
To: Finance, Resources and Customer Services Policy Board

On: 7 June 2017

Report by: Director of Finance and Resources

Heading: Revenue Budget Monitoring – Council Overview to 3 March 2017

1. Summary

1.1 This report provides an overview of the budget performance for all Services for the period to 3 March 2017. It should be noted that following the Council meeting on 18 May the respective areas of responsibility for each Policy Board has changed, however there has been insufficient time to reflect these revised structures within the detailed schedules to this report. Future reports will incorporate the revised governance structures.

1.2 The report confirms a minor year to date underspend of £4,000 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	£4,000 underspend	0.0%	£41,000 Underspend	0.0%
HRA	Breakeven	-	Breakeven	-

1.3 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	Breakeven	0.0%	£6,000 Underspend	0.0%
HRA	Breakeven	-	Breakeven	-

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
Previously reported: Net underspend £34,000

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 £273,000 within Central Admin relates to additional staffing costs.
- The overspend of £546,000 within Pre Five relates to staffing costs and property costs.
- The £410,000 underspend within Primary schools relates to transport costs and teachers' salaries.
- £488,000 of an underspend within Secondary Schools relates to transport costs and teachers' salaries.

- The overspend of £114,000 within Special Schools relates to teachers' salaries.
- The net overspend of £74,000 within Education Development relates to staffing costs.
- An overspend of £713,000 within Additional Support for Learning relates to staffing costs.
- A £843,000 underspend of within Childcare services relates to lower than anticipated expenditure on residential placements and Fostering and Adoption allowances.

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 Community Resources (Infrastructure, Land and Environment Policy Board)

Current Position: **Net underspend £84,000**
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 £112,000 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 and supplies and services.

- An underspend of £48,000 on School Crossing Patrollers due to lower than budgeted employee costs.
- An underspend of £93,000 on Refuse Collection underspend on payments to contractors for the disposal of residual waste.
- An underspend of £73,000 within Roads Maintenance due to a higher than anticipated levels of income.

Projected Year End Position

It is currently forecast that Community Resources will achieve an underspend of £140,000 at year end.

3.6 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.

3.7 Development & Housing Services – Planning Division (*Communities, Housing & Planning Policy Board*)

Current Position: **Breakeven**

Previously Reported: ***Breakeven***

The Planning Division account reflects a breakeven position with greater than anticipated expenditure within employee costs due to turnover requirements and supplies and services for the provision for IT maintenance. These overspends are funded by increased levels of planning income.

Projected Year End Position

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

3.8 **Property and Construction** (*Finance, Resources and Customer Services Policy Board*)

Current Position: Breakeven

Previously Reported: Breakeven

At this stage in the financial year Property and Construction Services reflects a breakeven position with no significant variances to report on any of the budget categories.

Projected Year End Position

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

3.9 **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.

Adult Services (Leadership Board)

Current position:	Breakeven
<i>Previously reported:</i>	<i>£6,000 Underspend</i>

Older People

Current Position:	Net underspend of £326,000
<i>Previously Reported:</i>	<i>Net underspend of £279,000</i>

Currently, the position within Older People's services is an overall underspend, however there are increasing pressures anticipated to emerge within the care at home service.

Physical Disabilities

Current Position:	Net overspend of £262,000
<i>Previously Reported:</i>	<i>Net overspend of £229,000</i>

As previously reported, the overspend within Physical Disabilities is mainly in relation to pressures within the Adult Placement Budget reflecting both the impact of increasing demand and Self Directed Support (SDS).

Learning Difficulties

Current Position:	Net overspend of £76,000
<i>Previously Reported:</i>	<i>Net overspend of £64,000</i>

As previously reported, there is an overspend within Learning Disability service due to ongoing pressures on the Adult Placement budget.

Mental Health

Current Position:	Net overspend of £21,000
<i>Previously Reported:</i>	<i>Net overspend of £9,000</i>

The overspend within Mental Health Services relates to pressures within the Adult Placement budget reflecting both the impact of increasing demand and SDS. This overspend is partially mitigated by higher than anticipated levels of charging income.

Addictions

Current Position:	Net underspend of £5,000
<i>Previously Reported:</i>	<i>Net overspend of £18,000</i>

The underspend within Addiction Services reflects the current client profile of care packages within this area.

Social Work Management

Current Position:	Net underspend of £12,000
<i>Previously Reported:</i>	<i>Net underspend of £12,000</i>

The underspend within management is as a result of an underspend in travel and transport costs.

Projected Year End Position

It is anticipated, at this stage, that Adult Services will achieve a net break even position at year end.

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

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

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.

3.12 **Chief Executive's Department** (*Leadership Board*)

Current Position: Breakeven

Previously Reported: Breakeven

There are no significant variances to report.

Projected Year End Position

It is anticipated that the Chief Executive's service 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

It is anticipated that in the context of the ongoing debt smoothing strategy, Miscellaneous Services will achieve a breakeven position at the year end.

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

These are the subject of separate reports submitted to the Finance, Resources and Customer Services Policy Board. An overview is attached for information. It had been anticipated that increased National Insurance costs within Building Services would be met from income from additional works, however the volume of repair works carried out over the remainder of the winter period following the last report were significantly less than anticipated. This was primarily due to a milder winter period than expected, leading to an under recovery of £80,000 at period 12.

In this context, it is projected that the Building Services trading operation will achieve a £330,000 surplus, which is £138,000 less than budgeted. 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** (*Communities, Housing & Planning Policy Board*)

Current Position: Breakeven
Previously Reported: Breakeven

The current breakeven position principally reflects an overspend within Property Costs due to greater than anticipated repair costs, offset by an over recovery of income from OFGEM for a renewable heat incentive.

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

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RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2016/2017
1st April 2016 to 03 March 2017

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	%
Education and Children	201,346	162,748	162,748	0	162,748	0 0.0%
Environmental Services	53,552	45,386	46,543	(1,241)	45,302	84 0.2%
Finance & Resources	10,348	24,222	24,308	(87)	24,222	0 0.0%
Chief Executives	2,097	4,993	5,819	(826)	4,993	0 0.0%
Miscellaneous	31,893	(1,540)	(1,519)	(21)	(1,540)	0 0.0%
Other Housing	5,560	4,247	4,066	181	4,247	0 0.0%
Economy and Jobs	3,541	2,811	2,962	(151)	2,811	0 0.0%
Planning	1,412	868	1,003	(135)	868	0 0.0%
Property and Construction	3,827	4,020	3,993	27	4,020	0 0.0%
Adult Services	60,874	51,803	51,803	0	51,803	0 0.0%
Leisure Services	11,829	7,435	7,483	(48)	7,435	0 0.0%
Trading Accounts (Surplus)/Deficit	(1,549)	(1,291)	635	(1,846)	(1,211)	(80) -6.2%
SUB -TOTAL GENERAL SERVICES	384,730	305,702	309,844	(4,147)	305,698	4 0.0%
Housing Revenue Account (HRA)	0	(6,338)	(45,859)	(410)	(6,338)	0 0.0%
NET EXPENDITURE	384,730	299,364	263,985	(4,557)	299,360	4 0.0%

£000's

4
2

Bottom Line Position to 03 March 2017 is an underspend of
Anticipated Year End Budget Position is underspend of

RENFREW/SHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2016/2017
1st April 2016 to 03 March 2017

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	12,946	11,848	12,054	538	12,592	(744)	-6.3%	overspend
Property Costs	642	589	365	186	551	38	6.5%	underspend
Supplies & Services	6,273	5,819	6,129	123	6,252	(433)	-7.4%	overspend
Contractors and Others	2,760	2,551	3,773	(750)	3,023	(472)	-18.5%	overspend
Transport & Plant Costs	2,608	2,392	2,291	107	2,398	(6)	-0.3%	overspend
Administration Costs	2,084	1,930	354	1,577	1,931	(1)	-0.1%	overspend
Payments to Other Bodies	0	0	0	0	0	0	0.0%	breakeven
CFCR	0	0	0	0	0	0	0.0%	breakeven
Capital Charges	241	220	91	70	161	59	26.8%	underspend
GROSS EXPENDITURE	27,554	25,349	25,057	1,851	26,908	(1,559)	-6.2%	overspend
Income	(29,102)	(26,640)	(24,422)	(3,697)	(28,119)	1,479	5.6%	over-recovery
NET EXPENDITURE	(1,549)	(1,291)	635	(1,846)	(1,211)	(80)	-6.2%	under-recovery

Bottom Line Position to 03 March 2017 is an overspend of £000's (80) 0.0%

Anticipated Year End Budget Position is an overspend of (138) 0.0%

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2016/2017
1st April 2016 to 03 March 2017

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 (7)
£000's	£000's	£000's	£000's	£000's	£000's	%
Building & Works Trading	(467)	(340)	2,438	(2,698)	(260)	-23.5% under-r-recovery
Catering Trading	(451)	(368)	(734)	366	(368)	0.0% breakeven
Transport Trading	(505)	(483)	(499)	16	(483)	0.0% breakeven
Roads Trading	(125)	(100)	(570)	470	(100)	0.0% breakeven
NET EXPENDITURE	(1,549)	(1,291)	635	(1,846)	(1,211)	-6.2% under-r-recovery

£000's

Bottom Line Position to 03 March 2017 is an overspend of 0.0%

Anticipated Year End Budget Position is an overspend of 0.0%