

SUMMARY	2021/22					C O U N C I L
	Final Approved Budget (£'000)	Final Outturn Actual (£'000)	Variance pre adjustments (£'000)	Decrease/ (Increase) to Balances (£'000)	Variance against final adjusted Budget (£'000)	Summary Financial Commentary
Infrastructure & Environment	45,609	45,575	34	(518)	(484)	An overspend of £484k is being reported. Within this position £174k is being returned to the Covid-19 reserve primarily as a result of increased Planning Fee Income. After returning this to the Covid reserve the service have a remaining net adverse position of £502k. During 2021/22 the service responded to emergency flood and storm events with costs in excess of £400k, the milder than average winter experienced has allowed the service to manage some of these costs within existing budgets. In addition there have been costs of £302k for leachate disposal from the landfill site. The service is impacted by inflationary increases particularly within the construction and utility markets.
Social Work & Practice	59,902	58,039	1,862	(780)	1,082	The year end position is £1.082m under budget. This is mainly due to both Older People $(£520k)$ and Learning Disability $(£361k)$ experiencing higher than expected client income and lower client/care costs. Mental Health $(£113k)$ is also under budget due to reduced staff and care package costs, while Safer Communities $(£57k)$ has experienced lower staff costs and a credit related to reduced staff cover with Officer attendance at the COP 26 summit. Quality Improvement $(£24k)$ is under budget due to lower staffing costs.
Public Health	91	87	4	0	4	1
Education & Lifelong Learning	101,741	99,371	2,370	(1,926)	444	An underspend of £444k is being reported. This is mainly due to underspends in ASN (£322k) due to lower than expected transport, escort and inclusion costs. The retendering of school transport gave a small underspend (£60k). Community Learning and Development is under budget (£80k) due to vacancies and reduced discretionary spend. Educational Psychology had a small overspend (£10k) due to having a trainee in post in 2021/22. Budget was transferred to the Workforce Management Reserve to increase the amount available should conservation of salaries for promoted staff be required following the introduction of the revised DSM scheme in August 2022 (£300k).
Resilient Communities	21,468	21,437	32	86	118	An underspend of £118k is being reported following the claw back of a number of earmarked balances to reflect increased spend in 2021/22. This underspend is as a result of savings within staffing and discretionary spend, and additional income.

	Final Approved Budget (£'000)		Variance pre adjustments (£'000)	Decrease/ (Increase) to Balances (£'000)	Variance against final adjusted Budget	Summary Financial Commentary
Finance & Corporate Governance	29,351	27,994	1,358	(529)	829	An underspend of £829k is being reported. This is made up of corporate savings through the balance of funding set aside for the $2021/22$ pay award (£641k). The remainder is a combination of additional staff turnover savings, discretionary spend savings and increased income (£158k), over recovery of recharge income (£46k), favourable interest rates and reduced borrowing requirement (£9k) and a small pressure relating to costs incurred in-year for local elections (£25k).
People, Performance and Change	7,475	7,418	57	0	57	An underspend of \pounds 57k is being reported due to additional staff turnover and discretionary spend savings and additional Skills Development Scotland income.
Strategic Commissioning & Partnership	29,094	29,683	(589)	0	(589)	Strategic Commissioning and Partnerships is reporting a position £589k over budget. This is primarily from Information Technology additional investment of £474k in IT transformation. SB Cares is £113k over budget mainly due to higher operating costs of care homes.
Total	294,731	289,604	5,126	(3,667)	1,459	
Financed by: Revenue Support Grant Non-Domestic Rates Council Tax Second Homes Council Tax Capital Financed from Current Revenue	(214,017) (26,668) (65,358) (1,160) 2,015	(214,017) (26,668) (65,326) (1,160) 2,015	0 0 (33) 0		0 0 (33)	Less net growth than anticipated (£33k).
Reserves: Earmarked Balances from 2020/21 Earmarked Balances for future years	(25,582)	(25,582) 37,189	0 (1,705)	1,705	0	To clawback earmarking from 2022/23 for i) Communities Fund (£39k); ii) Build Back Better Borders (£66k); iii) Tenant Grant Fund (£61k); iv) Spring Scottish Child Bridging Payment (£293k); v) Employability (Young Person's Guarantee) £105k; and vi) Secondary DSM (£241k) to meet increased activity and expenditure in 2021/22. To increase earmarking for i) Primary DSM (£806k); ii) ELC 1140 (£380k); iii) Scottish Welfare Fund (£32k); and iv) Financial Insecurity Funding (£48k). To earmark into 2022/23 i) Education Covid-19 funding (£866k); and ii) school meals (£213k). Return unused Covid-19 Reserve funding to balances following improved outturn (£165k).
Transfers to/from Reserves	555	2,517	(1,962)	1,962	0	Increase in allocated reserves i) Workforce Management (£300k); ii) Treasury Reserve (£1.3m); and iii) Strategic Contract movement reserve (£362k).
Total	(294,731)	(291,032)	(3,700)	3,667	(33)	
Total	T 0	(1,427)	1,427	0	1,427	<u></u>



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Infrastructure & Environment	Final Approved Budget (£'000)	Final Outturn Actual (£'000)	Variance pre adjustments (£'000)	Decrease/ (Increase) to Balances (£'000)	Variance against final adjusted Budget	Summary Financial Commentary
Property	12,000	12,048	(48)	0	(48)	
Property Management Services	12,370	12,440	(70)		(70)	Corporate pressures relating to electricity (£73k) and heating oil (£93k), partially offset with savings from water appeals (£23k). Underspend within Temporary Accommodation due to increased income recovery (£34k) and reduced rents payable (£25k). Underspend due to reduced price for temporary units at Peebles HS (£26k) and small pressure in Employment Infrastructure (£12k).
Estates Management Services	470	446	24		24	Underspends within consultants (£9k), staff turnover (£8k), Supplies & Services (£4k) and Lowood (£3k).
Commercial Property Income	(1,243)	(1,230)	(13)		(13)	Under-recovery of rental income.
Architects	203	197	6	0	6	
Major Projects	201	195	5	0	5	
Facilities	6,365	6,305	60	0	60	
Catering Services	1,283	1,254	29		29	Net income from additional school meal uptake (£15k) and reduced equipment maintenance costs (£14k).
Cleaning & Facilities Management	5,081	5,051	31		31	Small service underspends primarily in equipment maintenance (£28k).
Parks & Environment	4,544	4,596	(52)	0	(52)	Pressures within vehicle repairs and maintenance (£26k) and payments to contractors (£26k).
Roads & Infrastructure	10,019	10,225	(206)	0	(===,	
Network & Infrastructure Asset Management	9,718	9,780	(62)		(62)	Underspend in winter maintenance (£219k) due to milder than average winter weather. This has allowed the service to cover costs relating to the winter storms within existing budgets from roads (£101k), network (£94k) and street lighting (£13k) works budgets. Further pressures relating to income (£47k) and transport and supplies and services (£26k).
SBcContracts	(462)	(391)	(71)		(71)	Covid downtime due to operatives at home (£18k), increased overhead costs related to training (£12k), repairs & maintenance of depots (£41k).



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	Final Approved Budget (£'000)		Variance pre adjustments	Decrease/ (Increase) to	Variance against final	
Infrastructure & Environment			(£'000)	Balances (£'000)	adjusted Budget	Summary Financial Commentary
				(2000)	(£'000)	
Engineers	969	985	(16)	0	` '	Additional council wide staff costs as a result of emergency weather events through winter $(£12k)$ and net pressure within Bridges $(£4k)$.
Fleet Management Services	(157)	(100)	(57)		(57)	Reduced dayworks labour income.
Pay Parking	(49)	(49)	0		0	
Waste Management Services	9,721	9,623	98	(362)		Pressure from leachate costs (£302k) partially offset by reduced material costs due to delays to deliveries (£38k).
Passenger Transport	1,886	1,882	4	0	4	
Planning Services	1,339	1,162	177	(156)		Improved outturn position from increased planning fee income in the final quarter now being returned to the COVID reserve (£177k).
Housing Strategy & Services	(265)	(266)	1	0	1	
Total	45,609	45,575	34	(518)	(484)	
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Key Highlights, Challenges and Risks

Infrastructure & Environment have delivered a net pressure of £0.484m. A more positive out-turn position for Planning Fee income and school meal income is allowing for £0.174m to be returned to the COVID-19 reserve.

A number of external factors have resulted in pressures within the service throughout 2021/22. Within property management services there are increased utility costs within electricity as a result of increased usage and an increase in heating oil as a result of inflationary pressures.

The service responded to emergency weather events over the winter period. Whilst this did not result in expenditure above the Bellwin threshold level, there were costs in excess of £400k which the service have managed within existing budgets, possible partly due to the milder than average winter weather experienced.

Waste Management Services experienced increased costs for leachate throughout the year, it was previously indicated there may be a requirement to drawdown from the adverse weather reserve, however this drawdown is not required as the costs can be covered from underspends across the Council.

The service had £1.365m of financial plan savings to deliver in 2021/22, £0.695m of these have been delivered permanently with £0.572m delivered on a temporary basis and therefore being carried forward for delivery in 2022/23.



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Social Work & Practice	Final Approved Budget (£'000)	Final Outturn Actual (£'000)	Variance pre adjustments (£'000)	Decrease/ (Increase) to Balances (£'000)	Variance against final adjusted Budget	Summary Financial Commentary
Child Protection	230	222	9		9	
Children & Families Social Work	15,529	15,554	(25)		(25)	Higher than forecast transportation costs. Underspends in Social Workers and Social Worker Support Assistants of circa £400k which offsets the overspends in 3rd Party Payments.
Adult Protection	357	349	8		8	
Emergency Duty Team	356	365	(9)		(9)	
Business Support - Staff Development	0	0	0		0	
Quality Improvement	362	338	24		24	Lower than anticipated staffing costs
Services in Criminal Justice System	(27)	(0)	(27)		(27)	Under delivery of staff turnover savings
Safer Communities	1,885	1,828	57		57	Lower than anticipated staffing costs in relation to CEDAR programme (£20k) and also lower than anticipated costs relating to the Police Scotland Community Access Team (£37k), resulting from a reduced service provided in the Scottish Borders due to Officer attendance of the COP 26 Global Summit in Glasgow - November 2021.
Older People	9,997	8,697	1,300	(780)	520	£290k higher than anticipated client residential care income. £81k lower than anticipated Social Care Provider Pay Uplift costs. £149k lower than anticipated care provision costs at Dovecot due to Housing Support not being provided by provider and lower than forecast TUPE and core care costs.
Joint Learning Disability	19,187	18,826	361		361	Lower than anticipated net client care costs including higher than forecast client income (£41k) and reducing client expenditure (£237k). Lower than anticipated impact of Care provider Pav Unlift (1 December - £83k)
Joint Mental Health	2,174	2,060	113		113	£59k staffing underspend in Local Area Co-Ordinators as well as general and Galashiels Resource Centre staffing teams. Lower than forecast client care package costs (£54k).
People with Physical Disabilities	2,558	2,573	(15)		(15)	Higher than forecast locality based client care package costs.
Generic Services	7,294	7,227	66		66	£48k lower than anticipated spend in relation to Carers Act associated costs. £18k net underspend across locality based client care packages.
Total	59,902	58,039	1,862	(780)	1,082	

being carried forward for delivery in 2022/23.



			Final Outturn Actual (£'000)		Decrease/ (Increase) to Balances (£'000)	Variance against final adjusted Budget	Summary Financial Commentary
	ublic Health	91	87	4		4	
Ţ	otal	91	87	4	0	4	

Key Highlights, Challenges and Risks

The year end position is £1.082m under budget. This is mainly due to both Older People and Learning Disability experiencing higher than expected client income and lower client/care costs. Mental Health is also under budget due to reduced staff and care package costs, while Safer Communities has experienced lower staff costs and a credit related to reduced staff cover with Officer attendance at the COP 26 summit.

The service had £1.628m of financial plan savings to deliver in 2021/22, £0.438m of these have been delivered permanently, £0.78m addressed through the financial planning process with £0.41m delivered on a temporary basis and therefore



						COUNCIL
Education & Lifelong Learning	Final Approved Budget (£'000)		Variance pre adjustments (£'000)	Decrease/ (Increase) to Balances (£'000)	Variance against final adjusted Budget	Summary Financial Commentary
Early Years	4,136	3,756	380	(380)	0	Increase to earmarked balance for ELC 1140 hours (£380k) ensuring specific grant funding is retained within the service for spend in future years.
Primary Schools	31,223	30,311	912	(906)	6	Increase earmark DSM and PEF into 2022/23 (£806k) as per the approved DSM scheme. Transfer to workforce Management allocated Reserve (£100k).
Secondary Schools	41,057	41,203	(147)	141	(6)	Clawback earmarking from 2022/23 for secondary DSM (£241k). Transfer to workforce Management allocated Reserve (£100k).
Additional Support Needs	11,789	11,467	322			Lower than expected transport & escort costs (£103k); accessibility work taken longer than anticipated (£37k); Inclusion costs lower than anticipated for out of area recharges and staff costs (£55k); Lower than anticipated costs for pupil support staff (£106k)along with higher than expected income for Out of Area recharges (£24k)
Educational Psychology	697	708	(10)		(10)	Overspend due to Trainee post in 2021/22 (£10k).
Central Schools	6,103	5,543	561	(568)	. ,	Clawback earmarking from 2022/23 for Employability (Young Person's Guarantee) (£105k) and Spring Scottish Child Bridging Payment (£293k) to meet increased activity and expenditure in 2021/22. Increased earmarking into 2022/23 for Covid funding (£866k). £100k earmarked into 2022/23 to increase the salary conservation fund held in the workforce
School Meals	1,972	1,759	213	(213)	0	Earmarked remaining universal free school meals funding into 2022/23 (£213k).
School Transport	3,813	3,753	60		60	Small underspend as a result of the retendering exercise in December 2021.
Community Learning & Development	951	871	80		80	Underspend due to vacancies and freeze on discretionary spend.
Total	101,741	99,371	2,370	(1,926)	444	

Key Highlights Challenges & Risks

An underspend of £444k is being reported. This is mainly due to underspends in ASN (£322k) due to lower than expected transport, escort, staff and inclusion costs. The retendering of school transport gave a small underspend (£60k).Community Learning and Development is under budget (£80k) due to vacancies and reduced discretionary spend. Budget was transferred to the Workforce Management allocated Reserve to increase the amount available to provide for any conservation of salaries costs for promoted staff following the introduction of the revised DSM scheme in August 2022 (£300k).

The service had £2.112m of financial plan savings to deliver in 2021/22, £0.776m of these have been delivered permanently with £1.336m delivered on a temporary basis and therefore being carried forward for delivery in 2022/23.



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Resilient Communities	Final Approved Budget (£'000)	Final Outturn Actual (£'000)	Variance pre adjustments (£'000)	Decrease/ (Increase) to Balances (£'000)	Variance against final adjusted Budget (6'000)	Summary Financial Commentary
Business Support	5,178	5,125	52		52	Additional staff turnover savings.
Community Planning & Engagement	333	333	1		1	
Localities/Community Fund	3,538	3,649	(111)	57	, ,	Clawback earmarking from 2022/23 for Communities Fund (£39k) and Build Back Better Borders (£66k) to meet increased activity and expenditure in 2021/22. Additional one-off costs relating to grants approved for Queen's Platinum Jubilee (£54k). Increase earmarking for Financial Insecurity into 2022/23 (£48k)
Customer Advice & Support Services	3,043	3,033	11	61	72	Staff turnover savings and increased income. Clawback earmarking from 2022/23 for Tenant Grant Fund (£61k) to meet increased activity and expenditure in 2021/22.
Economic Development	1,435	1,381	54		54	Discretionary spend savings.
Discretionary Housing Payments	711	710	0		0	
Housing Benefits	679	659	20		20	Actual net outturn position better than forecast.
Non Domestic Rates Relief	120	163	(43)			Pressure following year-end adjustment by Scottish Government relating to changes in relief for sports clubs. back dated to 2019/20.
Scottish Welfare Fund	953	921	32	(32)		Demand for this service has increased substantially over the last 3 years. Increased demand and related resourcing issues has resulted in a backlog of claims and an underspend is being earmarked to support those in need in 2022/23.
Council Tax Reduction Scheme	5,478	5,463	15		15	Outturn reflects continuing reduction in claims and improving outlook.
Total	21,468	21,437	32	86	118	

Key Highlights, Challenges & Risks

The service is reporting an underspend of £0.118m, this is primarily from staff vacancy savings, additional income and discretionary spend savings. Within this final position, the service is clawing back previously earmarked funds for Tenant Grant Fund, Build Back Better Borders and Communities Fund, where expenditure in 2021/22 was higher than previously forecast.

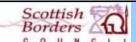
Throughout 2021/22 the service have administered a number of Scottish Government payments to support individuals, families and businesses in response to Covid-19. They also continue to support communities in response to the cost of living increases currently being experienced.



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Resilient Communities	Final Approved	Final Outturn	Variance pre	Decrease/	Variance			
	Budget (£'000)	Actual (£'000)	adjustments	(Increase) to	against final	Summary Financial Commentary		
			(£'000)	Balances	adjusted			
			-	(£'000)	Budget			
					(6,000)			

Like Scottish Welfare Fund the demand for Discretionary Housing Payments has increased substantially over the last 3 years. Increased demand and related resourcing issues has resulted in a backlog of claims through 2021/22 however progress has been made in addressing this over recent months.

The service had £0.517m of financial plan savings to deliver in 2021/22, £0.446m of these have been delivered permanently with £0.071m being addressed permanently through the 2022/23 budget setting process and therefore no savings being carried forward from 2021/22 for delivery in 2022/23.



				COUNCIL		
	Final Approved Budget (£'000)	Final Outturn Actual (£'000)	Variance pre adjustments (£'000)	Decrease/ (Increase) to Balances (£'000)	Variance against final adjusted Budget	Summary Financial Commentary
Covid-19 Reserve Fund	183	954	(771)	771		Drawdown from Covid-19 Reserve to fund Business Support Discretionary Fund grants (£771k).
Corporate	341	(309)	650			Balance of funding set aside for the 2021/22 pay award (£641k), small over recovery of grants administration income (£9k).
Chief Executive	186	179	7		7	
Corporate Policy	116	115	1		1	
Emergency Planning	166	165	1		1	
Finance	4,570	4,551	19		19	Discretionary spend savings including bank charges and third party payments.
Legal Services	955	963	(8)		(8)	
Protective Services	1,558	1,459	99		99	Additional staff turnover savings and increased income.
Audit & Risk	309	308	1		1	
Assessor & Electoral Registration Services	907	894	13		13	Additional staff turnover and discretionary spend savings.
Democratic Services	1,747	1,772	(25)		(25)	Pressure relating to costs incurred in-year for local elections.
Communications & Marketing	467	451	16		16	Additional staff turnover savings and printing recharge income.
Loan Charges	18,282	16,973	1,309	(1,300)		Favourable interest rates and reduced borrowing requirement due to timing movements in the capital programme to be transferred to Treasury Reserve (£1.3m) to smooth capital financing requirements in future years.
Provision for Bad Debts	125	125	0		0	
Recharge to Non-General Fund	(563)	(608)	46		46	Over recovery of recharge income to non-general funds.
Interest on Revenue Balances	0	0	0		0	
Total	29,351	27,994	1,358	(529)	829	



Key Highlights, Challenges & Risks

The service is reporting an underspend of £0.829m. £0.650m of this relates to corporate underspend, primarily from the balance of funding set aside for the 2021/22 pay award. Staff underspends, discretionary savings and additional income amount to £0.158m with over recovery of recharges a further £0.046m. Favourable interest rates and reduced borrowing requirements allows £1.3m to be transferred to the Treasury reserve to smooth capital financing requirements in future years.

The service had £1.662m of financial plan savings to deliver in 2021/22, £0.430m of these have been delivered permanently, £1.081m addressed through the financial planning process with £0.151m delivered on a temporary basis and therefore being carried forward for delivery in 2022/23.



People, Performance & Change	Final Approved Budget (£'000)		Variance pre adjustments (£'000)	Decrease/ (Increase) to Balances (£'000)	Variance against final adjusted Budget	Summary Financial Commentary
Human Resources	4,685	4,674	11		11	Additional staff turnover savings.
Early Retiral/Voluntary Severance	102	102	(0)		(0)	
Corporate Transformation	967	972	(5)		(5)	
Employment Support Service	249	230	19		19	Additional Skills Development Scotland income.
Business Change & Programme Management	1,081	1,082	(1)		(1)	
Business Planning Performance & Policy Developme	391	359	32		32	Additional staff turnover and discretionary spend savings.
Total	7,475	7,418		0	57	

Key Highlights, Challenges & Risks

The service is reporting an underspend of £0.057m from staff savings, discretionary spend and additional income.

The service had £0.186m of financial plan savings to deliver in 2021/22, £0.102m of these have been delivered permanently with £0.087m delivered on a temporary basis and therefore being carried forward for delivery in 2022/23.

2021/22



Strategic Commissioning & Partnerships	Final Approved Budget (£'000)		Variance pre adjustments (£'000)	Decrease/ (Increase) to Balances (£'000)	Variance against final adjusted Budget (£'000)	Summary Financial Commentary
Information Technology	7,980	8,454	(474)		(474)	Increased investment in IT transformation.
SB Cares	15,655	15,768	(113)		(113)	Higher than anticipated net operating costs relating to Garden View care home.
Cultural Services	3,471	3,472	(1)		(1)	
Sports Services	1,988	1,990	(1)		(1)	
Total	29,094	29,683	(589)	0	(589)	

Key Highlights, Challenges & Risks

Strategic Commissioning and Partnerships is reporting a position £0.589m over budget. This is primarily from Information Technology additional £0.474m investment in IT transformation. SB Cares which is £0.113m over budget mainly due to higher operating costs of care homes.

The service had £1.828mm of financial plan savings to deliver in 2021/22, £0.602m of these have been delivered permanently, with £1.226m delivered on a temporary basis and therefore being carried forward for delivery in 2022/23.