
To: Finance, Resources and Customer Services Policy Board

On: 31 January 2018

Report by: Director of Finance and Resources

Heading: Revenue Budget Monitoring – Council Overview to 10 November 2017

1. Summary

1.1 This report provides an overview of the budget performance for all Services for the period to 10 November 2017. The report confirms an overall breakeven position for all services. The summary position for General Fund Services and the Housing Revenue Account is outlined in the table below:

Division / Department	Current Reported Position	% variance	Previously Reported Position	% variance
General Fund Services	£50k underspend	0.0%	Breakeven	0.0%
HRA	Breakeven	0.0%	Breakeven	0.0%

1.2 The budget performance to date suggests a breakeven projected year end position which is summarised in the table below:

Division / Department	Anticipated Year End Position	% variance	Previously Reported Position	% variance
General Fund Services	£3.860m underspend	1.0%	Breakeven	0.0%
HRA	Breakeven	0.0%	Breakeven	0.0%

2. **Recommendations**

- 2.1 Members are requested to note the budget position
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3. **Service Commentaries**

- 3.1 Budget Monitoring reports will be considered by each Policy Board for services reporting directly to those Boards.

- 3.2 In terms of the Financial Regulations budgets have been approved on a service basis and Directors are expected to manage their spending needs within the bottom line of the budget approved. A brief commentary on budget variances by service is provided below and a Service overview is attached for information.

- 3.3 **Children's Services** (*Education and Children's Services Policy Board*)

Current position:	Breakeven
<i>Previously reported:</i>	<i>Breakeven</i>

The underspend position at this stage in the year relates mainly to the net effect of overspends and underspends in the following areas of service:-

- The overspend of £169,000 within Central Admin relates to additional staffing costs.
- The underspend of £26,000 within Primary Schools relates to teachers' salaries.
- £129,000 of a underspend within Secondary Schools relates to transport costs and teachers' salaries.
- An overspend of £221,000 within Additional Support for Learning relates to transport costs and additional support needs assistants.
- The underspend of £4,000 within Special Schools relates to teachers' salaries.

- The underspend of £231,000 within Childcare relates to the net effect of underspends in residential schools, special needs and fostering, adoption and kinship, offset by overspends in residential accommodation, childcare management and localities. This is expected to continue to the year end.

Projected Year End Position

It is anticipated, at this stage, that Children's Services will achieve a break-even year-end position subject to any unforeseen demand pressures emerging over the rest of the year.

3.4 **Leisure Services** (Leadership Board)

Current Position: Breakeven
Previously Reported: Breakeven

There are no significant variances to report.

Projected Year End Position

It is anticipated at this stage that Leisure Services will achieve a breakeven position at the year end.

3.5 **Chief Executive's Service** (Leadership)

Current Position: Breakeven
Previously Reported: Breakeven

Chief Executives is currently underspent by £50k as a result of employee vacancies during the year.

Projected Year End Position

It is projected that employee vacancies will continue to occur and this will result in a projected underspend of £60k at the year end.

3.6

Adult Services (*Leadership Board*)

Current position: Breakeven
Previously reported: Breakeven

Older People

Current Position: Net overspend of 24k
Previously Reported: Net overspend of 26k

These pressures on the overall Older People budget are partially offset by vacancies within the Local Authority owned HSCP managed care homes, and, through the application of reserves and the use of additional resources from the Council's 2017/18 budget allocation

Addictions

Current Position: Net underspend of £32k
Previously Reported: Net underspend of £44k

The underspend within Addiction Services reflects the current client profile of care packages within this area. However, as this budget is demand variable it is prudent to retain this level of budget provision to ensure there is adequate provision should the need arise.

Projected Year End Position

It is anticipated that Adult Services will achieve a net break even position at year end. Additional resource of £4.4m was made available by the Council for Adult Services in 2017/18. It is anticipated that £2.5m of this resource will not be required in 2017/18 and will be carried forward to 2018/19 to mitigate anticipated pressures.

3.7

Environment & Communities (*Infrastructure, Land and Environment Policy Board*)

Current Position: Breakeven
Previously Reported: Breakeven

The breakeven position at this stage in the year relates mainly to the net effect of over and underspends in the following areas of service:-

- An overspend of £98,000 on Refuse Collection is mainly due to lower income from trade waste and special uplifts and a small

overspend on employee costs which are partly offset by an underspend on property costs.

- An underspend of £83,000 within Roads Maintenance due to an underspend on payments to contractor and a small over recovery on income.
- An underspend of £15,000 within Regulatory Services Employee costs and an over recovery of income

Projected Year End Position

It is currently forecast that Community Resources will breakeven at the year end.

3.8 Development & Housing Services - Other Housing (*Communities, Housing & Planning Policy Board*)

Current Position: **Breakeven**

Previously Reported: ***Breakeven***

At this stage in the financial year the account reflects a breakeven position.

Projected Year End Position

It is projected that the Other Housing division will achieve a breakeven position by the year end.

3.9 Development & Housing Services – Policy and Regeneration (*Communities, Housing & Planning Policy Board*)

Current Position: **Breakeven**

Previously Reported: ***Breakeven***

At this stage in the financial year the account reflects a breakeven position, with no significant variances to report.

Projected Year End Position

It is projected that Policy and Regeneration will achieve a breakeven position by the year end.

3.10 **Childrens Services – Community Learning and Development**
(Communities, Housing & Planning Policy Board)

Current Position: Breakeven
Previously Reported: Breakeven

At this stage in the financial year the account reflects a breakeven position, with no significant variances to report.

Projected Year End Position

It is projected that the Community Learning and Development will achieve a breakeven position by the year end.

3.11 **Development & Housing Services – Economic Development Division**
(Leadership Board)

Current Position: Breakeven
Previously Reported: Breakeven

At this stage in the financial year the account reflects a breakeven position.

Projected Year End Position

It is projected that the Economic Development division will achieve a breakeven position by the year end.

3.12 **Finance and Resources** *(Finance, Resources and Customer Services Policy Board)*

Current Position: Breakeven
Previously Reported: Breakeven

There are no significant variances to report.

Projected Year End Position

It is anticipated that Finance and Resources will achieve a breakeven position at the year end.

3.13 **Miscellaneous Services** (*Finance, Resources and Customer Services Policy Board*)

Current Position: Breakeven

Previously Reported: Breakeven

There are no significant variances to report.

Projected Year End Position

Approximately £3 million of financial provisions held within Miscellaneous to fund the 2017/18 pay award and costs linked to national pension reforms will not be required during 2017/18. In addition, it is also expected that there will be an over recovery of council tax income estimated at £0.8m as a result of better than budgeted council tax yield. It is proposed that as in line with previous years practice these resources be transferred to the council's capital investment reserve to support the delivery of the council's debt smoothing strategy which continues to underpin the council's medium term financial strategy and mitigate future cost pressures.

3.14 **Trading Operations** (*Finance, Resources and Customer Services Policy Board and Infrastructure, Land and Environment Policy Board*)

These are the subject of separate reports submitted to the relevant Policy Boards. An overview is attached for information which confirms an actual breakeven position in line with the budgeted surplus for the General Fund.

3.15 **Housing Revenue Account** (*Communities, Housing & Planning Policy Board*)

Current Position: Breakeven

Previously Reported: Breakeven

Although the HRA is projecting a breakeven position for both year to date and projected year end positions, there are some significant compensating variances to be noted. Expenditure on repairs is £354k lower than expected at this stage of the year, although a breakeven position is still projected at this stage as a harsh winter can change the position. Within payments to other bodies, year end underspends are being reported in respect of void loss £150k and irrecoverable rent £300k based on current performance, delays in the roll out of Universal

Credit and ongoing improvements in these areas. Although neighbourhood forum costs are currently £54k underspent, this is expected to be fully spent by the end of the year as project commitments are made. An overspend of £62k is also anticipated in respect of Council Tax on void properties, predominately due to the Council Tax levy being applied to longer term empty properties in regeneration areas. A corresponding overspend is being reported against capital charges to reflect the current policy of utilising any HRA underspends to repay debt.

Projected Year End Position

At this stage in the financial year, it is projected that the HRA will achieve a breakeven position at the year.

Implications of the Report

1. **Financial** – Net revenue expenditure will be contained within available resources.
2. **HR & Organisational Development** – none
3. **Community Planning** – none
4. **Legal** – none
5. **Property/Assets** – none
6. **Information Technology** - none.
7. **Equality & Human Rights** The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – none

- 9. **Procurement** – none
- 10. **Risk** – none
- 11. **Privacy Impact** - none
- 12. **Cosla Policy Position** - none

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RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2017/2018
1st April 2017 to 10 November 2017

POLICY BOARD : GENERAL MANAGEMENT AND FINANCE : OVERVIEW

Description (1)	£000's	Revised Annual Budget (2)	Revised Period Budget (3)	Actual (4)	Adjustments (5)	Revised Actual (6) = (4 + 5)	Budget Variance (7)		
		£000's	£000's	£000's	£000's	£000's	£000's	%	
Education and Children		204,811	98,522	99,121	(600)	98,522	(0)	0.0%	overspend
Leisure Services		12,443	4,990	4,588	402	4,990	0	0.0%	underspend
Environment & Communities		56,246	27,988	28,107	(119)	27,988	0	0.0%	underspend
Finance & Resources		10,782	21,177	21,225	(48)	21,177	(0)	0.0%	overspend
Other Housing		4,345	5,451	5,140	311	5,451	(0)	0.0%	overspend
Regeneration		4,838	3,301	3,290	12	3,301	0	0.0%	underspend
Chief Executives		2,324	3,831	3,912	(131)	3,781	50	1.3%	underspend
Miscellaneous		21,279	3,014	2,589	426	3,014	0	0.0%	breakeven
Corporate Landlord		4,172	4,058	3,524	534	4,058	0	0.0%	underspend
Adult Services		65,490	36,173	36,173	0	36,173	0	0.0%	underspend
Trading Accounts (Surplus)/Deficit		(1,082)	(657)	4,518	(5,174)	(657)	0	0.0%	over-recovery
SUB -TOTAL GENERAL SERVICES		385,648	207,849	212,187	(4,387)	207,799	50	0.0%	underspend
Housing Revenue Account (HRA)		(0)	(16,896)	(17,630)	734	(16,896)	0	0.0%	over-recovery
NET EXPENDITURE		385,648	190,953	194,557	(3,653)	190,903	50	0.0%	underspend

Bottom Line Position to 10 November 2017 is an underspend of **£000's 50 0.0%**

Anticipated Year End Budget Position is an underspend of **3,860 1.0%**

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2017/2018
1st April 2017 to 10 November 2017

POLICY BOARD : GENERAL MANAGEMENT AND FINANCE : OVERVIEW : TRADING OPERATIONS

Description (1)	£000's	Revised Annual Budget (2)	Revised Period Budget (3)	Actual (4)	Adjustments (5)	Revised Actual (6) = (4 + 5)	Budget Variance (7)	
		£000's	£000's	£000's	£000's	£000's	£000's	%
Employee Costs		12,741	7,939	7,908	440	8,347	(409)	-5.1% overspend
Property Costs		677	422	264	128	393	29	6.9% underspend
Supplies & Services		6,167	3,841	4,389	146	4,535	(694)	-18.1% overspend
Contractors and Others		3,366	2,076	3,543	(797)	2,746	(669)	-32.2% overspend
Transport & Plant Costs		2,731	1,703	1,490	160	1,650	53	3.1% underspend
Administration Costs		2,076	1,298	371	931	1,302	(4)	-0.3% underspend
Payments to Other Bodies		0	0	0	0	0	0	100.0% underspend
CFCR		0	0	0	0	0	0	0.0% breakeven
Capital Charges		241	146	0	146	146	0	0.0% breakeven
GROSS EXPENDITURE		27,998	17,424	17,965	1,154	19,118	(1,694)	-9.7% overspend
Income		(29,080)	(18,081)	(13,447)	(6,328)	(19,776)	1,694	9.4% over-recovery
NET EXPENDITURE		(1,082)	(657)	4,518	(5,174)	(657)	0	0.0% over-recovery

£000's

Bottom Line Position to 10 November 2017 is an underspend of 0.0%

Anticipated Year End Budget Position is an underspend of 0.0%

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2017/2018
1st April 2017 to 10 November 2017

POLICY BOARD : GENERAL MANAGEMENT AND FINANCE : OVERVIEW : TRADING OPERATIONS

Description (1)	£000's	Revised Annual Budget (2)	Revised Period Budget (3)	Actual (4)	Adjustments (5)	Revised Actual (6) = (4 + 5)	Budget Variance (7)	
		£000's	£000's	£000's	£000's	£000's	£000's	%
Building & Works Trading		0	0	5,321	(5,321)	0	(0)	0.0%
Catering Trading		(451)	(279)	(455)	177	(279)	0	0.0%
Transport Trading		(505)	(301)	(412)	111	(301)	(0)	0.0%
Roads Trading		(125)	(77)	64	(141)	(77)	0	0.0%
NET EXPENDITURE		(1,082)	(657)	4,518	(5,174)	(657)	0	0.0%

£000's

Bottom Line Position to 10 November 2017 is an underspend 0 0.0%

Anticipated Year End Budget Position is an underspend of 0 0.0%