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**To:** Finance and Resources Policy Board

**On:** 16 March 2016

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**Report by:** Director of Finance and Resources

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**Heading:** Revenue Budget Monitoring – Council Overview to 8 January 2016

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**1. Summary**

1.1 This report provides an overview of the budget performance for all Services for the period to 8 January 2016.

1.2 The report confirms an overall budget underspend for all services of £0.378m (0.2%). This is summarised over General Fund Services, and the Housing Revenue Account in the table below:

Division / Department	Current Reported Position	% variance	Previously Reported Position	% variance
General Fund Services	£378,000 Underspend	0.2%	£151,000 Underspend	0.1%
HRA	Breakeven	-	Breakeven	-

1.3 The budget performance to date suggests a projected year end underspend of £1.182m (0.3%) which is summarised in the table below:

Division / Department	Anticipated Year End Position	% variance	Previously Reported Position	% variance
General Fund Services	£1,182,000 Underspend	0.3%	£1,182,000 Underspend	0.3%
HRA	Breakeven	-	Breakeven	-

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## 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 **Education and Children** (*Education and Children Policy Board*)

**Current Position:** **Breakeven**

***Previously Reported:*** ***Breakeven***

The breakeven 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 £78,000 within Central Admin relates to additional staffing costs.
- £77,000 of an overspend in Additional Support for Learning relates to additional staffing costs.
- £214,000 of an underspend in Pre Fives relates to staffing costs and payments to partner nurseries.
- £352,000 of an overspend in Primary Schools is related to overspends on teachers' salaries and maintenance works partly offset by an underspend in transport.
- £368,000 of an underspend in Secondary Schools is mainly due to underspends in transport costs and teachers' salaries.

- £83,000 of an overspend in Special Schools relates to teachers' salaries including the central cover budget.

### **Projected Year End Position**

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

## 3.4

### **Leisure Services**

**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

### **Community Resources** (*Environment Policy Board*)

**Current Position:** Breakeven

***Previously Reported:*** *Breakeven*

The breakeven position at this stage in the year relates mainly to lower income from trade waste, special uplifts and recreational and cemetery income offset by underspends on transport costs across the services.

### **Projected Year End Position**

It is currently forecast that Community Resources will break even at year end. This forecast position will be reviewed on an ongoing basis for the remainder of the financial year, particularly with regard to recycling performance and the level of tonnages received for recycling or disposal, and the costs of roads maintenance for the remainder of the winter maintenance period to March 2016.

3.6 **Development & Housing Services - Other Housing** (*Housing & Community Safety Policy Board*)

**Current Position:** Breakeven

**Previously Reported:** Breakeven

At this stage in the financial year the Other Housing account reflects a breakeven position with no significant variances to report on any of the budget categories.

**Projected Year End Position**

It is anticipated at this stage that the Other Housing year end position will be an underspend of £292,000 as a result of an improved outturn position on the Council's Housing Benefit subsidy position and reduced Housing Strategy costs.

3.7 **Development & Housing Services – Planning & Regeneration** (*Planning and Property Policy Board*)

**Current Position:** Breakeven

**Previously Reported:** Breakeven

The Planning Division account reflects a breakeven position with no significant variances to report on any of the budget categories.

**Projected Year End Position**

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

3.8 **Development & Housing Services – Economic Development** (*Economy & Jobs 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 on any of the budget categories.

### **Projected Year End Position**

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

#### 3.9 **Property & Construction Services** (*Planning and Property Policy Board*)

**Current Position:** Breakeven

**Previously Reported:** Breakeven

The current breakeven position mainly reflects overspends in Property Costs, Supplies and Services and Contractors and Others costs which have been offset by an over-recovery in income.

The overspends on the Property Services account at this stage in the financial year, reflect the increased levels of systems and professional support required to service the significant capital schemes currently being led by the Property Services division and will be offset by increased fee income.

### **Projected Year End Position**

It is anticipated that Property & Construction Services will achieve a breakeven position at year end.

#### 3.10 **Adult Services** (*Social Work, Health and Well-being Policy Board*)

**Current Position:** Breakeven

**Previously Reported:** Breakeven

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

- The net overspend of £6,000 within Older People services is due to significant pressures within the care at home service which are mitigated by an underspend in the external care home placement budget reflecting higher than anticipated turnover levels.

In addition to pressures within the care at home service, there is an under recovery of income from the Council's residential Care Homes reflecting occupancy levels throughout this financial year.

- £60,000 of an overspend in Physical Disabilities is due to increases in the purchase of equipment to support service users to stay in their own homes reflecting the shift in the balance of care to the community and their associated needs.
- An underspend of £163,000 within Learning Disabilities is mainly due to the time taken to recruit to new posts within the Learning Disability day services along with vacancies due to staff turnover. In order to ensure minimum delays in filling vacant posts, as soon as managers become aware that a member of staff is leaving, the post will actively be recruited. However, due to the nature of the service, turnover of staff is high for a variety of reasons.

This underspend offsets an overspend on the Adult Placement budget reflecting increased changes in the budget profile in relation to the funding of SDS packages.

- £97,000 of an overspend in Addictions relates to higher than anticipated payroll costs.

### **Projected Year End Position**

The Adult Services budget is, at this stage, reporting a year projected breakeven position.

3.11

### **Finance and Resources** (*Finance and Resources Policy Board*)

<b>Current Position:</b>	<b>Net underspend £133,000</b>
<b><i>Previously Reported:</i></b>	<b><i>Net underspend £97,000</i></b>

The underspend has arisen due to levels of staff turnover and an over-recovery of licensing income.

### **Projected Year End Position**

It is anticipated that Finance and Resources will achieve an underspend of £175,000 by the year end due to levels of staff turnover and an over-recovery of licensing income.

3.12 **Chief Executive's Department** *(Finance and Resources Policy Board)*

<b>Current Position:</b>	<b>Net underspend £89,000</b>
<b><i>Previously Reported:</i></b>	<b><i>Net underspend £54,000</i></b>

The underspend has arisen due to levels of staff turnover.

**Projected Year End Position**

It is anticipated that the Chief Executive's will achieve an underspend of £115,000 by the year end due to levels of staff turnover.

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

<b>Current Position:</b>	<b>Net underspend £156,000</b>
<b><i>Previously Reported:</i></b>	<b><i>Breakeven</i></b>

The underspend has arisen due to additional one-off income.

**Projected Year End Position**

It is anticipated that Miscellaneous Services will achieve an underspend of £200,000 by the year end due to additional one-off income.

It is anticipated that Council Tax income for 2015-16 will be over recovered by £400,000 against budget due to increased yield.

3.14 **Trading Operations**

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. It is projected that the Building Services trading operation will deliver a £468,000 surplus in line with budget. In line with agreed policy this surplus will be returned to the General Fund or the HRA based on the level of Housing related turnover and the reported position reflects this policy.

**Housing Revenue Account** (*Housing & Community Safety Policy Board*)

**Current Position:** **Breakeven**

**Previously Reported:** **Breakeven**

The current breakeven position principally reflects underspends in the expenditure categories of Employee Costs, Property Costs, Payments to Other Bodies and Capital Charges which have been offset by an increase in CFCR (Property Costs) and lower income levels as detailed below.

The increase in Capital Funded from Current Revenue (CFCR) to offset underspends is in line with the agreed strategy of using underspends within the HRA and Capital from Current Revenue to reduce new debt and to smooth debt repayments to support the sustainability of the HRA.

***Employee Costs***

The current underspend within Employee Costs represents vacancies which have occurred in the service over the course of the financial year to date.

***Property Costs***

The additional expenditure in Property Costs relates to CFCR and is in line with the agreed strategy of using underspends within the HRA to reduce new debt and to smooth debt repayments. Utilities costs within Property Services are underspent due to the new biomass heating systems becoming operational during the year.

***Payments to Other Bodies***

The underspend mainly reflects lower than expected levels of irrecoverable rent and voids. The underspend of in irrecoverable rent is as a result of the pressures expected as a result of the implementation of Universal Credit not materialising as quickly as anticipated. The Bad Debt Provision continues to be updated to ensure that the forecast remains up to date, whilst maintaining a prudent approach. The underspend in voids reflects the lower turnaround times resulting from the continuous improvement in the management of voids.

***Capital Charges***

The underspend is due to the capital charges being lower than projected.



### ***Income***

The under-recovery mainly reflects the reduced income levels from charges associated with the implementation of the new biomass heating systems as referenced in Property Costs.

### **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 end. Projected underspends will be offset by a corresponding increase in the planned CFCR contribution.

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## **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

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**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2015/2016**  
**1st April 2015 to 08 January 2016**

**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	%
Employee Costs		234,531	167,842	167,198	427	167,625	217	0.1%
Property Costs		102,722	74,911	73,752	2,317	76,069	(1,158)	-1.5%
Supplies & Services		17,273	12,883	15,004	(1,652)	13,352	(469)	-3.6%
Contractors and Others		101,355	62,706	62,428	211	62,639	67	0.1%
Transport & Plant Costs		13,184	9,801	9,237	351	9,588	213	2.2%
Administration Costs		67,127	5,955	4,448	1,497	5,945	10	0.2%
Payments to Other Bodies		55,751	35,385	35,487	(654)	34,833	552	1.6%
CFCR		2,880	1	25	(24)	1	0	0.0%
Capital Charges		51,679	16,350	25	15,671	15,696	654	4.0%
<b>GROSS EXPENDITURE</b>		<b>646,503</b>	<b>385,834</b>	<b>367,604</b>	<b>18,144</b>	<b>385,748</b>	<b>86</b>	<b>0.0%</b>
Income		(266,600)	(150,404)	(142,671)	(8,025)	(150,696)	292	0.2%
<b>NET EXPENDITURE</b>		<b>379,902</b>	<b>235,430</b>	<b>224,933</b>	<b>10,119</b>	<b>235,052</b>	<b>378</b>	<b>0.2%</b>

£000's

0.2%

Bottom Line Position to 08 January 2016 is an underspend of

378

0.3%

Anticipated Year End Budget Position is an underspend of

1,182

**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2015/2016**  
**1st April 2015 to 08 January 2016**

**POLICY BOARD : GENERAL MANAGEMENT AND FINANCE : OVERVIEW**

Description (1)	£000's	Revised Annual Budget (2)	£000's	Revised Period Budget (3)	£000's	Actual (4)	£000's	Adjustments (5)	£000's	Revised Actual (6) = (4 + 5)	£000's	Budget Variance (7)	
												£000's	%
Education and Children		200,950		110,919		111,046		(127)		110,919		0	0.0%
Leisure Services		12,665		7,065		7,067		(2)		7,065		0	0.0%
Environmental Services		59,657		35,228		35,908		(680)		35,228		0	0.0%
Finance & Resources		5,962		22,509		25,614		(3,238)		22,376		133	0.6%
Other Housing		5,735		3,939		4,154		(215)		3,939		0	0.0%
Planning & Economic Development		8,457		4,597		8,493		(3,896)		4,597		0	0.0%
Chief Executives		1,596		2,763		2,608		66		2,674		89	3.2%
Miscellaneous		30,132		5,501		2,847		2,498		5,345		156	2.8%
Social Work Adult Services		55,830		47,348		47,348		0		47,348		0	0.0%
Trading Accounts (Surplus)/Deficit		(1,082)		(1,205)		486		(1,691)		(1,205)		0	0.0%
<b>SUB -TOTAL GENERAL SERVICES</b>		<b>379,902</b>		<b>238,664</b>		<b>245,571</b>		<b>(7,285)</b>		<b>238,286</b>		<b>378</b>	<b>0.2%</b>
Housing Revenue Account (HRA)		0		(3,234)		(20,638)		17,404		(3,234)		0	0.0%
<b>NET EXPENDITURE</b>		<b>379,902</b>		<b>235,430</b>		<b>224,933</b>		<b>10,119</b>		<b>235,052</b>		<b>378</b>	<b>0.2%</b>

	£000's
Bottom Line Position to 08 January 2016 is an underspend of	<u>378</u>
Anticipated Year End Budget Position is an underspend of	<u>1,182</u>

0.2%  
0.3%

**RENFREWSHIRE COUNCIL**

## REVENUE BUDGET MONITORING STATEMENT 2015/2016

1st April 2015 to 08 January 2016

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

Description (1)	Revised Annual Budget (2)	Revised Period Budget (3)	Actual (4)	Adjustments (5)	Revised Actual (6) = (4 + 5)	Budget Variance	
						£000's	% (7)
Employee Costs	12,483	9,556	9,027	452	9,479	77	0.8%
Property Costs	683	516	361	143	504	12	2.3%
Supplies & Services	5,533	4,196	4,494	(285)	4,209	(13)	-0.3%
Contractors and Others	3,152	2,278	2,462	(146)	2,316	(38)	-1.7%
Transport & Plant Costs	2,702	2,000	1,749	235	1,984	16	0.8%
Administration Costs	2,083	1,618	322	1,296	1,618	0	0.0%
Payments to Other Bodies	7	5	(15)	20	5	0	0.0%
CFCR	0	0	0	0	0	0	0.0%
Capital Charges	241	185	0	185	185	0	0.0%
GROSS EXPENDITURE	26,884	20,354	18,400	1,900	20,300	54	0.3%
Income	(27,965)	(21,559)	(17,914)	(3,591)	(21,505)	(54)	-0.3%
NET EXPENDITURE	(1,081)	(1,205)	486	(1,691)	(1,205)	0	0.0%
							underspend
							underspend
							overspend
							overspend
							underspend
							breakeven
							breakeven
							breakeven
							breakeven
							underspend
							under-r-recovery
							breakeven

£000's

0.0%

0.0%

Bottom Line Position to 08 January 2016 is breakeven of

**Anticipated Year End Budget Position is breakeven of**

RENFREWSHIRE COUNCIL  
REVENUE BUDGET MONITORING STATEMENT 2015/2016  
1st April 2015 to 08 January 2016

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	(360)	1,144	(1,504)	(360)	0	0.0%
Catering Trading		(451)	(339)	(254)	(85)	(339)	0	0.0%
Transport Trading		(505)	(413)	(594)	181	(413)	0	0.0%
Roads Trading		(125)	(93)	190	(283)	(93)	0	0.0%
NET EXPENDITURE		(1,082)	(1,205)	486	(1,691)	(1,205)	0	0.0%
								breakeven
								breakeven
								breakeven
								breakeven

Bottom Line Position to 08 January 2016 is breakeven of 0.0%

Anticipated Year End Budget Position is breakeven of 0.0%