

MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL **2015/16**
SUMMARY

AT END OF MONTH: **Sep-15**



	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	27,291	15,566	29,677	29,400	276	(276)	0	Chief Executive is currently projecting a balanced position after earmarking for the rollout of broadband network and ICT infrastructure across the Scottish Borders scheduled for completion in 2016/17 (£280k).
People	167,336	77,538	169,760	169,722	38	(38)	0	Pressures currently identified in Out of Authority placements of £959k are being managed within the Children & Young Peoples Service to deliver a position in line with budget, with discretionary spend being reviewed in all areas. A balanced outturn position is projected in Adult Services, but included in this position are over £600k of savings which are required over the remainder of the financial year, £300k of which still requires firm planning and delivery. When delivered, a range of demand and provider cost pressures across homecare, respite and community-based services will therefore be contained overall within Adult Services enabling a projected breakeven position to be reported.
Place	36,145	16,312	36,993	37,086	(92)	92	0	The Place department is projecting a balanced position with virements being actioned to realign budget to projected outturn across the Services. A pressure of £489k has been identified within Neighbourhoods Roads, this is being managed by the service through an action plan that aims to manage expenditure to a balanced outturn position in the second half of the financial year.
Loan Charges	20,710	327	19,049	18,643	406	(406)	0	Projected saving due to favourable interest rates being used to fund contribution towards Borders Railway Celebration Fund (£10k) and increase in ERVS budget for 2015/16 (£461k). Capital financed by current revenue £65k.
Other	3,089	6,926	10,563	11,359	(796)	796	0	Increase in ERVS budget (£861k), transfer of Scottish Welfare Fund administration budget to Customer Services (£65k).
Total	254,571	116,669	266,042	266,210	(168)	168	0	
Financed by:								
Revenue Support Grant	(168,472)	(90,552)	(174,586)	(174,703)	117	(117)	0	Council Tax Reduction Scheme administration (£117k)
Non-Domestic Rates	(34,849)	(17,171)	(34,849)	(34,849)	0	0	0	
Council Tax	(51,602)	(30,162)	(51,602)	(52,002)	400	(400)	0	Additional income from Council Tax transferred to ERVS budget.
Reserves:								
Earmarked Balances from 2014/15	0	0	(5,859)	(5,859)	0	0	0	
Earmarked Balances for future years	860	0	1,860	2,209	(349)	349	0	
Transfers to\from Reserves	(508)	0	(1,006)	(1,006)	0	0	0	
	(254,571)	(137,885)	(266,042)	(266,210)	168	(168)	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	421	229	429	429	0	0	0	
Executive Support	370	180	344	344	0	0	0	
Public Health								
Gross Expenditure	0	5	63	63	0	0	0	
Income	0	(69)	(63)	(63)	0	0	0	
	0	(64)	0	0	0	0	0	
Strategy & Policy								
Strategic Policy Unit	1,041	528	1,087	1,097	(10)	10	0	Additional budget from Loan Charges for Railway Celebration Fund (£10k).
Economic Development	1,566	926	1,995	1,970	25	(25)	0	Underspend in European Fisheries Fund (EFF) project (£25k) to be earmarked to match fund new European Maritime and Fisheries Fund (EMFF) programme due to commence in 2016/17.
Housing Strategy & Services	3,334	1,997	4,378	4,307	71	(71)	0	Contribution towards Borders Young Person Guarantee Scheme within Children and Young People (£46k) and earmarked balance for modern apprentice contracts which run into 2016/17 (24k).
Audit & Risk	473	189	403	403	0	0	0	
Sub-total Strategy & Policy	6,414	3,640	7,863	7,777	86	(86)	0	
Finance	3,357	1,655	3,575	3,564	10	(10)	0	Centralisation and top slicing of Trade Union budget (£10k).
Human Resources								
HR	1,399	630	1,404	1,507	(103)	103	0	Centralisation (£99k) and backfill of Trade Union budget (£4k)
HRSS	762	438	800	799	1	(1)	0	
Sub-total Human Resources	2,161	1,068	2,204	2,306	(102)	102	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
Business Transformation								
Transformation	777	497	870	870	0	0	0	
Information Technology	5,047	2,758	5,502	5,221	281	(281)	0	Earmark balance for rollout of broadband network and ICT infrastructure across the Scottish Borders, scheduled for completion in 2016/17 (£280k).
Community Services	4,622	2,230	4,738	4,738	0	0	0	
Health & Safety	393	168	392	392	0	0	0	
Emergency Planning	159	63	159	159	0	0	0	
Communications	506	342	579	579	0	0	0	
Democratic Services	1,452	809	1,355	1,354	1	(1)	0	
Sports Trusts	2,313	2,039	2,367	2,367	0	0	0	
Sub-total Business Transformation	15,269	8,906	15,962	15,680	282	(282)	0	
Recharge to Non-General Fund	(701)	(48)	(700)	(700)	0	0	0	
Total - Chief Executive	27,291	15,566	29,677	29,400	276	(276)	0	

Key Highlights

The Chief Executive's department is projecting a balanced outturn position.

Key Challenges

The delayed implementation of the Salary Sacrifice Scheme will result in the related savings of £60k being only partially achieved by anticipated means.

Key Risks

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								
Early Years	6,904	2,620	6,901	6,999	(98)	98	0	Funding from Early Years Change Fund to enable sustainability of 4 new Early Years Centres £100k. Balanced position forecast as new delivery model is rolled out.
Primary Schools	31,687	16,510	32,207	32,240	(33)	33	0	£24k from Physical Activities to part offset evening let shortfall. 1+2 Funding Initiative £13k and CFCR (£4k).
Secondary Schools	39,856	20,752	40,733	40,730	3	(3)	0	1+2 Funding Initiative £2k and CFCR (£5k)
Central Schools	3,849	1,534	4,949	4,647	302	(302)	0	Funding of ICS out of authority placements pressure (£157k). Funding to Early Years to enable sustainability of 4 new Early Years Centres (£100k). (£24k) to part offset financial plan savings for more efficient use of lets. 1+2 Funding Initiative to schools £15k. Earmarking £20k budget for the early Years Programme manager. £46k contribution for Borders Guarantee post from Chief Executives.
Transportation	3,352	963	3,476	3,533	(57)	57	0	Pressure from increased in-house transport costs £57k
School Meals	2,162	751	2,172	2,115	57	(57)	0	Available budget within catering used to offset Transport pressure.
Community Learning & Development	1,068	494	1,079	1,078	1	(1)	0	
Integrated Children's Services (ICS)	26,095	11,394	25,921	26,065	(144)	144	0	An identified out of authority placement pressure of £959k within ICS due to an increase in the number of placements for children with complex needs being partly managed within the Service by development of an action plan including the non filling of currently vacant posts and discretionary spend savings (£457k), a phased introduction of new staffing structures (£315k) and funding of £157k from Central budgets . (CFCR £6k).
Sub-total Children & Young People	114,973	55,018	117,438	117,407	31	(31)	0	
Chief Social Work Officer								
Services in the Criminal Justice System								
Gross Expenditure	1,228	567	1,275	1,275	0	0	0	
Income	(1,228)	(265)	(1,275)	(1,275)	0	0	0	
	0	302	0	0	0	0	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
Adult Services								
Older People	24,191	9,997	24,577	24,677	(100)	(3)	(103)	Pressures across homecare, respite and SDS are being managed by the implementation of an action plan which will deliver savings to offset projected pressures through increasing income from long-stay bed utilisation, package review and assessment panel and a managed delay in the establishment of the Dementia Care Team. Increased homecare costs from the transfer of staff and contracts to SB Cares has been met from a contribution from reserves. Further savings to be identified and delivered in order to offset pressures within Older People and PWP. (£100k).
Adults with Learning Disabilities (AWLD)	14,510	5,979	14,666	14,566	100	0	100	Projected pressure from increased night support costs has been met in 2015/16 from a contribution from reserves (£200K). Significant work has been undertaken over the last 18 months to ensure a balanced outturn position can be delivered. Further savings to be identified and delivered in order to offset pressures across wider Adult Services. (£100k).
People with Physical Disabilities (PWP)	3,250	1,726	3,096	3,213	(117)	0	(117)	Continued pressure arising from demand for community based services based on current clients' complex needs. No agreement to 50/50 fund a particular high-cost package has been reached with NHS Borders.
People with Mental Health Needs	2,241	1,015	2,249	2,249	0	0	0	
Generic Services & Staff Teams	4,575	2,240	4,742	4,622	120	0	120	A range of measures are in place aimed at delivering savings in order to offset pressures experienced across Adult services. Such actions include managing staff turnover rigorously, the allocation of cash-constrained budgets to managers and reduction in planned spend / removal of soft commitments. Further rigorous management of staffing vacancies will be required to offset current pressures between now and the year-end (£177k).
Contribution from SB Cares	(480)	(253)	(480)	(480)	0	0	0	
Adult Services	48,287	20,704	48,850	48,847	3	(3)	0	
Business Support	4,076	1,514	3,472	3,468	4	(4)	0	CFCR (£3k).
Total - People	167,336	77,538	169,760	169,722	38	(38)	0	

Key Highlights

Roll-out of Early Years provision to all 3 & 4 year olds and eligible 2 year olds is ongoing. Exact costs yet to be established.

Delivery of Children & Young People, Business Support and Adult Services Transformation Programs & associated savings largely on track.

An action plan is now in place to deliver remedial savings addressing underlying pressures in full and enable the reporting of the projected position above, in addition to the delivery in full of all financial planning savings with the exception of a small number of exceptional issues such as increased income from the Borders Ability & Equipment Store and savings from the review of day services. Further actions to reduce the cost of commissioning of homecare hours / identify alternative saving measures are now required however, in order that a balanced outturn be reported to CMT.

Key Challenges

Children & Young People have still to fully identify permanent delivery of 2015/16 Transformation savings.

Funding the pressure from within the Children & Young People of increasing numbers and more costly Out of Area Placements.

There continues to be a number of areas of emerging pressure across all adult services including increasing provider costs, demand for services and new legislative requirements. Additionally, due to increasing homecare costs, over £600k of remedial savings require delivery over the remainder of the financial year.

Key Risks

Maintaining teacher numbers to avoid risks to overall Council Funding.

Permanently identifying transformation savings given restrictions on reducing teacher numbers.

The key risks to delivering the position above, let alone a breakeven position, therefore relate to the ability to deliver all remedial savings (those already in the plan and those still to be identified) in full during the remainder of this financial year and the assumption that no significant additional pressures arising that have not yet been accounted for between now and the 31st March 2016.

There are also a number of unknown factors which will impact on the reported position going forward including latest external homecare utilisation reports being as yet unavailable, pressures on provider and direct payment rates and what actions can be put in place to reduce the number of long-stay beds commissioned / increase utilisation of short-stay beds for long-stay.

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SCOTTISH BORDERS COUNCIL **2015/16**
PLACE

AT END OF MONTH: Sep-15



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	2,121	1,081	2,329	2,197	132	(132)	0	£105k additional income from Capital Management fee recharge & £82k vacancy savings partially offset by £50k expenditure associated with the manufacture & erection of signs & posts for Borders Railway & £6k increased advertising expenses.
Pay Parking	0	1	80	80	0	0	0	
Fleet Management	(215)	280	(228)	(229)	1	(1)	0	
Passenger Transport	2,190	1,146	2,245	2,175	70	(70)	0	£61k reduction in net cost within minibuses service. 9k Capitalisation of equipment for Galashiels Transport Interchange.
Design Services	100	85	85	85	0	0	0	
Projects	121	20	169	169	0	0	0	
Trading Contribution	(652)	1,710	(332)	(332)	0	0	0	
Property & Facilities Management	3,760	1,398	3,350	3,652	(302)	302	0	£14k Capitalisation of budget for cleaning equipment, £10k Capitalisation of budget for catering equipment. Additional costs and income pressures within the Catering Service being managed from within the overall budget. All pressures are being fully offset by savings from elsewhere in PLACE.
Sub-total Commercial Services	7,425	5,721	7,698	7,797	(99)	99	0	
Neighbourhood Services								
Customer Services	1,476	508	1,689	1,869	(180)	180	0	£117k from RSG to reduce HB Admin Subsidy, and £65k from Scottish Welfare Fund.
Waste	9,396	3,325	8,929	8,916	13	(13)	0	£12k capitalisation of budget for odour control unit.
Safer Communities	390	16	452	452	0	0	0	
Neighbourhoods	12,093	5,433	12,406	12,377	29	(29)	0	A pressure of £489k has been identified within Neighbourhoods Roads, this is being addressed by the service through an action plan that includes measures such as reviewing all discretionary spend, the materials budget, staffing costs and, where possible, maximising income. Budget movement to HR for Trade Union (£50k), backfill for TU top sliced £21k.
Sub-total Neighbourhood Services	23,355	9,282	23,476	23,614	(138)	138	0	

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PLACE

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Regulatory Services								
Assessor & Electoral Registration Officer	681	353	752	752	0	0	0	
Legal Services	536	240	725	606	119	(119)	0	Vacancy & Restructure savings
Planning	720	(459)	1,896	1,927	(31)	31	0	£40k Additional costs associated with a Public Enquiry (Aitken Gall) partially offset by vacancy savings.
Regulatory Services	1,276	618	1,262	1,238	24	(24)	0	Vacancy savings.
Built & Natural Heritage	852	0	0	0	0	0	0	
Sub-total Regulatory Services	4,065	752	4,635	4,523	112	(112)	0	
Business Support	1,300	557	1,185	1,152	33	(33)	0	Vacancy savings.
Total - Place	36,145	16,312	36,993	37,086	(92)	92	0	

Key Highlights

PLACE are projecting a balanced position. Working is on-going to quantify and resolve potential pressures identified within Neighbourhood Services and an income pressure in Planning Enforcement. Work is ongoing to assess the impact of school meals uptake in the Catering service.

Key Challenges

Maintaining the financial performance of SBC Contracts remains a challenge in the face of a difficult market and internal management changes.
 A Business Support review is underway and will achieve a permanent saving of £150k.
 A pressure of £489k has been identified within Neighbourhoods Roads, plans are in place to review all discretionary spend, the materials budget, staffing costs and, where possible, maximise income.

Key Risks

Transformation savings of £150k have not yet been met within Waste, potential areas identified to address this including leachate and additional gas income which are dependant upon conditions on the landfill site.
 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 2015/16 later in the year.
 The Planning service is highly dependent on fee income to achieve their budget target although the current projection realistically reflects what is achievable.

MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL
2015/16
AT END OF MONTH: Sep-15

OTHER

Other	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
Corporate Transformation								
Transformation (Projects)	(322)	206	680	680	0	0	0	
Sub-total Corporate Transformation	(322)	206	680	680	0	0	0	
Early Retirement/Voluntary Severance	418	1,243	1,336	2,197	(861)	861	0	Balanced position based on current approved individuals. £2m budget established to ensure full year Financial Plan savings met in 2016/17. To be funded from projected over recovery of Council Tax (£400k), underspend in Loan Charges (£461k) and Allocated Reserves (£1.139k).
Fairer Scotland	223	0	13	13	0	0	0	
Loan Charges	20,710	315	19,089	18,618	471	(471)	0	Borders Railway Celebration Fund (£10k) and increase in ERVS budget (£461k).
Capital Financed from Current Revenue (CFCR)	0	12	(40)	25	(65)	65	0	Capitalisation of revenue budget (£65k).
Interest on Revenue Balances IORB	(10)	(1)	(10)	(10)	0	0	0	
Contribution to Property Maintenance	2,253	2,253	2,253	2,253	0	0	0	
Provision for Bad Debts	125	125	125	125	0	0	0	
Housing Benefits								
Gross Expenditure	29,910	14,087	29,910	28,242	1,668	0	1,668	
Income	(29,317)	(15,850)	(29,317)	(27,488)	(1,829)	0	(1,829)	
	593	(1,763)	593	754	(161)	0	(161)	Projected pressure due to receipt of Real Time Information which is improving the detection of benefit overpayments. £161k surplus from Council Tax Reduction Scheme used to cover this pressure.
Discretionary Housing Payments	58	305	218	218	0	0	0	
Council Tax Reduction Scheme	316	5,341	5,888	5,727	161	0	161	Reduction in benefit caseload. Used to offset the shortfall in Housing Benefit.
Non Domestic rates Relief	150	136	150	150	0	0	0	
Commercial Rents	(1,187)	(1,110)	(1,187)	(1,187)	0	0	0	
Scottish Welfare Fund	472	191	504	439	65	(65)	0	Scottish Welfare Fund administration budget movement to Customer Services (£65k).
Total - Other	23,799	7,253	29,612	30,002	(390)	390	0	

MONTHLY REVENUE MANAGEMENT REPORT

SCOTTISH BORDERS COUNCIL

2015/16

AT END OF MONTH: Sep-15



OTHER

Key Highlights

Fairer Scotland funding with effect from 2016/17 is currently under review.

Key Challenges

Loan charges are dependant on progress with capital plan and borrowing required throughout the year.

Key Risks

MONTHLY REVENUE MANAGEMENT REPORT

PERFORMANCE INDICATOR INFORMATION **2015/16** **AT END OF :** **Sep-15**

Key Cost Driver Performance Analysis - Chief Executive

	Month Sep-14	Month Aug-15	Month Sep-15	Narrative
1 No of Homelessness Properties	169	165	165	
2 No of homelessness presentations	62	44	53	
3 No in B&B	1	3	1	
4 Vacant lets (Heart of Hawick)	18%	20%	20%	

Key Cost Driver Performance Analysis - People

	Month Sep-14	Month Aug-15	Month Sep-15	Narrative
Schools				
1 Transportation (proj % of budget)	100%	100%	102%	Pressure is being funded from elsewhere within the Children & Young People budget.
2 Unitary Charge (proj % of budget)	100%	100%	100%	
3 Staff Turnover (% of target)	100%	100%	100%	
ADULT SERVICES				
	Baseline @ March 15	Month Aug-15	Month Sept-15	
4 Homecare Hours	12,981	13,729	10,785	
5 Residential: Elderly Beds (excl respite beds, and Intermediate care)	652	634	652	
ICS				
	Baseline @ March 15	Month Aug-15	Month Sept-15	
6 Out of Authority Placements	64	49	50	The number of placements has reduced during 2015/16 however the current placements are more expensive.
7 Foster Care	95	94	95	
8 Kinship Care	40	49	55	
9 Secure Placements	0	1	1	

Key Cost Driver Performance Analysis - Place

	Month Sep-14	Month Aug-15	Month Sep-15	Narrative
Commercial Services				
1 Contracts Won (by value £k)	1,112	89	1,165	
2 PT Fares Income (£k)	202	157	176	
3 FM Dayworks costs (£k)	76	97	114	
4 Fuel Price (Derv ppl)	105	89	90	
5 Primary school meal uptake per day	43%	55%	55%	
6 Secondary school income per day	£5,455	£5,149	£5,470	
Neighbourhood Services				
7 Roads Expenditure Committed	315	257	313	
8 Salt Stock (t)	19,066	14,767	16,519	
9 Recyclate Tonnage	1,685	1720	tbc	
10 Landfill Tonnage (MSW)	3,241	3340	tbc	

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PERFORMANCE INDICATOR INFORMATION

2015/16

AT END OF : Sep-15

Key Cost Driver Performance Analysis - Other Services

Other	Month Sep-14	Month Aug-15	Month Sep-15	Narrative
1 Current live procurement contracts	38	40	45	
2 ER/VS approved (FTE)	2.10	44.78	44.78	
3 Number of new HB Claimants	177	163	168	
4 Number of ongoing HB Claims requiring action	1,352	1235	1240	
5 No of properties eligible for full NDR Relief	3,490	3,600	3,593	
6 No of properties eligible for partial NDR Relief	1,154	1,149	1,140	