

---

**To:** Finance, Resources and Customer Services Policy Board

**On:** 28 March 2018

---

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

---

**Heading:** Revenue Budget Monitoring – Council Overview to 5 January 2018

---

**1. Summary**

1.1 This report provides an overview of the budget performance for all Services for the period to 5 January 2018. 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	£2.976m underspend	1.1%	Breakeven	0.0%
HRA	Breakeven	0.0%	Breakeven	0.0%

1.2 The budget performance to date suggests a projected net underspend of £3.860m at the year end (subject to finalisation of the costs of responding to the recent severe weather) 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
- 

## 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**

**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 £212,000 within Central Admin relates to additional staffing costs.
- An overspend of £248,000 within Additional Support for Learning relates to transport costs and additional support needs assistants.
- The overspend of £10,000 within Special Schools relates to teachers' salaries.
- The underspend of £46,000 within Psychological Services relates to teachers' salaries.

- The underspend of £424,000 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:** Net underspend £53,000  
**Previously Reported:** Breakeven

Chief Executives is currently underspent by £53k 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 £10,000**  
**Previously Reported:**                **Net overspend of £24,000**

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

### **Physical Disabilities**

**Current Position:**                      **Net overspend £81,000**  
**Previously Reported:**                **not previously reported**

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.

### **Mental Health**

**Current Position:**                      **Net underspend £30,000**  
**Previously Reported:**                **not previously reported**

The underspend within Mental Health Services mainly relates to vacancies within the service which are actively being recruited to, in the interim, agency staff have been brought in to relieve the pressure on the service.

### **Addictions**

**Current Position:**                      **Net underspend £70,000**  
**Previously Reported:**                **Net underspend £32,000**

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 £1.5m 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 £160,000 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 costs.
- An underspend of £40,000 on Refuse Disposal is mainly due to an underspend on the residual waste disposal contract which has been partially offset by an under recovery on income and an over spend on employee costs.
- An underspend of £90,000 on Roads Maintenance is mainly due to an underspend on payments to contractor, and an over recovery of income. This underspend relates to the period up until 5 January 2018, and this position will change due to both winter gritting and subsequent roads repair works prior to 31 March 2018.
- 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 the Environment & Communities services reporting to this policy board will break even at year end. This forecast position is based on assumptions around the costs of disposal of both residual and recycle waste, and the levels of tonnages received for recycling or disposal, and this will be regularly reviewed during the remainder of the financial year.

It is also based on assumptions around the costs of roads maintenance throughout the remainder of the winter period to March 2018. The recent severe weather and the required response has and continues to place both operational and financial pressure on the service. While the service will endeavor to manage these demands within budgeted

resources, members should be aware of the increased demand risk to the forecast year end breakeven position.

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 £2,923,000  
**Previously Reported:** Net Breakeven

The current underspend of £2.923m 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 £0.8m 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 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. Further, as outlined in a separate report on this agenda, it is forecast that additional resource of £0.8m will be required in relation to anticipated costs associated with the Business World implementation. This cost will crystallise in 2018/19 and the intention would be to fund this from the contribution to the capital investment reserve outlined above.

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*)

<b>Current Position:</b>	<b>Breakeven</b>
<b><i>Previously Reported:</i></b>	<b><i>Breakeven</i></b>

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 £208k lower than expected at this stage of the year, although a breakeven position is still projected. Within payments to other bodies, year end underspends are being reported in respect of void loss £200k 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 £80k 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 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.

- 3.16 It should be noted that the recent severe weather and the required response has and continues to place both operational and financial pressure on services across the Council. While services will endeavor to manage these demands within budgeted resources, members should be aware of the increased demand risk to the forecast year end position.

---

### **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 05 January 2018

**POLICY BOARD : GENERAL MANAGEMENT AND FINANCE : 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	205,219	128,189	128,573	(385)	128,189	(0)	0.0%	overspend
Leisure Services	12,443	4,781	4,653	128	4,781	0	0.0%	underspend
Environment & Communities	56,215	34,333	34,633	(299)	34,333	(0)	0.0%	overspend
Finance & Resources	11,389	27,620	27,621	(1)	27,620	0	0.0%	underspend
Other Housing	4,345	9,294	9,084	209	9,294	(0)	0.0%	overspend
Regeneration	7,509	4,921	4,832	89	4,920	0	0.0%	underspend
Roads & Transport	0	0	0	0	0	0	0.0%	breakeven
Chief Executives	2,369	4,772	4,945	(226)	4,719	53	1.1%	underspend
Miscellaneous	20,160	(2,801)	(6,363)	639	(5,723)	2,923	104.4%	over-recovery
Corporate Landlord	4,744	5,054	4,525	529	5,054	(0)	0.0%	overspend
Adult Services	65,414	46,881	46,881	0	46,881	0	0.0%	underspend
Trading Accounts (Surplus)/Deficit	(1,082)	(619)	4,332	(4,951)	(619)	0	0.0%	over-recovery
<b>SUB -TOTAL GENERAL SERVICES</b>	<b>388,724</b>	<b>262,424</b>	<b>263,717</b>	<b>(4,269)</b>	<b>259,448</b>	<b>2,976</b>	<b>1.1%</b>	<b>underspend</b>
Housing Revenue Account (HRA)	0	(19,730)	(20,732)	1,001	(19,730)	0	0.0%	over-recovery
<b>NET EXPENDITURE</b>	<b>388,724</b>	<b>242,694</b>	<b>242,985</b>	<b>(3,268)</b>	<b>239,718</b>	<b>2,976</b>	<b>1.2%</b>	<b>underspend</b>

	£000's	
Bottom Line Position to 05 January 2018 is an underspend of	<u>2,976</u>	<u>1.1%</u>
Anticipated Year End Budget Position is an underspend of	<u>3,860</u>	<u>1.0%</u>

**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2017/2018**  
**1st April 2017 to 05 January 2018**

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

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	12,741	10,252	10,097	530	10,627	(375)	-3.7%	overspend
Property Costs	677	473	277	154	431	42	8.9%	underspend
Supplies & Services	6,167	4,926	5,078	279	5,356	(431)	-8.7%	overspend
Contractors and Others	3,366	2,615	4,340	(1,567)	2,774	(158)	-6.1%	overspend
Transport & Plant Costs	2,731	1,993	1,809	55	1,864	129	6.5%	underspend
Administration Costs	2,076	1,611	317	1,300	1,616	(5)	-0.3%	overspend
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	173	0	173	173	0	0.0%	breakeven
<b>GROSS EXPENDITURE</b>	<b>27,998</b>	<b>22,043</b>	<b>21,917</b>	<b>924</b>	<b>22,841</b>	<b>(798)</b>	<b>-3.6%</b>	<b>overspend</b>
Income	(29,080)	(22,662)	(17,585)	(5,875)	(23,460)	799	3.5%	over-recovery
<b>NET EXPENDITURE</b>	<b>(1,082)</b>	<b>(619)</b>	<b>4,332</b>	<b>(4,951)</b>	<b>(620)</b>	<b>0</b>	<b>0.0%</b>	<b>over-recovery</b>

£000's

Bottom Line Position to 05 January 2018 is breakeven of 0 0.0%

Anticipated Year End Budget Position is breakeven of 0 0.0%

**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2017/2018**  
1st April 2017 to 05 January 2018

**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	0	5,937	(5,937)	0	(0)	0.0%	breakeven
Catering Trading	(451)	(372)	(985)	613	(372)	0	0.0%	over-recovery
Transport Trading	(505)	(319)	(364)	45	(319)	0	0.0%	over-recovery
Roads Trading	(125)	72	(256)	327	72	(0)	0.0%	overspend
<b>NET EXPENDITURE</b>	<b>(1,082)</b>	<b>(619)</b>	<b>4,332</b>	<b>(4,951)</b>	<b>(619)</b>	<b>0</b>	<b>0.0%</b>	<b>over-recovery</b>

	£000's	
Bottom Line Position to 05 January 2018 is breakeven of	<u>0</u>	<u>0.0%</u>
Anticipated Year End Budget Position is breakeven of	<u>0</u>	<u>0.0%</u>