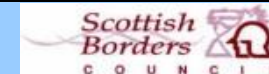


MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL **2022/23**
SUMMARY
AT END OF MONTH: Sep-22


	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	25,077	49,416	51,059	(1,642)	1,642	0	Infrastructure & Environment is forecasting an overspend of £2.110m. The majority of this pressure is linked to inflation for Corporate utilities within Property Services (£1.811m). Other pressures linked to staff absence are being experienced within SBC Contracts and Waste Services (£102k), higher waste vehicle costs while we await delivery of new vehicles at the end of the financial year (£77k) and an ongoing pressure for temporary units costs at Peebles High School after fire in November 2019 (£120k). Balanced position is forecast following virements to reflect draw down from Recovery Fund and latest expenditure and income forecasts across the Council.
Social Work & Practice	76,119	21,038	75,851	73,351	2,500	(2,500)	(0)	Social Work & Practice is forecasting a balanced position at the end of the second quarter. Significant budget movements relate to the continued allocation of additional Scottish Government Health & Social Care funding which is enabling SW&P to return £1.8m to the Corporate budget from Integrated Joint Board delegated services relating to IJB pressures built into the budget for 2022/23 which were funded by Scottish Borders Council. This then allows the Corporate budget to release £1.8m to Children & Families services to permanently fund pressures caused by continued and increasing out of authority care placements. A budget virement to earmark £2.5m of additional funding into 2023/24 in line with expenditure plans is also presented for approval.
Education & Lifelong Learning	115,987	57,999	127,068	127,127	(59)	59	0	Education & Lifelong Learning have been allocated £145k to fund the permanent impact of the teacher's 2021/22 pay award. £86k is permanently being transferred to Infrastructure & Environment as free bus passes for under 22 year olds removes the requirement for scholar's passes.
Resilient Communities	24,432	(1,564)	35,823	36,294	(471)	471	0	Resilient Communities is continuing to experience challenges due to increased workloads as a result of the Cost of Living Crisis. Council Tax Reduction Scheme has seen a much higher demand on the back of Covid-19 and take up is forecast to increase further following a planned advertising campaign. The service is requesting an earmarked balance to 2023/24 for additional staffing resource to progress digital transformation within Customer Advice and Support and the wider Council. Balanced position is forecast following virements to reflect latest expenditure and income forecasts across the Council.
Finance & Corporate Governance	28,607	7,107	31,082	34,065	(2,983)	2,983	0	Finance & Corporate Governance has utilised £2.151m of funds from the Recovery Fund to meet the Covid-19, inflationary and service pressures across SBC. Within the service there is an overspend of £20k linked to additional staffing resource within Emergency Planning to support the Council's response to emergency situations and additional costs linked to the avian flu outbreak. Reduced borrowing allows £1m to be transferred to the Treasury Reserve. Balanced position is forecast following virements to reflect draw down from the Recovery Fund and latest expenditure and income forecasts across the Council.
People, Performance and Change	7,206	3,449	7,641	7,719	(78)	78	0	People, Performance and Change are forecasting a small underspend of £28k as a result of additional income. Balanced position is forecast following virements to reflect latest expenditure and income forecasts across the Council.

MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL **2022/23**
SUMMARY

AT END OF MONTH: Sep-22



Strategic Commissioning & Partnership	25,404	13,126	32,899	27,711	5,188	(5,188)	0	Strategic Commissioning & Partnership through the Information Technology service are transferring and earmarking available revenue budget to fund the additional consolidated element of the SJC pay offer in 2022/23 and 2023/24 (£2.594m per year). Scottish Government has agreed £120.6m of capital funding in both these years, with funding baselined from 2024/25 as General Revenue Grant. Capital monitoring has been adjusted to reflect this switch of funding. SB Cares increased PPE requirements are to be funded through the LMP, staffing pressures due to recruitment issues will be managed from within the service or other IJB delegated services.
Total	324,871	126,233	359,779	357,324	2,455	(2,455)	(0)	

Financed by:								
Revenue Support Grant	(203,141)	(107,396)	(209,419)	(213,678)	4,259	(4,259)	0	Gross up additional income from Scottish Government for i) Local Health & Energy Efficiency Strategies (£75k); ii) impact of teachers 2021/22 pay award (£654k); iii) Cost of Living Payments to low income households, including administration costs (£519k); and iv) 2022/23 local government pay offer. including teachers (£3.011m).
Non-Domestic Rates	(35,294)	(17,647)	(35,294)	(35,294)	0	0	0	
Council Tax	(67,948)	(69,500)	(67,909)	(67,909)	0	0	0	
Second Homes Council Tax	(1,118)	0	(1,170)	(1,170)	0	0	0	
Capital Financed from Current Revenue	0	0	0	0	0	0	0	
Ring fenced grants	(15,017)	(11,997)	(15,049)	(15,049)	0	0	0	
Reserves:								
Earmarked Balances from 2021/22	(2,353)	(37,189)	(37,189)	(37,189)	0	0	0	
Earmarked Balances for future years	0	9,802	7,651	12,842	(5,191)	5,191	0	To earmark into 2023/24 i) additional Scottish Government funding for Older People (£2.5m); ii) available Customer Advice and Support budget for additional staffing to create and implement digital processes (£97k); and iii) Scottish Government agreed funding to support the impact of the 2022/23 local government pay offer in 2023/24 (£2.594m).
Transfers to/from Reserves	0	(1,200)	(1,400)	123	(1,523)	1,523	0	Drawdown from Workforce Management Allocated Reserve (£106k). Increase allocated reserves for i) Treasury Reserve (£1m) and ii) Strategic Contract movement reserve (£629k).
Total	(324,871)	(235,127)	(359,779)	(357,324)	(2,455)	2,455	0	

**MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL 2022/23**

AT END OF MONTH: Sep-22



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	8,851	12,560	14,491	(1,931)	1,931	0	
Property Management Services	13,081	9,751	13,087	15,018	(1,931)	1,931	0	Pressures within electricity (£709k), gas (£824k), heating oil (£249k) and Homeless Services Repairs and Maintenance due to increased costs in furniture (£29k). Continued pressure for temporary units at Peebles High School after fire in November 2019 (£120k).
Estates Management Services	487	210	492	492	0		0	
Commercial Property Income	(1,274)	(1,347)	(1,344)	(1,344)	0		0	
Architects	132	152	134	134	0		0	
Major Projects	190	86	190	190	0		0	
Facilities	4,988	2,625	6,212	6,212	0	0	0	
Catering Services	757	598	1,631	1,631	0		0	
Cleaning & Facilities Management	4,231	2,027	4,582	4,582	0		0	
Parks & Environment	4,389	1,942	4,748	4,748	0		0	
Roads & Infrastructure	11,121	5,768	11,176	11,223	(47)	47	0	
Network & Infrastructure Asset Management	10,869	3,161	10,717	10,717	0		0	
SBCContracts	(701)	1,528	(728)	(681)	(47)	47	0	Pressure from Covid absences (£47k).
Engineers	892	602	907	907	0		0	
Fleet Management Services	61	486	61	61	0		0	
Pay Parking	0	(9)	220	220	0		0	
Waste Management Services	9,790	3,333	10,093	9,596	497	(497)	0	Staffing pressure due to high levels of sickness requiring cover (£55k), vehicle repairs pressure (£53k) and vehicle hires pressure (£24k). Transfer to Strategic Contract movement reserve (£629k).
Passenger Transport	1,951	1,695	1,982	2,068	(86)	86	0	Permanent budget transfer from Education to eliminate scholars passes recharge as no longer required due to change in service provision (£86k).

MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL 2022/23



AT END OF MONTH: Sep-22

Planning Services	1,112	225	1,483	1,483	0	0	0	
Housing Strategy & Services	1,147	636	1,162	1,237	(75)	75	0	Gross up permanent additional Revenue Support Grant (RSG) for Local Heat & Energy Efficiency Strategies (£75k).
Total	47,116	25,077	49,416	51,059	(1,642)	1,642	0	

Key Highlights, Challenges and Risks

Infrastructure and Environment continues to face challenges in relation to Covid recovery and inflationary pressures on the economy. The Council purchases gas and electricity through Scottish Procurement where supplies are purchased up to 2.5 years in advance, this has provided a high level of protection from the current record high prices but significant cost increases are still being seen. In addition within frontline operational services we are seeing inflationary impacts on materials, tyres, and services including significant fuel price increases, these will be monitored closely throughout the remainder of the year.

SBC Contracts 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.

Waste Services are incurring vehicle related pressures due to repairs and vehicle hire costs, new Refuse Collection vehicles are on order and delivery is expected at the end 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.

The service has £2.492m of financial plan savings to deliver in 2022/23, £0.855m of these have been delivered permanently and £0.816m temporarily leaving £0.821m profiled to be delivered in the balance of the year.

Social Work & Practice	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/underspend
Child Protection	214	64	221	221	0		0
Children & Families Social Work	15,021	7,964	15,891	17,691	(1,800)	1,800	0 Significant additional pressures amounting to £1.8m, £1.6m of which is related to out of area child placements. Other main pressures are £145k on UASC and further pressure expected due to new parenting assessments. Additional budget being allocated from overall council budget of £1.8m. The service is experiencing material staffing recruitment and retention issues.
Adult Protection	367	167	366	366	0		0
Emergency Duty Team	320	165	320	320	0		0
Quality Improvement	448	198	548	548	0		0
Services in Criminal Justice System	1,229	(47)	1,261	1,261	0		0
Safer Communities	1,921	(154)	2,524	2,524	0		0
Older People	27,258	(1,204)	21,127	16,206	4,921	(4,921)	0 Service is forecasting a balanced position, following budget virements from additional Scottish Government funding to Joint Learning Disability service (£621k) to cover operational pressures and undeliverable savings; £1.8m to Finance and Corporate Governance to repay IJB pressures funded by SBC that are now being funded by additional Scottish Government funding and also to earmark £2.5m additional Scottish Government funding into 2023-24 in line with spend forecasts. 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	9,126	20,267	20,888	(621)	621	(0) Allocation of £621k additional Scottish Government funding for Health & Social Care. This leaves a balanced outturn forecast and includes funding for both operational pressures and savings deemed to be undeliverable
Joint Mental Health	1,956	903	2,036	2,036	0		0 The service is forecasting a £31k overspend which is anticipated will be addressed by the service during the remainder of the year
People with Physical Disabilities	2,533	1,491	2,749	2,749	0		0
Generic Services	6,958	2,342	8,449	8,449	0		0 The service is forecasting a £270k pressure relating to staffing and locality based client specific expenditures. It is anticipated that ongoing work to re-base locality budgets in Generic Services as well as Older People and People with Physical Disabilities will address much of this pressure. The remaining pressure will be addressed by the service during the remainder of the year
Total	76,026	21,016	75,758	73,258	2,500	(2,500)	(0)

MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL **2022/23**

AT END OF MONTH: **Sep-22**



Public Health	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/unders pend
Public Health	93	22	94	94	0	(0)	0
Total	93	22	94	94	0	(0)	0

Key Highlights, Challenges and Risks

Social Work & Practice is forecasting a balanced position at the end of quarter 2. Significant budget movements noted above relate to the continued allocation of additional Scottish Government Health & Social Care funding. Additionally, a budget virement to return £1.8m from Integrated Joint Board delegated services relating to IJB pressures built into the budget for 2022-23 which were funded by Scottish Borders Council. These pressures are now funded from additional SG funding, thereby releasing £1.8m that can be allocated to Children & Families services to fund pressures caused by continued and increasing out of authority care placements. A budget virement to earmark £2.5m of additional funding into 2023-24 in line with expenditure plans is also noted.

Education & Lifelong Learning	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
Early Years	18,362	7,312	22,537	22,537	0		0	
Primary Schools	29,732	15,407	32,495	33,147	(652)	652	0	Probationer budgets devolved from Central Schools £409k. Strategic Equity Funding (SEF) allocation £170k. Additional funding for teachers 21/22 pay award (£145k) split across primary & secondary schools
Secondary Schools	41,338	22,826	42,705	43,010	(305)	305	0	Probationer budgets devolved from Central Schools £172k. Strategic Equity Funding (SEF) allocation £46k. SEIC funding from Central Schools £15k. Additional funding for teachers 2021/22 pay award (£145k) split across primary & secondary schools.
Additional Support Needs	12,140	5,858	12,189	12,189	0		0	
Educational Psychology	713	338	713	723	(10)	10	0	Pressure (£10k) relates to newly qualified educational psychologist taken on as a trainee with a view to replacing member of staff who retires at Christmas. Funding to be allocated from Central schools to offset pressure.
Central Schools	7,385	4,062	9,834	9,012	822	(822)	0	Devolve probationer budgets to Primary and Secondary schools (£581k). Allocating Strategic Equity Funding (SEF) to schools (£215k). Allocate SEIC funding to Secondary school clusters (£15k). Allocate funding from central budget to cover Educational Psychology trainee pressure (£10k).
School Meals	1,756	895	1,969	1,969	0		0	
School Transport	3,594	656	3,658	3,572	86	(86)	0	Budget transfer to Infrastructure & Environment for scholars passes due to change in service provision.
Community Learning & Development	968	644	968	968	0		0	
Total	115,987	57,999	127,068	127,127	(59)	59	0	

Key Highlights Challenges & Risks

The revised DSM scheme was approved by Council in August 2022, virements have been processed to allocate funding to Primary & Secondary schools. The revision of the DSM scheme has allowed E&LL to delivery its required savings permanently. A review of the Education & Lifelong Learning central management structure is being undertaken by the E&LL Director and Chief Officer Education to ensure a robust structure and efficient use of resources. Budgets are being managed across services to ensure best use of available funding to support children and young people. Work is being undertaken in conjunction with the I&E finance team to re-base budgets for school meals using the funding in both areas. Possible pressures around increased sickness are currently being managed within E&LL.

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	2,500	5,249	5,249	0		0	
Community Planning & Engagement	453	215	453	453	0		0	
Neighbourhood Support Fund	671	1,508	4,186	4,186	0		0	
Customer Advice & Support Services	3,140	7,177	8,713	9,135	(422)	422	0	Gross up additional income from Scottish Government for Cost of Living Payments to low income households, including administration costs (£519k). To earmark budget into 2023/24 for additional staffing investment required to create and implement digital processes for self-serve both within CASS and other service areas (£97k).
Economic Development	2,391	235	2,805	2,805	0		0	
Cultural Services	3,783	2,171	3,766	3,766	0		0	
Sports Services	1,965	969	2,071	2,071	0		0	
Discretionary Housing Payments	0	53	1,073	1,073	0		0	
Housing Benefits	608	941	668	668	0		0	
Non Domestic Rates Relief	275	(23,205)	213	213	0		0	
Scottish Welfare Fund	586	227	916	916	0		0	
Council Tax Reduction Scheme	5,407	5,644	5,711	5,760	(49)	49	0	Pressure from increased number of cases over the last quarter (£49k).
Total	24,432	(1,564)	35,823	36,294	(471)	471	0	

Key Highlights, Challenges & Risks

Resilient Communities is continuing to experience challenges due to increased workloads as a result of the Cost of Living Crisis. 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. The service is requesting an Earmark balance to 2023/24 for additional staffing resource to progress digital transformation within Customer Advice and Support and the wider Council. The service has £0.380m of financial plan savings to deliver in 2022/23, these have now been delivered in the current year with £0.0124m of these having been delivered permanently and £0.256m temporarily.

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	(70)	2,120	(31)	2,151	(2,151)	0	Utilise an element of the Recovery Fund to offset Covid-19 and inflationary pressures across SBC.
Corporate	(1,048)	(330)	(845)	5,269	(6,114)	6,114	0	Additional funding for permanent effect of teacher's 2021/22 pay award £509k. Additional Health & Social Work Government funding (£1.8m) transferring from SW&P in lieu of SBC funded pressures in 2022/23 budget being released to off-set Children & Families Social Work (£1.8m) pressures in external placements. Additional Scottish Government agreed funding to support the local government pay offer (£5.605m).
Chief Executive	184	76	184	184	0		0	
Emergency Planning	161	83	161	180	(19)	19	0	Pressure from additional staffing (£19k).
Finance	4,410	2,403	4,381	4,381	0		0	
Legal Services	750	409	735	735	0		0	
Protective Services	1,520	746	1,574	1,584	(10)	10	0	Pressure relating to disposal of avian flu infected birds (£10k).
Audit & Risk	384	167	384	384	0		0	
Assessor & Electoral Registration Services	894	398	907	907	0		0	
Democratic Services	1,842	1,277	2,023	2,023	0		0	
Communications & Marketing	531	241	541	532	9	(9)	0	Additional staff turnover savings (£9k).
Loan Charges	19,351	1,521	19,402	18,402	1,000	(1,000)	0	Reduced borrowing requirement due to timing movements in the capital programme to be transferred to Treasury Reserve (£1m) to smooth capital financing requirements in future years.
Provision for Bad Debts	125	125	125	125	0		0	
Recharge to Non-General Fund	(563)	0	(608)	(608)	0		0	
Total	28,607	7,107	31,082	34,065	(2,983)	2,983	0	

Key Highlights, Challenges & Risks

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

The service is reporting a small overspend of £0.020m linked to additional staffing requirements within Emergency Planning to support the Council's response to emergency situations. Reduced borrowing requirements allows £1m to be transferred to the Treasury reserve to smooth capital financing requirements in future years.

The service has £3.477m of financial plan savings to deliver in 2022/23, £3.351m of these have been delivered permanently and £0.063m temporarily leaving £0.063m profiled to be delivered in the balance of the year.

People, Performance & Change	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
Human Resources	4,779	2,083	4,953	4,953	0		0	
Early Retiral/Voluntary Severance	67	179	67	173	(106)	106	0	Drawdown from Workforce Management Allocated Reserve (£106k).
Corporate Transformation	730	318	940	940	0		0	
Business Change & Programme Management	1,181	701	1,238	1,238	0		0	
Business Planning Performance & Policy Development	449	169	443	415	28	(28)	0	Additional income (£28k).
Total	7,206	3,449	7,641	7,719	(78)	78	0	

Key Highlights, Challenges & Risks

People, Performance & Change are forecasting a small underspend of £28k in the current quarter as a result of additional income.
 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.

Strategic Commissioning & Partnerships	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
Information Technology	11,730	5,402	17,454	12,266	5,188	(5,188)	0	Transfer/earmark available revenue budget to fund the additional consolidated element of the SJC pay offer in 2022/23 and 2023/24 (£2.594m per year). £120.6m capital funding agreed by Scottish Government in both 2022/23 and 2023/24, which will be baselined as General Revenue Grant from 2024/25 onwards, to support the local government pay offer. Adjustments made in the capital monitoring to reflect this 'switch' of funding by reducing the Capital Funded from Current Revenue (CFCR) for Digital Transformation.
SB Cares	13,675	7,706	15,922	15,922	0		0	Continued pressures relating to the continued increased PPE requirement in Care Homes and Home Care settings to be funded through the LMP. Additionally, staffing pressures related to increased use of overtime and agency staff due to recruitment issues is anticipated to be managed from within the service or other IJB delegated services.
Commissioning	0	18	(478)	(478)	0		0	
Total	25,404	13,126	32,899	27,711	5,188	(5,188)	0	

Key Highlights, Challenges & Risks

SB Cares is presenting a largely balanced position but recognising additional staffing pressures of c. £600k. Options for reducing and funding this pressure will be considered in quarter 3.