



To: Finance and Resources Policy Board

On: 18 May 2016

Report by: Director of Finance and Resources

Heading: Revenue Budget Monitoring – Council Overview to 4 March 2016

1. Summary

1.1 This report provides an overview of the budget performance for all Services for the period to 4 March 2016.

1.2 The report confirms an overall budget underspend for all services of £0.722m (0.3%). 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	£722,000 Underspend	0.3%	£378,000 Underspend	0.2%
HRA	Breakeven	-	Breakeven	-

1.3 The budget performance to date suggests a projected year end underspend of £1.435m (0.4%) which is summarised in the table below:

Division / Department	Anticipated Year End Position	% variance	Previously Reported Position	% variance
General Fund Services	£1,435,000 Underspend	0.4%	£1,182,000 Underspend	0.3%
HRA	Breakeven	-	Breakeven	-

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

Current Position: **Net underspend £307,000**
Previously Reported: **Break-even**

The net underspend 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 £94,000 within Central Admin relates to additional staffing costs.
- £120,000 of an overspend in Additional Support for Learning relates to additional staffing costs.
- A £27,000 underspend in Education Development relating to staffing costs.
- £264,000 of an underspend in Pre Fives relates to staffing costs and payments to partner nurseries.
- £230,000 of an overspend in Primary Schools is related to overspends on teachers' salaries and maintenance works partly offset by an underspend in transport.

- An underspend of £166,000 in Secondary Schools is mainly due to underspends in transport costs and teachers' salaries.
- £63,000 of an overspend in Special Schools relates to teachers' salaries including the central cover budget.
- Within Childcare, the £307,000 underspend relates to lower than anticipated expenditure on external placements and Fostering and Adoption allowances, partially offset by minor overspends across a range of other budget lines.

Projected Year End Position

It is anticipated that Education and Children's Services will underspend by £307,000 by the year end. This is after provision of £500,000 for the relocation of Extended New Directions from West College Scotland and some school property works which were planned for 2015-16 but due to time constraints will not now be completed until 2016-17.

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 and supplies and services costs across the services.

Projected Year End Position

It is currently forecast that Community Resources will break even at year end.

3.6 **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 overspends in employee costs, contractors and supplies and services – which includes investment in IT software to improve service delivery – being funded by increased levels of income.

Projected Year End Position

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

3.7 **Property & Construction Services** (Planning and Property Policy Board)

Current Position: Breakeven

Previously Reported: Breakeven

The current breakeven position mainly reflects additional costs incurred to deliver the capital and energy efficiency programmes.

These costs will be wholly offset by additional design and supervision fee income from capital projects and contributions received from third parties to deliver new energy efficiency measures in the current year which will contribute to the Better Council Change Programme in 2017/18.

Projected Year End Position

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

3.8 **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.

3.9 **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.

3.10 **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 £66,000 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.

- An underspend of £155,000 within Learning Disabilities is mainly due to vacancies due to staff turnover.
- £92,000 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*)

Current Position:	Net underspend £118,000
<i>Previously Reported:</i>	<i>Net underspend £133,000</i>

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*)

Current Position:	Net underspend £106,000
<i>Previously Reported:</i>	<i>Net underspend £89,000</i>

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 £70,000 by the year end due to levels of staff turnover.

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

Current Position: **Net underspend £191,000**
Previously Reported: **Breakeven**

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.

3.15 **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 CFCR to reduce new debt and to smooth debt repayments to support the sustainability of the HRA.

Employee Costs

The current underspend of £222,000 within Employee Costs represents vacancies which have occurred in the service over the course of the financial year.

Property Costs

The additional expenditure in Property Costs of £1,331,000 relates to the agreed strategy of using underspends within the HRA and Capital from Current Revenue 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 of £458,000 mainly reflects lower than expected levels of irrecoverable rent and voids. The underspend of c. £185,000 in irrecoverable rent has resulted from the pressures expected following 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 (c. £196,000) 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 of £143,000 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.

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

Author: David Forbes, Extension 6424

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2015/2016
1st April 2015 to 04 March 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		236,913	203,525	205,041	(1,662)	203,379	146	0.1%
Property Costs		102,861	90,544	88,554	3,880	92,434	(1,890)	-2.1%
Supplies & Services		17,222	16,252	18,813	(2,424)	16,389	(137)	-0.8%
Contractors and Others		101,252	78,391	77,301	845	78,146	245	0.3%
Transport & Plant Costs		13,202	12,152	11,799	39	11,838	314	2.6%
Administration Costs		67,077	6,939	5,289	1,714	7,003	(64)	-0.9%
Payments to Other Bodies		56,022	44,310	44,030	(666)	43,364	946	2.1%
CFCR		2,950	96	97	0	97	(1)	-1.0%
Capital Charges		51,679	19,615	35	18,799	18,834	781	4.0%
GROSS EXPENDITURE		649,177	471,824	450,959	20,525	471,484	340	0.1%
Income		(266,863)	(185,808)	(184,364)	(1,826)	(186,190)	382	0.2%
NET EXPENDITURE		382,314	286,016	266,595	18,699	285,294	722	0.3%

£000's

722

0.3%

1,435

0.4%

Bottom Line Position to 04 March 2016 is an underspend of

Anticipated Year End Budget Position is an underspend of

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2015/2016
1st April 2015 to 04 March 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		200,762		147,612		147,480		(175)		147,305		307	0.2%
Leisure Services		12,665		7,786		7,908		(122)		7,786		0	0.0%
Environmental Services		56,788		43,134		42,650		484		43,134		0	0.0%
Finance & Resources		6,147		26,019		29,782		(3,881)		25,901		118	0.5%
Other Housing		5,829		3,731		3,967		(236)		3,731		0	0.0%
Planning & Economic Development		8,460		6,026		6,081		(55)		6,026		0	0.0%
Chief Executives		1,594		3,237		3,286		(155)		3,131		106	3.3%
Miscellaneous		32,570		6,536		5,062		1,283		6,345		191	2.9%
Property & Construction Services		2,827		3,584		3,372		212		3,584		0	0.0%
Social Work		55,754		42,393		42,406		(13)		42,393		0	0.0%
Trading Accounts (Surplus)/Deficit		(1,082)		(1,420)		(148)		(1,272)		(1,420)		0	0.0%
SUB - TOTAL GENERAL SERVICES		382,314		288,638		291,846		(3,930)		287,916		722	0.3%
Housing Revenue Account (HRA)		0		(2,622)		(25,251)				(2,622)		0	0.0%
NET EXPENDITURE		382,314		286,016		266,595		18,699		285,294		722	0.3%

£000's

722	0.3%
1,435	0.4%

Bottom Line Position to 04 March 2016 is an underspend of

Anticipated Year End Budget Position is an underspend of

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2015/2016
1st April 2015 to 04 March 2016

POLICY BOARD : GENERAL MANAGEMENT AND FINANCE : 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	%	
Employee Costs		12,490		11,587		11,582		(62)		11,520	67	0.6%	underspend
Property Costs		683		627		436		172		608	19	3.0%	underspend
Supplies & Services		5,533		5,099		5,769		(649)		5,120	(21)	-0.4%	overspend
Contractors and Others		3,152		2,539		3,259		(716)		2,543	(4)	-0.2%	overspend
Transport & Plant Costs		2,702		2,446		2,310		119		2,429	17	0.7%	underspend
Administration Costs		2,083		1,929		338		1,605		1,943	(14)	-0.7%	overspend
Payments to Other Bodies		0		0		0		0		0	0	0.0%	break-even
CFCR		0		0		0		0		0	0	0.0%	break-even
Capital Charges		241		222		0		222		222	0	0.0%	break-even
GROSS EXPENDITURE		26,884		24,449		23,694		691		24,385	64	0.3%	underspend
Income		(27,965)		(25,870)		(23,842)		(1,964)		(25,806)	(64)	-0.2%	under-recovery
NET EXPENDITURE		(1,081)		(1,421)		(148)		(1,273)		(1,421)	0	0.0%	break-even

Bottom Line Position to 04 March 2016 is an underspend of **£000's 0**
Anticipated Year End Budget Position is break-even of **£000's 0**

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2015/2016
1st April 2015 to 04 March 2016

POLICY BOARD : GENERAL MANAGEMENT AND FINANCE : 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	(432)	1,295	(1,727)	(432)	0 0.0% breakeven
Catering Trading	(451)	(409)	(234)	(175)	(409)	0 0.0% breakeven
Transport Trading	(505)	(465)	(784)	319	(465)	0 0.0% breakeven
Roads Trading	(125)	(115)	(425)	310	(115)	0 0.0% breakeven
NET EXPENDITURE	(1,081)	(1,421)	(148)	(1,273)	(1,421)	0 0.0% breakeven

£000's

Bottom Line Position to 04 March 2016 is an underspend of 0 0.0%

Anticipated Year End Budget Position is breakeven of 0 0.0%