment in affordable housing.
Total	44,885	9,606	48,035	47,067	968	(968)	0	

Key Highlights, Challenges and Risks

Significant Covid-19 pressures reported across the Asset and Infrastructure Department which are being funded from the Covid reserve. Construction materials supply chain has been subject to unprecedented disruption in recent months. A surge in demand coupled with constraints on supply has led to price increases, shortages and longer lead times. This is a risk for the department but in particular for Roads & Infrastructure and Property and will continue to be monitored closely.

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	192	35	190	196	(6)	6	0	
Children & Families Social Work	14,807	2,503	15,059	15,059	0		0	
Adult Protection	411	69	422	517	(95)	95	0	Proposed virement includes the transfer of Corporate Covid-19 reserves to address staffing and training cost pressures in the service
Emergency Duty Team	317	81	317	341	(24)	24	0	Additional staffing costs associated with long term absence of Service Manager
Business Support - Staff Development	0	0	0	0	0		0	
Quality Improvement	65	17	68	323	(255)	255	0	Proposed virement includes the permanent transfer of five Mental health Officers from the Joint Mental Health service in line with service management arrangements
Services in Criminal Justice System	1	(27)	(27)	(27)	0		0	
Safer Communities	1,229	49	1,294	1,306	(12)	12	0	Proposed virement reflects confirmed additional Scottish Government funding to support collaborative working across Community Justice Partnerships.
Older People	9,880	(6,723)	9,157	8,829	328	(328)	0	Proposed virement includes a transfer of available ECH care provision budget to the Joint Mental Health service to address confirmed pressures. Service underspends resulting from higher than anticipated Self Directed Support - Direct Payment funds clawback £171k as well as lower than anticipated locality based community care and residential care costs (£157k)
Joint Learning Disability	16,122	3,783	16,775	18,355	(1,580)	1,580	0	Proposed virement includes the transfer of £780k from Corporate Covid-19 reserves in relation to undeliverable service savings in the current year due to the pandemic as well as the transfer of £70k from underspends within the SB Cares Day Centre provision in order to temporarily meet remaining savings target. All forecast Covid-19 related pressures assumed to be funded through Scottish Government Local Mobilisation Plan. Remaining pressure of £729k relates to new and increasing client care package costs, including clients transitioning from Children's Services
Joint Mental Health	2,196	475	2,177	2,007	170	(170)	0	Proposed virement includes the transfer of five Mental Health Officers to the Quality Improvement Service in line with current management arrangements as well as budget transfer from Older People's service to off-set confirmed pressures
People with Physical Disabilities	2,734	682	2,499	2,499	(0)	0	0	The service is currently forecasting pressures in relation to increased client care costs. These are being investigated and are anticipated to be brought in line with budget before the year end.
SB Cares	16,924	4,303	16,425	16,411	14	(14)	0	Proposed virement includes the transfer of budget to Customer Advice & Support Services in relation to Community equipment Store telephone costs (£4k), the transfer of budget available in Day Centres to fund remaining Day Centre savings in the Joint Learning Disability service (£70k) and the transfer of Corporate Covid-19 reserve budget into SB Cares to fund continued Transformation and Covid-19 response work - £60k.
Generic Services	6,339	255	6,937	6,911	26	(26)	0	Various underspends in locality based services amounting to £26k.

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
Cultural Services	3,506	94	3,461	3,461	0		0	
Sports Services	1,957	1,379	1,957	2,007	(50)	50	0	Transfer budget from Loan Charges to fund depreciation and interest charges for sports pitches (£50k).
Total	76,680	6,976	76,711	78,196	(1,485)	1,485	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	93	(20)	91	91	0	0	0	
Total	93	(20)	91	91	0	0	0	

Key Highlights, Challenges and Risks

There is a balanced Service position following all the required virements. The service continues to experience additional COVID pressures which are funded from the Council reserves and through the LMP addressing challenges mainly due to demand and staffing requirements.

Young People Engagement & Inclusion	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	6,045	3,398	7,931	7,932	(1)	1	0	Continuing Professional Development (CPD) budget devolved from Central Schools for teacher training £1k.
Primary Schools	29,311	7,516	29,741	31,375	(1,634)	1,634	0	2021/22 Pupil Equity Funding (PEF) including additional 15% pupil premium £1,600k . CPD budget devolved from Central Schools for teacher training £34k.
Secondary Schools	39,864	11,566	40,603	41,395	(792)	792	0	2021/22 PEF including additional 15% pupil premium £557k. CPD budget devolved from Central Schools for teacher training £30k. Probationer budget devolved from Central Schools for the 2021 summer term £205k.
Additional Support Needs	11,571	2,587	11,760	11,767	(7)	7	0	CPD budget devolved from Central Schools for teacher training £7k.
Educational Psychology	704	171	697	697	0		0	
Central Schools	3,222	366	7,176	5,967	1,209	(1,209)	0	Reallocation of budget to Central Schools to continue support for the Inspire Learning Academy £82k. Allocate 2021/22 PEF to Primary and Secondary schools including additional 15% pupil premium (£2,157k). Devolve CPD budget to Early Years, Primary Schools, Secondary Schools and Additional Support Needs in relation to Teachers training (£72k). Devolving probationer budgets to Secondary Schools for the 2021 summer term (£205k). Gross up additional RSG funding re PEF (15% pupil premium) £281k. Gross up increase in Clothing & Footwear Grant £245k, Free Music Tuition funding £69k and SBC share of £60m Education Recovery Funding £1,199k. Roll out of additional iPads to Primary 4/5 ahead of schedule (£651k).
School Meals	1,756	695	1,756	1,756	0		0	
School Transport	3,442	589	3,442	3,442	0		0	
Community Learning & Development	948	250	947	947	0		0	
Total	96,863	27,138	104,054	105,278	(1,225)	1,225	0	

Key Highlights Challenges & Risks

There is a balanced service provision following all required virements. Education related Covid funding from Scottish Government is being used within the service to cover any additional pressures that arise due to Covid.

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
Assessor & Electoral Registration Services	856	198	920	920	0		0	
Business Support	5,160	1,237	5,208	5,208	0		0	Transfer subscription budget for IHS Global to Asset & Infrastructure wef 1 April 2022 (£29k).
Community Planning & Engagement	142	(336)	383	429	(47)	47	0	Available staffing budget to be vired from Business Change to fund interim staff structure (£47k).
Localities/Community Fund	1,221	386	1,806	1,806	0		0	
Customer Advice & Support Services	3,208	823	3,802	3,816	(14)	14	0	Additional Scottish Welfare Fund (SWF) administration funding transferred from SWF (£10k). Transfer budget from SB Cares for providing telephony support for the Community Equipment Store (£4k).
Democratic Services	1,704	589	1,731	1,747	(16)	16	0	Transfer additional income, as agreed, for street naming & numbering to Waste Services for the purchase of waste containers (£9k). Staffing pressure as a result of 2021/22 Members pay award (£25k).
Business Change & Programme Management	1,211	292	1,210	1,087	123	(123)	0	Additional staff turnover savings to be used to fund increased transformational expenditure in 21/22 (£76k) and interim staffing pressure within Community Planning (£47k).
Economic Development	1,400	471	1,848	1,859	(11)	11	0	Permanent virement to reflect staffing structural changes, including the transfer of Employment Infrastructure to Asset & Infrastructure, wef 1 September 2021.
Discretionary Housing Payments	733	16	733	733	0		0	
Housing Benefits	623	285	623	647	(24)	24	0	Forecast assumes net spend of £790k less overpayments recovered £143k.
Non Domestic Rates Relief	201	201	201	201	0		0	
Scottish Welfare Fund	596	140	794	784	10	(10)	0	Transfer additional administration budget to Customer Advice & Support Services (£10k).
Council Tax Reduction Scheme	5,407	5,860	5,407	5,699	(292)	292	0	Potential pressure projected due to continued demand on Scheme. Forecast reflects view of the continuing month on month reduction and improving outlook.
Total	22,459	10,163	24,667	24,937	(270)	270	0	

Key Highlights, Challenges & Risks

There is a balanced position for the Service after the required virements. There are additional COVID impacts that will be funded from the Council reserves with the main pressure around the Council Tax Reduction scheme.

Finance and 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
Covid-19 Reserve Fund	7,300	4,090	6,722	1,911	4,811	(4,811)	0	
Corporate	(1,581)	0	19	1,219	(1,200)	1,200	0	Projected shortfall in grants administration recharge based on current external funding opportunities (£200k) after delivery of £300k of savings. Delays in the delivery of the corporate Commissioning and Contract Management Financial Plan saving (£1m).
Chief Executive	191	74	188	188	0		0	
Corporate Policy	348	(133)	350	260	90	(90)	0	Permanent virement to reflect staffing structural changes wef 1 September 2021 (£90k).
Emergency Planning	132	56	133	159	(26)	26	0	Staffing pressure partly due to Covid-19.
Finance	4,322	257	4,418	4,516	(98)	98	0	Overtime pressure as a result of Covid-19 (£8k). Drawdown from unallocated reserve to fund recently announced increase in insurance premiums (£90k).
Information Technology	11,435	2,598	13,191	14,467	(1,275)	1,275	0	Change in accounting treatment of Business World licensing beyond initial implementation (£176k). Reallocation of budget to Central Schools to support Inspire Learning Academy (£82k). Rise in service charge due to increased use of compute storage platforms (£480k) and telephony pressure as a result of increased mobile and telephone usage (£50k). Increase to revenue budget to provide for iPads purchased through Transformation £34m fund (£651k).
Legal Services	742	227	740	740	0		0	
Protective Services	1,616	392	1,613	1,613	0		0	
Audit & Risk	339	104	338	360	(22)	22	0	Implementation of risk shared service with Midlothian Council now not possible (£22k). Their management restructure sets out staff resourcing for corporate risk management in a different model.
Loan Charges	19,466	1,109	19,586	19,312	274	(274)	0	Reduced borrowing requirement due to timing movements in the capital programme based on June projections (£274k).
Provision for Bad Debts	125	125	125	125	0		0	
Recharge to Non-General Fund	(563)	0	(563)	(563)	0		0	
Total	43,872	8,899	46,861	44,307	2,554	(2,554)	0	

Key Highlights, Challenges & Risks

The COVID-19 reserve is held within Finance reflecting corporate COVID-19 costs and additional Scottish Government funding to be allocated to services. The unallocated balance in the COVID-19 reserve at the end of June 2021 is £10.581m.

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	4,726	1,058	4,785	4,807	(22)	22	0	Equal pay pressure (£22k).
Early Retiral/Voluntary Severance	67	0	67	67	0		0	
Corporate Transformation	790	191	860	937	(77)	77	0	Available budget transferred from Business Change to fund additional transformational spend anticipated for 2021/22.
Employment Support Service	383	55	369	338	31	(31)	0	Skills Development Scotland income (£27k) and additional staff turnover savings (£4k).
Communications & Marketing	505	119	520	520	0		0	
Business Planning Performance & Policy Development	433	103	434	466	(32)	32	0	Permanent virement to reflect staffing structural changes wef 1 September 2021.
Total	6,905	1,526	7,035	7,135	(100)	100	0	

Key Highlights, Challenges & Risks

The service has addressed a small pressure from within existing service budgets. Additional income and staff turnover savings are being re-allocated to address pressures elsewhere in the Council.