

MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL **2022/23**
SUMMARY
AT END OF MONTH: Jun-22


	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
Infrastructure & Environment	47,116	15,176	52,563	49,577	2,986	(2,986)	0	Infrastructure & Environment are forecasting a pressure of £0.987m. The service continues to face challenges as a result of Covid-19 recovery and in addition to this is being adversely affected by the inflationary pressures currently impacting the economy. Balanced position is forecast following virements to reflect latest expenditure and income forecasts across the Council.
Social Work & Practice	76,119	(785)	74,388	75,133	(745)	745	0	Social Work & Practice is forecasting an overspend position of £1.004m. £0.745m can be attributed to external placements within Children & Families and £0.259m within Older People due to Covid-19 pressures for homecare providers. Further pressures across the service have been forecast with work continuing to contain these within existing budgets. Balanced position is forecast following virements to reflect latest expenditure and income forecasts across the Council.
Education & Lifelong Learning	115,987	29,040	112,578	113,307	(729)	729	0	Education & Lifelong Learning are forecasting a pressure of £0.463m. £0.399m relates to unitary charge inflationary pressure, with the remaining £0.064m a one off fuel grant to school transport operators. Additional Scottish Government funding of £0.102m provided additional CO2 monitors in classrooms. Balanced position is forecast following virements to reflect latest expenditure and income forecasts across the Council.
Resilient Communities	18,684	(19,142)	22,732	28,585	(5,853)	5,853	0	Resilient Communities are forecasting a pressure of £0.385m. The Council Tax Reduction Scheme has a much higher demand on the back of Covid-19 and is expected to increase further as a result of the advertising campaign. Balanced position is forecast following virements to reflect latest expenditure and income forecasts across the Council.
Finance & Corporate Governance	28,607	3,760	31,915	28,923	2,992	(2,992)	0	Finance & Corporate Governance has utilised £4.249m of funds from the Recovery Fund to meet the Covid-19, inflationary and service pressures across SBC. Within the service there is a pressure of £0.373m relating to Councillor pay awards £0.030m, higher than anticipated election costs £0.143m and shortfalls in grants administration recharge of £0.200m. Balanced position is forecast following virements to reflect latest expenditure and income forecasts across the Council.
People, Performance and Change	7,206	1,651	7,594	7,641	(47)	47	0	People, Performance & Change are forecasting a pressure of £0.047m in respect of the mosaic portal. Balanced position is forecast following virements to reflect latest expenditure and income forecasts across the Council.
Strategic Commissioning & Partnership	31,152	10,045	37,658	37,984	(326)	326	0	Strategic Commissioning & Partnerships is forecasting an out turn of £0.411m above budget. £0.267m relates to Information Technology increased service charges and £0.107m in SB Cares related to unfunded Covid-19 pressures for PPE and equipment. While the balance of £0.037m is within Sports Services relating to the Jedburgh Campus management fee. Balanced position is forecast following virements to reflect latest expenditure and income forecasts across the Council.
Total	324,871	39,745	339,427	341,149	(1,722)	1,722	0	

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Financed by:								
Revenue Support Grant	(218,158)	(56,474)	(203,685)	(209,419)	5,734	(5,734)	0	Additional Scottish Government funding for £150 Cost of Living Payments to Low Income Households (£5.406m). Gross up redeterminations of revenue funding relating to i) Adult Disability Payment (£0.062m); ii) Easter study support (£0.057m); and iii) Summer '22 funding (£0.209m).
Non-Domestic Rates	(35,294)	(8,824)	(35,294)	(35,294)	0		0	
Council Tax	(67,948)	(69,497)	(67,948)	(67,909)	(39)	39	0	Small pressure forecast at this time due to reduced net growth and higher exemptions (£0.039m).
Second Homes Council Tax	(1,118)	0	(1,118)	(1,170)	52	(52)	0	Projected additional income through Second Homes Council Tax forecast at this time (£0.052m).
Capital Financed from Current Revenue	0	0	0	0	0		0	
Reserves:								
Earmarked Balances from 2021/22	(2,353)	(37,189)	(37,189)	(37,189)	0		0	
	0	5,807	5,807	9,832	(4,025)	4,025	0	To earmark Second Homes Council Tax into 2023/24 to support future investment in affordable housing (£4.025m).
Transfers to/from Reserves	0	0	0	0	0		0	
Total	(324,871)	(166,178)	(339,427)	(341,149)	1,722	(1,722)	0	

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Infrastructure & Environment	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	12,616	7,182	12,631	12,751	(120)	120	0	
Property Management Services	13,081	7,977	13,038	13,208	(170)	170	0	Pressure within Homeless in relation to repairing and furnishing properties ready for use (£120k). Budget from Estates Management Services towards financial plan savings (£50k).
Estates Management Services	487	95	542	492	50	(50)	0	Transfer available staffing budget to Property Management Services to temporarily address financial plan savings (£50k).
Commercial Property Income	(1,274)	(949)	(1,274)	(1,274)	0		0	
Architects	132	68	134	134	0		0	
Major Projects	190	(9)	190	190	0		0	
Facilities	4,988	1,444	5,839	6,190	(351)	351	0	
Catering Services	757	481	1,608	1,608	0		0	
Cleaning & Facilities Management	4,231	964	4,231	4,582	(351)	351	0	Ongoing Covid recovery pressures relating to additional requirements for cleaning materials (£110k), PPE (£85k), equipment (£63k), staffing (£44k), also reduced departure charges income from the Galashiels Transport Interchange (£38k) and increased fuel costs due to inflation (£11k).
Parks & Environment	4,389	893	4,650	4,748	(98)	98	0	Pressures from increased fuel costs due to inflation (£77k) and a pressure from reduced toilet income (£21k).
Roads & Infrastructure	11,121	4,121	11,154	11,176	(22)	22	0	
Network & Infrastructure Asset Management	10,869	1,228	10,717	10,717	0		0	
SBContracts	(701)	2,220	(728)	(728)	0		0	
Engineers	892	240	885	907	(22)	22	0	Pressure in supplies and services costs and modelling work linked to St Mary's Loch and Selkirk FPS.
Fleet Management Services	61	431	61	61	0		0	
Pay Parking	0	1	220	220	0		0	
Waste Management Services	9,790	776	9,790	10,116	(326)	326	0	Pressures in hired and contracted costs (£173k) and increased fuel costs (£126k) linked to inflation. Additional costs relating to property maintenance (£17k) and equipment maintenance (£10k).
Passenger Transport	1,951	317	1,952	1,952	0	0	0	

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Planning Services	1,112	(122)	1,413	1,483	(70)	70	0	Pressure associated with Local Development Plan costs (£70k), produced every 5 years.
Housing Strategy & Services	1,147	564	5,135	1,162	3,973	(3,973)	0	To earmark Second Homes Council Tax into 2023/24 to support future investment in affordable housing (£4,025k). Projected additional income through Second Homes Council Tax forecast at this time (£52k).
Total	47,116	15,176	52,563	49,577	2,986	(2,986)	0	

Key Highlights, Challenges and Risks

Infrastructure and Environment continues to face challenges in relation to Covid recovery and inflationary pressures on the economy. Covid related pressures are being seen within our Cleaning Services where enhanced cleaning arrangements remain in place. Within frontline operational services we are seeing inflationary impacts on materials and services including significant fuel price increases.

The homeless service is projecting increased costs in preparing properties for use to support both Covid and the Ukrainian response.

SBcContracts position will be challenging in 2022/23 due to the impacts of unprecedented rises in the costs of raw materials and fuel. The war in Ukraine has further compounded what was already a challenging position, creating a shortage of bitumen across Europe and the UK, this is a main component for undertaking roads construction and maintenance activities. Supply chain issues are therefore ongoing and work continues with clients, designers and suppliers to overcome delays.

The service has £2.492m of financial plan savings to deliver in 2022/23, £0.631m of these have been delivered permanently and £0.533m temporarily leaving £1.328m profiled to be delivered in the balance of the year.

Planning fee income can be a volatile area, however we are currently forecasting to achieve budget and this will be closely monitored over the year.

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Social Work & Practice	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/unders pend	Summary Financial Commentary
Child Protection	214	32	221	221	0		0	
Children & Families Social Work	15,021	3,157	15,146	15,891	(745)	745	0	Significant out of area placements causing a forecast pressure of £728k as well as transport related pressures amounting to £124k. These pressures are off-set by forecast savings in employee related costs and supplies and services amounting to £107k. Options are being explored to fund a further £1m of pressures in out of area placements from existing Social Work budgets. Further out of area placements are pending as well as some provider price uplifts not yet agreed which may increase this pressure. The service is experiencing material staffing recruitment and retention issues.
Adult Protection	367	99	366	366	0		0	
Emergency Duty Team	320	71	320	320	0		0	
Quality Improvement	448	108	515	515	0		0	
Services in Criminal Justice System	1,229	36	(27)	(27)	0		0	
Safer Communities	1,921	(15)	2,524	2,524	0		0	
Older People	27,258	(7,935)	21,879	21,879	0		0	Pressures relating to the agreed full year cost of Homecare Provider grants linked to increased hourly rates, required to ensure the sustainability of providers experiencing significant staffing absence and other unfunded Covid-19 pressures such as continued use of PPE to be claimed through the LMP.
Joint Learning Disability	17,801	2,809	20,262	20,262	0		0	This forecast balanced position assumes that £295k of identified pressures primarily due to the 2022/23 impact of client specific pressures which were funded non-recurrently in 2021/22 will be managed within existing service budgets during the remainder of the financial year. There is also an assumption that £472k Financial Plan savings will be delivered in full.
Joint Mental Health	1,956	145	2,038	2,038	0		0	The service is experiencing pressures caused by increasing client numbers and associated increased expenditure. This position is actively being addressed with the aim to reduce expenditure in line with budget.
People with Physical Disabilities	2,533	714	2,816	2,816	0		0	The service is reporting a marginal overspend against budget, this will be managed throughout the year.

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Generic Services	6,958	(10)	8,235	8,235	0			0	Pressures amounting to £103k relating to locality based client care forecasts are anticipated to be managed within the service during the remainder of the financial year.
Total	76,026	(789)	74,294	75,039	(745)	745		0	
Public Health	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)		Projected (over)/underspend	
Public Health	93	4	94	94	0	0		0	
Total	93	4	94	94	0	0		0	

Key Highlights, Challenges and Risks

Social Work & Practice is forecasting an overspend position of £0.745m for 2022/23 at the end of Q1. The services continue to experience Covid-19 pressures and are working to transform in line with the post pandemic economic and workforce conditions. The overspend position is in Children and Families service where there are significant pressures relating to external placements. Older People continue to experience material staff absences and Covid-19 pressures for homecare providers to be funded from the Local Mobilisation Plan (LMP). Learning Disability is forecasting an overspend primarily due to the 2022/23 impact of client specific pressures funded non-recurrently in 2021/22. Some 2022/23 Scottish Government funding (£400k) has been transferred to support the service while work progresses to mitigate in year pressures.

Education & Lifelong Learning	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/unders pend	Summary Financial Commentary
Early Years	18,362	3,065	10,540	10,540	0		0	
Primary Schools	29,732	7,757	31,083	32,495	(1,412)	1,412	0	2022/23 Pupil Equity Funding (PEF) (£1.412m) allocation.
Secondary Schools	41,338	12,099	41,737	42,705	(968)	968	0	2022-23 Pupil Equity funding (PEF) (£512k); Easter Study Support provision from Scottish Government (£57k). Unitary charge inflation pressure (£399k).
Additional Support Needs	12,140	3,021	12,140	12,189	(49)	49	0	Additional SEIC funding from Central Schools following a bidding process (£49k).
Educational Psychology	713	147	713	713	0		0	
Central Schools	7,385	1,787	9,835	8,071	1,764	(1,764)	0	Allocate 2022/23 Pupil Equity Funding (PEF) to Primary and Secondary schools (£1.924m) and additional SEIC funding to Additional Support Needs following a bidding process (£49k); Summer '22 funding for targeted 5-14 year olds from Scottish Government (£209k). A Scottish government grant of £102k provided additional C02 monitors in classrooms.
School Meals	1,756	269	1,969	1,969	0		0	
School Transport	3,594	653	3,594	3,658	(64)	64	0	Pressure relating to one off fuel payment grants paid in May 2022 (£64k).
Community Learning & Development	968	242	967	967	0		0	
Total	115,987	29,040	112,578	113,307	(729)	729	0	

Key Highlights Challenges & Risks

Education & Lifelong Learning is facing inflationary pressures relating to the unitary charge of £399k as inflation was double the budgeted amount at the annual payment revision dates. Funding for summer holiday provision for children between the ages of 5 and 14 is targeted at specific groups this year but a varied program is again being provided across Scottish Borders through our partners. Our Early Years centres are also running sessions for family groups throughout the summer. Scottish Government funding of £102k for additional C02 monitors provided additional monitors in classrooms. The new DSM scheme is proposed to commence at the start of the new academic year in August 2022; as part of this process, budgets across Education & Lifelong Learning will be restructured to support this.

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Resilient Communities	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/underspend	Summary Financial Commentary
Business Support	5,154	1,232	5,249	5,249	0		0	
Community Planning & Engagement	453	108	453	453	0		0	
Neighbourhood Support Fund	671	1,179	3,096	3,136	(40)	40	0	Costs, in excess of budget, relating to grants approved for Queen's Platinum jubilee (£40k).
Customer Advice & Support Services	3,140	6,634	3,201	8,712	(5,511)	5,511	0	Funding from Scottish Government for i) Adult Disability Payment information gathering (£62k); and ii) £150 Cost of Living Payments to Low Income Households (£5.406m). Additional resource employed temporarily to address backlog created as a result of increased workloads due to Covid-19 (£43k).
Economic Development	2,044	(732)	2,265	2,265	0		0	
Employment Support Service	347	52	340	340	0		0	
Discretionary Housing Payments	0	(231)	1,023	1,023	0		0	
Housing Benefits	608	(94)	608	668	(60)	60	0	Forecast currently showing a small net pressure (£60k), partly due to less over payments recovered.
Non Domestic Rates Relief	275	(32,857)	275	213	62	(62)	0	Forecast underspend due to part year relief for Great Tapestry of Scotland building (£62k).
Scottish Welfare Fund	586	(103)	816	816	0		0	
Council Tax Reduction Scheme	5,407	5,669	5,407	5,711	(304)	304	0	Pressure linked to higher demand on the back of Covid-19 and projected increased take-up following advertising campaign (£304k).
Total	18,684	(19,142)	22,732	28,585	(5,853)	5,853	0	

Key Highlights, Challenges & Risks

Resilient Communities is continuing to experience challenges due to Covid-19: additional resource has been required temporarily to deal with backlogs due to increased workloads; Council Tax Reduction Scheme has seen a much higher demand on the back of Covid-19 and a take up is forecast to increase further following the advertising campaign. This will continue to be monitored closely to ensure accuracy of future forecasts. There was a higher than anticipated uptake in grants for the Queen's Platinum Jubilee celebrations.

The service has £0.380m of financial plan savings to deliver in 2022/23, £0.092m of these have been delivered permanently and £0.242m temporarily leaving £0.046m profiled to be delivered in the balance of the year.

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Finance & Corporate Governance	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/unders pend	Summary Financial Commentary
Recovery Fund	69	(163)	3,320	(31)	3,351	(3,351)	0	Utilise an element of the Recovery Fund to offset the Covid-19 and inflationary pressures across SBC.
Corporate	(1,048)	0	(1,045)	(845)	(200)	200	0	Projected shortfall in grants administration recharge based on current external funding opportunities (£200k) after delivery of £300k of savings.
Chief Executive	184	44	184	184	0		0	
Emergency Planning	161	41	161	161	0		0	
Finance	4,410	1,062	4,494	4,494	0		0	
Legal Services	750	223	735	735	0		0	
Protective Services	1,520	404	1,574	1,574	0		0	
Audit & Risk	384	98	384	384	0		0	
Assessor & Electoral Registration Services	894	199	907	907	0		0	
Democratic Services	1,842	818	1,842	2,023	(181)	181	0	Councillors pay award pressure (£38k) in addition to costs incurred above budget for local election (£143k).
Communications & Marketing	531	130	541	541	0		0	
Loan Charges	19,351	904	19,303	19,281	22	(22)	0	Transfer available budget to Sports Services to fund depreciation and interest charges for sports pitches (£22k).
Provision for Bad Debts	125	0	125	125	0		0	
Recharge to Non-General Fund	(563)	0	(608)	(608)	0		0	
Total	28,607	3,760	31,915	28,923	2,992	(2,992)	0	

Key Highlights, Challenges & Risks

The Recovery Fund is held within Finance & Corporate Governance service to be allocated to services as required.

There is a projected pressure of £0.200m due to a projected shortfall in grants administration recharge based on current external funding opportunities. Democratic services have an overall pressure of £0.181m due to higher than budgeted local election costs and councillor pay award.

The service has £3.477m of financial plan savings to deliver in 2022/23, £3.275m of these have been delivered permanently and £0.007m temporarily leaving £0.195m profiled to be delivered in the balance of the year.

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People, Performance & Change	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/unders pend	Summary Financial Commentary
Human Resources	4,779	1,101	4,953	4,953	0		0	
Early Retiral/Voluntary Severance	67	0	67	67	0		0	
Corporate Transformation	730	94	940	940	0		0	
Business Change & Programme Management	1,181	351	1,191	1,238	(47)	47	0	Mosaic Provider Portal investment (£47k).
Business Planning Performance & Policy Development	449	106	443	443	0		0	
Total	7,206	1,651	7,594	7,641	(47)	47	0	

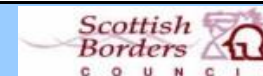
Key Highlights, Challenges & Risks

Overall People, Performance & Change is forecast to remain within budget for 2022/23, there is a small pressure of £0.047m in respect of the Mosaic provider portal.
The service has £0.190m of financial plan savings to deliver in 2022/23, £0.112m of these have been delivered permanently and £0.049m temporarily leaving £0.029m profiled to be delivered in the balance of the year.

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Strategic Commissioning & Partnerships	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/underspend	Summary Financial Commentary
Information Technology	11,730	3,474	17,117	17,384	(267)	267	0	Ongoing pressure in CGI service charges due to increased use of computer storage platforms (£267k).
SB Cares	13,675	4,697	14,762	14,762	0		0	£107k pressure relating largely to the continued increased PPE requirement in Care Homes and Home Care settings. Additionally, staffing pressures related to increased use of overtime and agency staff due to recruitment issues. Both are anticipated to be managed within the service.
Cultural Services	3,783	1,306	3,766	3,766	0		0	
Sports Services	1,965	569	2,012	2,071	(59)	59	0	Transfer available budget from Loan Charges to fund depreciation and interest charges for sports pitches (£22k). Forecast management fee pressure relating to Jedburgh Campus (£37k).
Total	31,152	10,045	37,658	37,984	(326)	326	0	

Key Highlights, Challenges & Risks

Strategic Commissioning & Partnerships is forecasting an outturn of £0.411m above budget. This is from ongoing pressures in Information Technology from CGI service charges due to increased use of computer storage platforms £0.267m. SB Cares is presenting a largely balanced position but recognising additional unfunded Covid-19 costs largely related to continued use of PPE at higher than pre-pandemic levels at £0.107m. Sports Services is forecasting a £0.037m pressure relating to Jedburgh Campus management fee after depreciation and interest charges have been covered by an internal transfer.