
To: Finance, Resources and Customer Services Policy Board

On: 6 June 2018

Report by: Director of Finance and Resources

Heading: Revenue Budget Monitoring – Council Overview to 2 March 2018

1. Summary

- 1.1 This report provides an overview of the budget performance for all Services for the period to 2 March 2018. The report confirms a net underspend of £3,510,000. 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	£3.510m underspend	1.1%	£2.976m underspend	1.1%
HRA	Breakeven	0.0%	Breakeven	0.0%

- 1.2 The budget performance to date suggests a projected net underspend of £3.688m at the year end (subject to finalisation of the costs of responding to the severe weather conditions in February and March) which is summarised in the table below:

Division / Department	Anticipated Year End Position	% variance	Previously Reported Position	% variance
General Fund Services	£3.688m underspend	0.9%	£3.860m underspend	1.0%
HRA	HRA	0.0%	Breakeven	0.0%

2. **Recommendations**

- 2.1 Members are requested to note the budget position
-

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: **Net underspend £92,000**
Previously reported: **Breakeven**

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 £266,000 within Central Admin relates to additional staffing and admin costs.
- An overspend of £286,000 within Additional Support for Learning relates to transport costs and additional support needs assistants.
- An underspend of £64,000 within Pre-Five relates to payments to other bodies and is partly offset by an overspend on staffing costs.

- An underspend of £13,000 within Primary Schools relates to teachers' salaries partly offset by an overspend in property costs and supplies.
- An underspend of £25,000 within Secondary Schools relates to an underspend in payments to other bodies.
- The overspend of £7,000 within Special Schools relates to teachers' salaries.
- The underspend of £46,000 within Psychological Services relates to teachers' salaries.
- The underspend of £503,000 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 net underspend of £98,000 year-end position.

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: **Net underspend £55,000**
Previously Reported: **Net underspend £53,000**

Chief Executives is currently underspent by £55,000 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 £60,000 at the year end.

3.6 Adult Services (Leadership Board)

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

Older People

Current Position:	Net overspend of £60,000
<i>Previously Reported:</i>	<i>Net overspend of £10,000</i>

The pressures on the overall Older People budget are partially offset by vacancies within the Local Authority owned HSCP managed care homes.

Physical Disabilities

Current Position:	Net overspend of £40,000
<i>Previously Reported:</i>	<i>Net overspend of £81,000</i>

The overspend within Physical Disabilities mainly relates to pressures within the Adult Placement budget reflecting both the impact of increasing demand and Self Directed Support.

Addictions

Current Position:	Net underspend £103,000
<i>Previously Reported:</i>	<i>Net underspend £70,000</i>

The underspend within addictions is due to a number of vacant posts and the current client profile of care packages within this area.

Projected Year End Position

Overall, Social Work Adult Services are currently reporting a breakeven position. This has been achieved by using a combination of: reserves carried forward from the 2016/17 budget allocation; and a proportion of

the additional £4.4m of resources made available by Renfrewshire Council as part of their 2017/18 budget allocation to the IJB for Adult Social Care.

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

Current Position: **Net overspend of £295,000**
Previously Reported: **Break-even**

The net overspend 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 £197,000 on Refuse Collection is mainly due to lower income from trade waste and special uplifts and an overspend on employee costs which are partly offset by an underspend on property and transport costs.
- A net underspend of £83,000 within Refuse Disposal is due to lower than anticipated spend on the residual waste disposal contract, partially offset by an under recovery on income and an overspend on employee costs.
- An overspend of £211,000 on Roads Maintenance is due to approximately £500,000 of costs incurred as a result of the extreme weather that was experienced in February/March 2018. These costs relate mainly to overtime, the emergency use of contractors and the additional purchase of salt for gritting and have been offset by £312,000 of emergency grant released by the Scottish Government to support costs associated with the response to the adverse weather.
- An underspend of £30,000 within Regulatory Services Employee costs and an over recovery of income

Projected Year End Position

It is currently forecast that Environment & Communities will overspend by approximately £200,000 at year end. This forecast position is based on assumptions around the costs of maintaining Council Services during the period of extreme adverse weather in February & March 2018.

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: Net underspend of £3,800,000
Previously Reported: Net underspend of £2,923,000

The current underspend of £3.800m relates to financial provisions and council tax yields.

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 £800,000 as a result of better than budgeted council tax yield. As previously agreed, these resources will be transferred as in previous years to the council's capital investment reserve.

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 a net under recovery of £142,000 and a forecast year end under recovery of £70,000.

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 compensating variances to be noted. Expenditure on repairs within property costs is now projecting a £200,000 overspend position, largely due to the adverse weather in February. Within payments to other bodies, year-end underspends are being reported in respect of void loss £260,000 and irrecoverable rent £500,000 based on current performance, delays in the roll out of Universal Credit and ongoing improvements in these areas. A corresponding overspend is being reported against loan 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 end.

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

Author: Lisa Dickie, Extension 7384

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2017/2018
1st April 2017 to 02 March 2018

POLICY BOARD :FINANCE, RESOURCES AND CUSTOMER SERVICES : OVERVIEW

Description	Revised Annual Budget	Revised Period Budget	Actual	Adjustments	Revised Actual	Budget Variance		
(1)	(2)	(3)	(4)	(5)	(6) = (4 + 5)	(7)		
£000's	£000's	£000's	£000's	£000's	£000's	£000's	%	
Employee Costs	269,382	224,960	224,339	(999)	223,340	1,620	0.7%	underspend
Property Costs	99,863	85,840	85,040	1,051	86,091	(251)	-0.3%	overspend
Supplies & Services	25,180	20,705	22,055	(239)	21,815	(1,111)	-5.4%	overspend
Contractors and Others	89,062	80,946	84,070	(2,261)	81,810	(863)	-1.1%	overspend
Transport & Plant Costs	13,024	11,593	11,200	635	11,836	(243)	-2.1%	overspend
Administration Costs	61,347	5,980	4,855	1,147	6,002	(22)	-0.4%	overspend
Payments to Other Bodies	57,608	45,921	45,243	(208)	45,034	887	1.9%	underspend
CFCR	5,136	(1)	0	(1)	(1)	0	20.0%	over-recovery
Capital Charges	37,259	12,888	14,403	(16)	14,386	(1,498)	-11.6%	overspend
GROSS EXPENDITURE	657,861	488,832	491,205	(892)	490,312	(1,481)	-0.3%	overspend
Income	(264,621)	(168,875)	(168,896)	(4,970)	(173,867)	4,992	3.0%	over-recovery
NET EXPENDITURE	393,239	319,957	322,308	(5,862)	316,445	3,510	1.1%	underspend

	£000's	
Bottom Line Position to 02 March 2018 is an underspend of	<u>3,510</u>	<u>1.1%</u>
Anticipated Year End Budget Position is an underspend of	<u>3,688</u>	<u>0.9%</u>

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2017/2018
1st April 2017 to 02 March 2018

POLICY BOARD :FINANCE, RESOURCES AND CUSTOMER SERVICES : OVERVIEW

Description (1)	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	£000's	%	
Education and Children	206,280	158,968	159,743	(867)	158,876	92	0.1%	underspend
Leisure Services	12,856	7,515	7,619	(104)	7,515	0	0.0%	underspend
Environment & Communities	56,480	41,925	42,841	(621)	42,220	(295)	-0.7%	overspend
Finance & Resources	11,464	33,339	33,339	(0)	33,339	0	0.0%	underspend
Other Housing	4,435	9,927	9,440	487	9,927	0	0.0%	underspend
Regeneration	7,442	6,055	6,040	16	6,055	(0)	0.0%	overspend
Roads & Transport	0	0	0	0	0	0	0.0%	breakeven
Chief Executives	2,532	6,075	6,253	(233)	6,020	55	0.9%	underspend
Miscellaneous	22,631	11,256	8,407	(951)	7,456	3,800	33.8%	underspend
Corporate Landlord	4,787	6,256	5,851	404	6,256	0	0.0%	underspend
Adult Services	65,414	56,419	56,418	0	56,419	(0)	0.0%	overspend
Trading Accounts (Surplus)/Deficit	(1,082)	(1,028)	3,984	(4,871)	(886)	(142)	-13.8%	under-recovery
SUB -TOTAL GENERAL SERVICES	393,239	336,707	339,935	(6,739)	333,197	3,510	1.0%	underspend
Housing Revenue Account (HRA)	(0)	(16,750)	(17,627)	878	(16,750)	(0)	0.0%	under-recovery
NET EXPENDITURE	393,239	319,957	322,308	(5,862)	316,447	3,510	1.1%	underspend

Bottom Line Position to 02 March 2018 is an underspend of	£000's	
	<u>3,510</u>	<u>1.1%</u>
Anticipated Year End Budget Position is an underspend of	<u>3,688</u>	<u>0.9%</u>

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2017/2018
1st April 2017 to 02 March 2018

POLICY BOARD :FINANCE, RESOURCES AND CUSTOMER SERVICES : OVERVIEW : TRADING OPERATIONS

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 %		
Building & Works Trading	0	0	5,249	(5,107)	142	(142)	0.0%	breakeven
Catering Trading	(451)	(772)	(1,008)	236	(772)	0	0.0%	over-recovery
Transport Trading	(505)	(393)	(221)	(172)	(393)	0	0.0%	over-recovery
Roads Trading	(125)	137	(36)	173	137	0	0.0%	underspend
NET EXPENDITURE	(1,082)	(1,028)	3,984	(4,871)	(886)	(142)	-13.8%	under-recovery

	£000's	
Bottom Line Position to 02 March 2018 is an overspend of	<u>(142)</u>	<u>-13.8%</u>
Anticipated Year End Budget Position is an overspend of	<u><u>(70)</u></u>	<u><u>-6.5%</u></u>