

REVENUE BUDGET MONITORING REPORT – SEPTEMBER 2012
CORPORATE OVERVIEW

FORECAST OUTTURN – OVERSPEND £228,000

This Corporate Overview summarises the revenue budget position of the Council as at 30 September 2012. The overall outturn variance at the end of the financial year is forecast to be an overspend of £228k based on the September budget monitoring exercise.

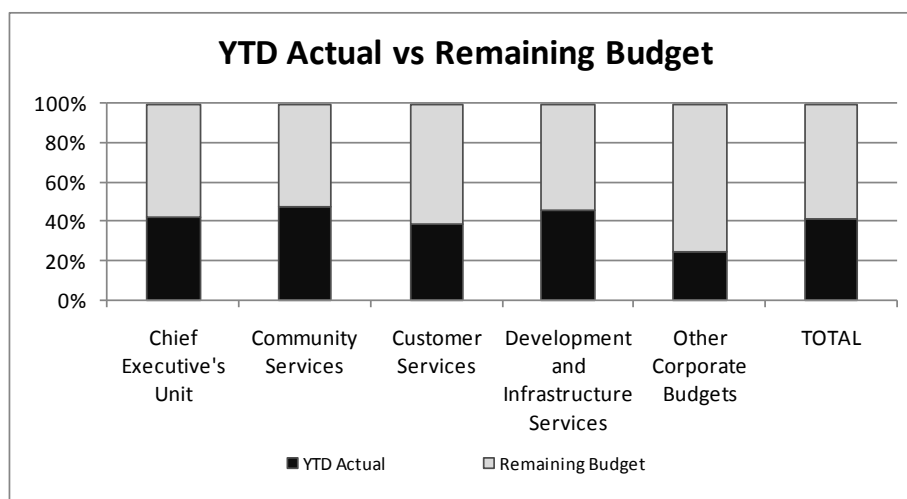
1. CURRENT FINANCIAL POSITION

The overall Council revenue budget summary statements are included as appendices to this report. An Objective Summary (departmental breakdown) is included in Appendix 1. A Subjective Summary (cost type breakdown) is included as Appendix 2.

YEAR TO DATE POSITION

As at the end of September 2012 there is a year to date surplus of £6.658m. The year to date surplus is not an indication of the year-end outturn position. Expenditure is £3.119m less than budget. The main reason for this is the profiling of budgets and timing differences around when payments are being made. The variance of 3% is a small proportion of the budget. Income is £3.539m higher than budget and this is simply a timing difference with income being accounted for earlier than budgeted.

The graph below shows the expenditure to date against the remaining budget for each Department. This is a high level summary to give an indication of the proportion of controllable budget that each Department has spent to date. The dark shade represents the actual expenditure to date as a percentage of total budget and the lighter area at the top represents the available/remaining budget.



FORECAST OUTTURN POSITION

The forecast outturn position as at the end of September 2012 is for an overspend of £228k by the financial year end. Overall, there is a projected overspend of £202k within departmental budgets, with a further overspend of £26k forecast for non-departmental budgets.

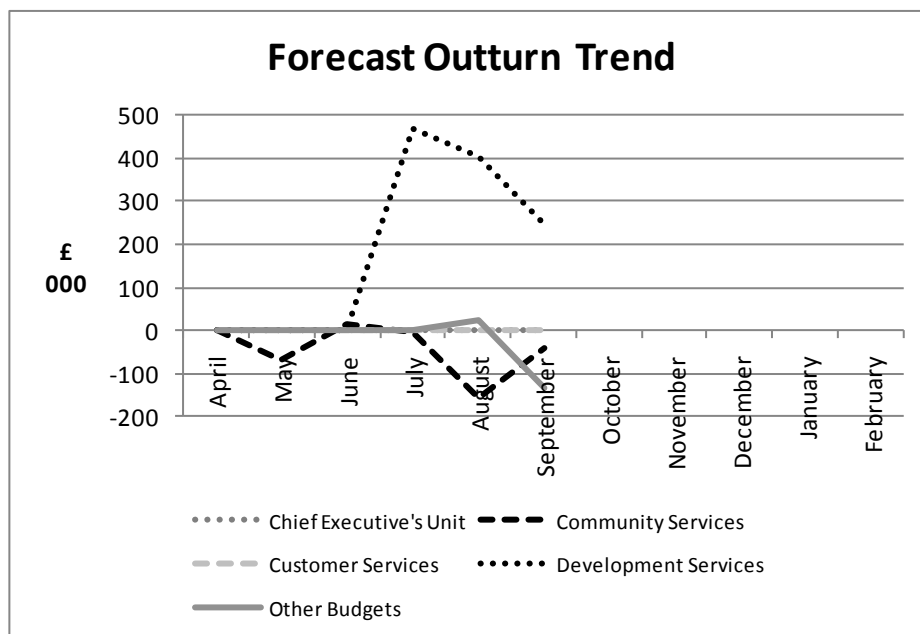
The overspend of £26k outwith departmental budgets is as a result of a projected overspend of £160k for the Non Domestic Rates poundage increase and a projected underspend of £134k for income the Council has received in relation to the Fleming VAT claims.

Community Services are projecting an underspend of £43k, this overall departmental variance position masks some significant offsetting variances. The Children and Families service are projecting an overspend of £65k, this is in relation to two children going into secure placements and the extension of existing placements beyond the period initially planned. There is a projected underspend of £45k within Adult Care. The main contributing factors to this are underspends of £357k in Care Home Placements and £117k in Learning Disability Residential Care. These underspends have been partly offset by overspends of £331k in Homecare and £124k across Supported Living packages as a result of an increase in the client base of these demand led services. There is also a forecast underspend on Community and Culture of £66k principally due to reduced expenditure on B&B temporary accommodation.

Development and Infrastructure Services are projecting an overspend of £245k, this consists of variances across all services within the department. Planning and Regulatory Services are projecting an overspend of £285k in relation to the levels of building and planning fee income forecast to be less than budgeted. There is a forecast overspend in Roads and Amenity Services of £140k which is the estimated overspend as a result of a shortfall in the level of car parking income recovered, the level of income has been reducing year on year. These overspends are partly offset by an underspend of £180k in Economic Development due to a delay in commencing works on Piers and Harbours, this delay has been planned to reduce the overall forecast overspend position for the department.

Departments will continue to closely monitor the projected outturn position and report any anticipated budget over/underspends through the budget monitoring process.

The line graph below shows the movement in the forecast outturn position for each Department from the start of the financial year.



2. FINANCIAL SUCCESSES, CHALLENGES, RISKS AND FUTURE ACTIONS

<u>SUCCESSES</u>	<u>CHALLENGES</u>
<p>Departmental expenditure in 2011-12 was kept within budget.</p> <p>The General Fund balance increased by £0.665m during 2011-12, despite having significant challenges to meet with implementing service review savings options and meeting the costs of severance.</p> <p>Departments are on target to meet savings targets with 86% of savings achieved to date.</p> <p>Year to date expenditure is less than budget at the end of September.</p> <p>Net overall forecast underspends in Adult Care and Community and Culture.</p> <p>Further one off VAT repayments received £134k in relation to Fleming cases.</p>	<p>Maintaining favourable/balanced forecast outturn position in light of Council wide risks to expenditure.</p> <p>Ongoing service reviews and challenges faced in terms of delivering services more efficiently with less resources.</p> <p>Increase to Non Domestic Rates poundage rate of 5.8% for 2012-13 which is greater than the 2.5% originally estimated resulting in an additional cost pressure of around £0.160m.</p> <p>Increased costs associated with Children and Families residential placements.</p> <p>Reductions in service income eg planning, building standards and car parking as reflected in Development and Infrastructure forecast outturn.</p>

<u>RISKS</u>	<u>FUTURE ACTIONS</u>
<p>Increasing demand for services with reduced resources could lead to an adverse outturn position</p> <p>Winter Maintenance spend, the outturn position for 2010-11 was an overspend of £1.7m and for 2011-12 an overspend of £0.5m. There is no way of predicting if there will be an overspend in this service area during 2012-13 and at what level this may be</p>	<p>Ongoing robust monitoring of the financial position to ensure that any budget issues are fed back to the management team and members through the budget monitoring process</p> <p>Continually refine/develop systems to accurately calculate forecast outturns and the future years financial outlook</p>

3. EFFICIENCY SAVINGS AND OTHER BUDGET SAVINGS

The table below summarises the total savings allocated to Departments, along with the amount of savings realised to date:

Type of Saving	2012-13 Target	Actual	Remaining
Vacancy Savings	£763,192	£195,417	£567,775
Efficiency Savings	£3,202,625	£3,052,066	£150,559
Other Savings	£2,937,248	£2,655,536	£281,712
Totals	£6,903,065	£5,903,019	£1,000,046

The Efficiency Savings and Other Savings include Year 2 Service Review Savings and Further Savings options approved as part of the 2011-12 budget where the amount of the saving was to increase in 2012-13 or Year 3 Service Review savings which were approved as part of the 2012-13 budget process.

These savings were removed from service budgets at the start of the year as part of the budget setting process, departments will monitor the budgets throughout the year to ensure these are achieved.

Overall services are on track to meet their savings. 86% of the total target has been achieved as at the end of September. A number of the savings relate to reductions to staffing budgets which have been achieved with the removal of posts.

Council Objective Summary as at 30 September 2012

Appendix 1

	YEAR TO DATE POSITION				CURRENT PROJECTED FINAL OUTTURN				EXPLANATION
	YTD Budget £'000	YTD Actual £'000	YTD Variance £'000	% Variance	Annual Budget £'000	Forecast Outturn £'000	Forecast Variance £'000	% Variance	
Departmental Budgets									
Chief Executives	2,882	2,861	21	0.73%	6,773	6,773	0	0.00%	In line with budget
Community Services	64,279	61,342	2,937	4.57%	135,883	135,840	43	0.03%	Net underspends in Adult Care & homeless accommodation offset by increased Children & Families residential costs.
Customer Services	12,982	11,502	1,480	11.40%	33,210	33,210	0	0.00%	Timing differences to date. Forecast in line with budget.
Development and Infrastructure Services	14,181	14,710	(529)	(3.73%)	31,098	31,343	(245)	(0.79%)	Shortfall in planning, building standards and car parking income forecast.
Total Departmental Budgets	94,324	90,415	3,909	4.14%	206,964	207,166	(202)	(0.10%)	
Non-Departmental Budgets									
Other Operating Inc & Exp	1,756	1,337	419	23.86%	3,295	3,161	134	4.07%	One off VAT repayments.
Joint Boards	7,510	7,512	(2)	(0.03%)	15,025	15,025	0	0.00%	In line with budget
Non-Controllable Costs	3,111	4,318	(1,207)	(38.80%)	31,734	31,894	(160)	(0.50%)	Increase in NDR rate poundage.
Total Non-Departmental Budgets	12,377	13,167	(790)	(6.38%)	50,054	50,080	(26)	(0.05%)	
TOTAL NET EXPENDITURE	106,701	103,582	3,119	2.92%	257,018	257,246	(228)	(0.09%)	YTD var 3%. Forecast var 0.1%
Financed By									
Aggregate External Finance	(96,947)	(96,947)	0	0.00%	(214,826)	(214,826)	0	0.00%	In line with budget
Local Tax Requirement	(24,638)	(28,177)	3,539	(14.36%)	(45,050)	(45,050)	0	0.00%	Timing difference for YTD
Contributions to General Fund	0	0	0	0.00%	3,760	3,760	0	0.00%	In line with budget
Deductions from General Fund	0	0	0	0.00%	(47)	(47)	0	0.00%	In line with budget
Revenue Contribution to Capital	0	0	0	0.00%	921	921	0	0.00%	In line with budget
Earmarked Reserves	0	0	0	0.00%	(1,776)	(1,776)	0	0.00%	
Total Funding	(121,585)	(125,124)	3,539	(2.91%)	(257,018)	(257,018)	0	0.00%	
Deficit/(Surplus) for Period	(14,884)	(21,542)	6,658		0	228	(228)		Forecast deficit 0.1% of funding

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.
Forecast outturn or projected final outturn is the estimate now of what expenditure or income will be for the whole of the financial year.
Variance is the difference between budget and actual or forecast.
A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget.
A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or actual or forecast income is less than budget.

Council Subjective Summary as at 30 September 2012

Appendix 2

Subjective Category	YEAR TO DATE POSITION				CURRENT PROJECTED FINAL OUTTURN				EXPLANATION
	YTD Budget £'000	YTD Actual £'000	YTD Variance £'000	% Variance	Annual Budget £'000	Forecast Outturn £'000	Forecast Variance £'000	% Variance	
Employee Expenses	62,650	60,570	2,080	3.32%	132,253	132,416	(163)	(0.12%)	Increased costs in residential care homes.
Premises Related Expenditure	8,243	8,046	197	2.39%	14,624	14,784	(160)	(1.09%)	Increase in NDR rate poundage.
Supplies and Services	11,078	10,174	904	8.16%	22,336	22,312	24	0.11%	Minor variance
Transport Related Expenditure	11,321	11,047	274	2.42%	18,571	18,562	9	0.05%	Minor variance
Third Party Payments	63,495	63,994	(499)	(0.79%)	137,898	137,459	439	0.32%	Reduction in piers & harbours to offset D&I income reductions.
Capital Financing	0	(1,166)	1,166	0.00%	28,788	28,788	0	0.00%	Loan charges processed at year end
TOTAL NET EXPENDITURE	156,787	152,665	4,122	2.63%	354,470	354,321	149	0.04%	
Income	171,671	174,207	(2,536)	(1.48%)	354,470	354,093	377	0.11%	Shortfall in planning, building standards and car parking income forecast.
Deficit/(Surplus) for Period	(14,884)	(21,542)	6,658		0	228	(228)		

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ARGYLL AND BUTE COUNCIL
DEPARTMENT: CHIEF EXECUTIVE'S UNIT
BUDGET MONITORING REPORT – SEPTEMBER 2012

This report summarises the financial position of Chief Executive's Unit as at 30 September 2012.

- There are currently no forecast outturn variances for the full financial year.
- Net expenditure for the year to date is £21,541 less than budget – an underspend to date of 0.75%.
- Out of planned budget savings of £259,517 a total of £223,168 (86%) has been achieved to date.

Further detail is provided within this report along with other financial issues affecting the department.

Content	Page No.
Financial Successes, Challenges, Risks and Future Actions	2
Efficiency Savings and Other Budget Savings	2
Objective Summary	3
Subjective Summary	4
Red Variances	5
Departmental Budget v Actual Graph	6

FINANCIAL SUCCESSES, CHALLENGES, RISKS AND FUTURE ACTIONS

SUCCESSES	CHALLENGES	RISKS	FUTURE ACTIONS
The Chief Executive's Unit has an ongoing record of delivering services within budget and on achieving efficiency savings.	Continue to deliver the same level of service with reduced resources.	Challenge of implementing Support Service Review agreed savings whilst maintaining or improving level of service.	Close monitoring of budgets and the implementation of the Support Service Review savings, ensuring a favourable outturn position for the CEU.
The department had a favourable outturn position for 2011/12 and are currently forecasting to bring expenditure for 2012/13 in line with budget.			Prompt highlighting of and processing of forecast variances.

EFFICIENCY SAVINGS AND OTHER BUDGET SAVINGS

Type of Saving	Target	Actual	Remaining	Explanation
Vacancy Savings	£36,349	£0	£36,349	Staff savings have been achieved to date but have not yet been allocated against the vacancy savings target. This will be achieved by year end.
Efficiency Savings	£223,168	£223,168	£0	Efficiency savings fully achieved.
Totals	£259,517	£223,168	£36,349	

The Efficiency Savings and Other Savings are the savings amounts removed from service budgets as per the approved 2012-13 budget. These will include Year 2 Service Review Savings and Further Savings options approved as part of the 2011-12 budget where the amount of the saving was to increase during 2012-13, or Year 3 Service Review savings which were approved as part of the 2012-13 budget process.

OBJECTIVE SUMMARY

Service	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Chief Executive	£109,333	£90,072	£19,261	17.62%	£247,132	£247,132	£0	0.00%	YTD Variance - underspend due to vacant Chief Executive Support Officer post.
Head of Improvement and Strategic HR	£1,826,680	£1,843,603	(£16,923)	(0.93%)	£4,559,993	£4,559,993	£0	0.00%	Outwith Reporting Criteria
Head of Strategic Finance	£946,115	£926,912	£19,203	2.03%	£1,965,601	£1,965,601	£0	0.00%	Outwith Reporting Criteria
Totals	£2,882,128	£2,860,587	£21,541	0.75%	£6,772,726	£6,772,726	£0	0.00%	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

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An explanation is given where there is a forecast variance for the full financial year or the year to date variance exceeds £50,000 or 10%.

SUBJECTIVE SUMMARY

Subjective Category	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Employee	£2,645,260	£2,552,027	£93,233	3.52%	£5,712,440	£5,712,440	0.00%	0.00%	Outwith Reporting Criteria
Premises	£15,618	£9,365	£6,253	40.04%	£311,070	£311,070	0.00%	0.00%	Outwith Reporting Criteria
Supplies & Services	£128,202	£201,480	(£73,278)	(57.16%)	£641,296	£641,296	0.00%	0.00%	Variance caused by profiling. Supplies and Services budget profiling requires to be refined to reflect spending plans. Full year spend is projected to be in line with the annual budget.
Transport	£51,340	£33,039	£18,301	35.65%	£103,907	£103,907	0.00%	0.00%	YTD variance is mainly due to the profiling of Training travel where budget profiling requires to be refined to reflect spending plans. Full year spend is projected to be in line with the annual budget.
Third Party	£96,862	£89,470	£7,392	7.63%	£222,533	£222,533	0.00%	0.00%	Outwith Reporting Criteria
Income	(£55,154)	(£24,794)	(£30,360)	(55.05%)	(£218,520)	(£218,520)	0.00%	0.00%	Profiling of income budgets requires to be refined, currently the budget is split across the year when in reality most of the income will be recovered towards the end of the year. This will be addressed for future budget monitoring.
Totals	£2,882,128	£2,860,587	£21,541	0.75%	£6,772,726	£6,772,726	£0	0.00%	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

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RED VARIANCES

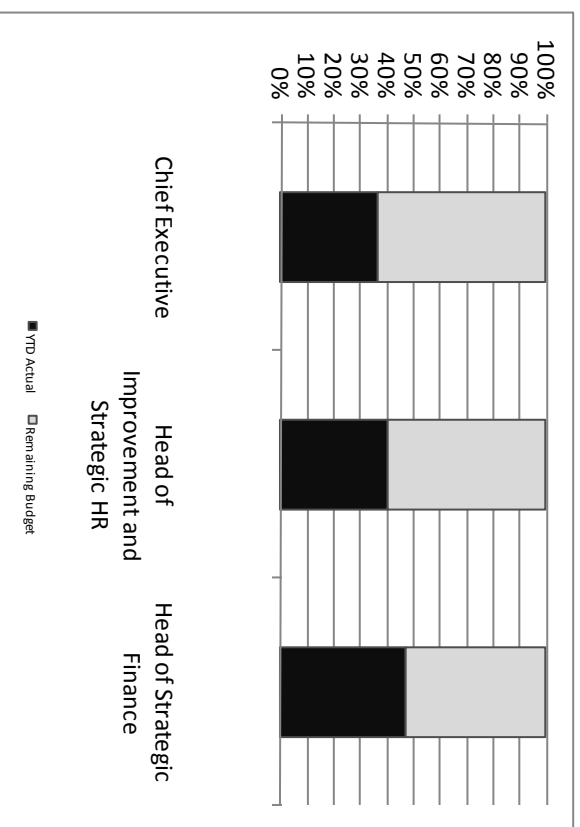
Cost Centre Description	Annual Budget	Forecast Variance	Forecast Outturn	% Variance	Explanation
There are no red variances to report this month.					

DEPARTMENTAL BUDGET v ACTUAL GRAPH

The graph below highlights the expenditure to date against the remaining budget per Head of Service. This is a high level graph designed to help have an overall view of how much of the service budget has been spent to date.

The dark area represents the actual expenditure to date as a percentage of the total budget.

The lighter area at the top displays the remaining available budget as a percentage of the total budget.



ARGYLL AND BUTE COUNCIL
DEPARTMENT: COMMUNITY SERVICES
BUDGET MONITORING REPORT – SEPTEMBER 2012

This report summarises the financial position of Community Services as at 30 September 2012.

- The overall projection for the full financial year is a forecast underspend of £43,412 which is equivalent to 0.03%. Forecast underspends in Adult Care £44,858 and Community and Culture £66,000 have been partially offset by forecast overspends in Children and Families £64,946 and Education £2,500.
- Net expenditure for the year to date is £2,937,272 less than budget – an underspend to date of 4.57%. In the main this relates to Education £2,194,384 under budget at 30 September spread over mostly employees and premises and can be attributed to budget profile and timing differences.
- Out of planned budget savings of £3,632,289 a total of £3,228,194 (89%) has been achieved to date.

Further detail is provided within this report along with other financial issues affecting the department.

Content	Page No.
Financial Successes, Challenges, Risks and Future Actions	2
Efficiency Savings and Other Budget Savings	2
Objective Summary	3
Subjective Summary	4
Red Variances	5
Departmental Budget v Actual Graph	6

FINANCIAL SUCCESSES, CHALLENGES, RISKS AND FUTURE ACTIONS

SUCCESSES	CHALLENGES	RISKS	FUTURE ACTIONS
Department expected to meet efficiency savings target.	Ensure efficiency targets are met	Forecast underspends may not arise as projected.	On-going robust monitoring and forecasting
Community Services contained expenditure within budget during 2011-12.	Containing expenditure within budget	Increasing costs on Children and Families residential placements	Ongoing provision of financial information that is relevant timely, accurate and understandable to budget holders and decision makers
Forecast underspends in both Adult Care and Community and Culture as at end of September			

EFFICIENCY SAVINGS AND OTHER BUDGET SAVINGS

Type of Saving	Target	Actual	Remaining	Explanation
Vacancy Savings	515,071	154,576	360,495	Dept is anticipated to achieve target by year end.
Efficiency Savings	1,313,024	1,313,024	0	Efficiency savings fully achieved
Other Savings	1,804,194	1,760,594	43,600	Dept is anticipated to achieve target by year end.
Totals	3,632,289	3,228,194	404,095	

The Efficiency Savings and Other Savings are the savings amounts removed from service budgets as per the approved 2012-13 budget. These will include Year 2 Service Review Savings and Further Savings options approved as part of the 2011-12 budget where the amount of the saving was to increase during 2012-13, or Year 3 Service Review savings which were approved as part of the 2012-13 budget process.

OBJECTIVE SUMMARY

Service	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Executive Director of Community Services	£322,366	£254,013	£68,353	21.20%	£307,720	£307,720	£0	0.00%	YTD variance is profile related. No projected outturn is forecast.
Head of Education	£33,356,565	£31,162,181	£2,194,384	6.58%	£66,179,800	£66,182,300	(£2,500)	0.00%	Small projected outturn variance relates to expected reduced expenditure arising from a candidate delaying start of Scottish Qualification in Headship course offset by additional cost of a Headteacher overlap.
Head of Children and Families	£7,826,507	£7,566,072	£260,435	3.33%	£16,341,104	£16,406,050	(£64,946)	(0.40%)	This projected overspend is due to additional secure placements and the extension of existing placements beyond the period initially planned. Client packages are reviewed on a regular basis.
Head of Adult Care	£17,694,378	£17,369,613	£324,765	1.84%	£42,813,982	£42,769,124	£44,858	0.10%	The main contributing factors to the current projected outturn are underspends in Elderly Care Home Placements and Learning Disability Joint Residential. These are being offset by overspends within Homecare. YTD variance is mainly profile related due to timing of invoices for care packages.
Head of Community and Culture	£5,079,316	£4,989,981	£89,335	1.76%	£10,240,790	£10,174,790	£66,000	0.64%	Year to date variance arises due to budget profile and timing differences. Projected underspend due to reduced use of B&B temporary accommodation.
Totals	£64,279,132	£61,341,860	£2,937,272	4.57%	£135,883,396	£135,839,984	£43,412	0.03%	

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SUBJECTIVE SUMMARY

Subjective Category	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Employee	£41,182,410	£39,564,428	£1,617,982	3.93%	£85,341,596	£85,504,824	(£163,228)	(0.19%)	The projected outturn variance is due to net overspends on salary costs in the Council's Residential Care homes. Year to date underspend is mainly profile related.
Premises	£3,091,636	£1,984,079	£1,107,557	35.82%	£6,405,036	£6,405,036	£0	0.00%	Year to date variance is related to budget profile and timing differences. No projected outturn is forecast at this stage.
Supplies & Services	£4,526,217	£4,209,010	£317,207	7.01%	£8,977,470	£8,977,470	£0	0.00%	Year to date variance is related to budget profile and timing differences. No projected outturn is forecast at this stage.
Transport	£596,989	£689,179	(£92,190)	(15.44%)	£1,227,396	£1,217,614	£9,782	0.80%	This underspend relates to reduced travel costs for day care services.
Third Party	£22,453,427	£22,267,974	£185,453	0.83%	£50,125,954	£50,067,867	£58,087	0.12%	The main contributing factors to the current projected outturn are underspends on Elderly Residential Care and Learning Disability Residential Care which are partially offset by overspends on Elderly Homecare and C&F Residential Placements.
Income	(£7,571,548)	(£7,372,811)	(£198,737)	2.62%	(£16,194,056)	(£16,332,827)	£138,771	0.86%	The forecast variance is due to the likely net over-recovery of income in the Council's Residential Care homes due mainly to higher than expected numbers of self-funding clients.
Totals	£64,279,131	£61,341,859	£2,937,272	4.57%	£135,883,396	£135,839,984	£43,412	0.03%	

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RED VARIANCES

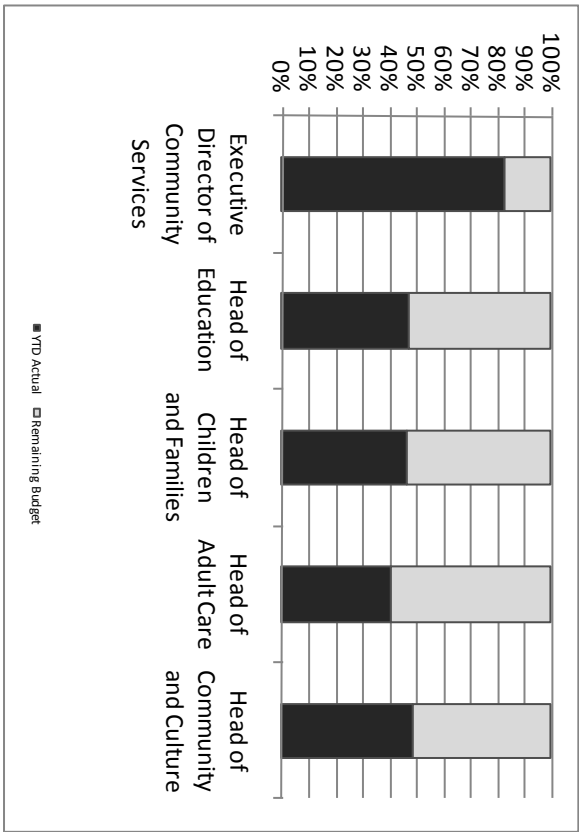
Cost Centre Description	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Adult Services	480,417	501,417	(21,000)	(4.37%)	Net shortfall on income against budget for community based charging across all of Adult Care.
Children & Families Placements Respite Adoption	3,654,134	3,719,080	(64,946)	(1.78%)	This projected overspend is due to additional secure placements and the extension of existing placements beyond the period initially planned. Client packages are reviewed on a regular basis.
Care Home Placements	8,228,551	7,871,413	357,138	4.34%	This underspend reflects current level of commitment being less than budget. This will in part reflect the ongoing shift in the balance of care and is currently offsetting the overspend within homecare.
Council Residential Units	4,131,117	4,186,074	(54,957)	(1.33%)	This overspend is the net position of an overspend in employee costs which is being partly offset by an over recovery of income from self funding clients.
Education HQ support	4,146,362	4,144,362	2,000	0.05%	This underspend relates to the postponement of Scottish Qualification in Headship (SQH) candidate studies.
ELD Day Care	422,511	412,729	9,782	2.32%	This underspend relates to reduced travel costs for day care services.
Homecare	8,866,795	9,197,795	(331,000)	(3.73%)	This overspend reflects current level of commitment which is greater than budget. This arises from the ongoing shift in the balance of care and demographic trends.
Homelessness Temp Accom	708,184	642,184	66,000	9.32%	This projected underspend relates to a reduction in the use of B&B temporary accommodation. There are statutory restrictions surrounding use of this type of temporary accommodation and the benefit received is capped. Only used in emergency circumstances.
LD Joint Residential	2,004,738	1,887,738	117,000	5.84%	Underspend reflects current level of commitment being less than budget, mainly due to changes in client packages.
LD Supported Living	5,732,606	5,779,606	(47,000)	(0.82%)	Overspend reflects current level of commitment which is greater than budget.
MH Residential Placements	206,311	210,975	(4,664)	(2.26%)	Overspend reflects current level of commitment which is greater than budget.
MH Supported Living	743,173	760,173	(17,000)	(2.29%)	Overspend reflects current level of commitment which is greater than budget.
Older People Other	530,777	414,777	116,000	21.85%	One off over recovery of income in relation to recovery of Direct Payment funds no longer required.
PD Residential Care	102,931	105,372	(2,441)	(2.37%)	Overspend reflects current level of commitment which is greater than budget.
PD Supported Living	607,050	684,050	(77,000)	(12.68%)	Overspend reflects current level of commitment which is greater than budget.
Primary Schools	24,705,897	24,710,397	(4,500)	(0.02%)	Overspend reflects overlap of Headteacher posts at one school.
	65,271,554	65,228,142	43,412		

DEPARTMENTAL BUDGET v ACTUAL GRAPH

The graph below highlights the expenditure to date against the remaining budget per Head of Service. This is a high level graph designed to help have an overall view of how much of the service budget has been spent to date.

The dark area represents the actual expenditure to date as a percentage of the total budget.

The lighter area at the top displays the remaining available budget as a percentage of the total budget.



ARGYLL AND BUTE COUNCIL
DEPARTMENT: CUSTOMER SERVICES
BUDGET MONITORING REPORT – SEPTEMBER 2012

This report summarises the financial position of Customer Services as at 30 September 2012.

- There are currently no forecast outturn variances for the full financial year.
- Net expenditure for the year to date is £1,480,161 less than budget – an underspend to date of 11.40%. The main factors contributing to this are payments to transport contractors and for the NPDO which are both less than budgeted at this point in the year.
- Out of planned budget savings of £970,466 a total of £899,626 (93%) has been achieved to date.

Further detail is provided within this report along with other financial issues affecting the department.

Content	Page No.
Financial Successes, Challenges, Risks and Future Actions	2
Efficiency Savings and Other Budget Savings	2
Objective Summary	3
Subjective Summary	4
Red Variances	5
Departmental Budget v Actual Graph	6

FINANCIAL SUCCESSES, CHALLENGES, RISKS AND FUTURE ACTIONS

SUCCESSSES	CHALLENGES	RISKS	FUTURE ACTIONS
Ongoing track record of delivering services within budget.	Achieving the savings set within the budget for 2012/13 and beyond. Specifically, the procurement savings on contract renewals for transport.	Inflationary cost pressures especially in relation to fuel.	Ongoing robust performance monitoring to ensure financial issues are promptly fed back to the Service & Departmental Management Teams.
Ongoing track record of delivering on efficiency targets.	Dealing with the impact of the loss of key staff.	Impact of Numbers/uptake - Transport, Benefits.	Efficiency savings ongoing across the Department/Council.
Achieved the overall savings set within the budget for 2011/12.	Delivering on service review outcomes.	Changes in external funding regime.	

EFFICIENCY SAVINGS AND OTHER BUDGET SAVINGS

Type of Saving	Target	Actual	Remaining	Explanation
Vacancy Savings	£81,681	£40,841	£40,840	These savings will be more difficult to achieve as posts have been removed as part of service review savings options thus reducing the base available on which to make a saving.
Efficiency Savings	£676,161	£646,161	£30,000	
Other Savings	£212,624	£212,624	£0	Other savings fully achieved.
Totals	£970,466	£899,626	£70,840	

The Efficiency Savings and Other Savings are the savings amounts removed from service budgets as per the approved 2012-13 budget. These will include Year 2 Service Review Savings and Further Savings options approved as part of the 2011-12 budget where the amount of the saving was to increase during 2012-13, or Year 3 Service Review savings which were approved as part of the 2012-13 budget process.

OBJECTIVE SUMMARY

Service	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Executive Director of Customer Services	£4,718,680	£4,382,264	£336,416	7.13%	£13,991,043	£13,991,043	£0	0.00%	YTD Variance - Variance is mainly due to the NPDO where payments are behind the original anticipated YTD spend due to ongoing contract reviews. Forecast Variance - No outturn variances are currently forecast.
Head of Customer and Support Services	£2,191,001	£1,897,561	£293,440	13.39%	£6,360,071	£6,360,071	£0	0.00%	YTD Variance - Mainly due to the profiling of ICT Applications and ICT Infrastructure (£137k), where payments are behind the original anticipated YTD spend. Forecast Variance - No outturn variances are currently forecast.
Head of Governance and Law	£930,777	£764,104	£166,673	17.91%	£1,872,530	£1,872,530	£0	0.00%	YTD Variance - Mainly due to Election Income (£106k) from the Scottish Government. Forecast Variance - No outturn variances are currently forecast.
Head of Facility Services	£5,141,834	£4,458,202	£683,632	13.30%	£10,986,428	£10,986,428	£0	0.00%	YTD Variance - Variance is mainly due to profiling of property costs and transport payments, where payments are behind the original anticipated YTD spend. Forecast Variance - No outturn variances are currently forecast.
Totals	£12,982,292	£11,502,131	£1,480,161	11.40%	£33,210,072	£33,210,072	£0	0.00%	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn or projected final outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

Variance is the difference between budget and actual or forecast.

A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget.

A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or actual or forecast income is less than budget.

An explanation is given where there is a forecast variance for the full financial year or the year to date variance exceeds £50,000 or 10%.

SUBJECTIVE SUMMARY

Subjective Category	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Employee	£7,153,323	£6,822,201	£331,122	4.63%	£15,398,596	£15,398,596	£0	0.00%	YTD Variance - There are variances over a wide range of cost centres, in particular within pupil transport - driver escorts which will offset delays in transport procurement savings, and from delays in filling posts. These will offset the vacancy saving target Forecast Variance - No outturn variances are currently forecast.
Premises	£977,791	£904,855	£72,936	7.46%	£2,343,414	£2,343,414	£0	0.00%	YTD Variance - Mainly due to a delay in recharging of refuse collection(£58k). Forecast Variance - No outturn variances are currently forecast.
Supplies & Services	£1,978,232	£1,836,943	£141,289	7.14%	£4,221,742	£4,221,742	£0	0.00%	YTD Variance - This is mainly due to the profiling of ICT supplies (£104k), where payments are behind the original anticipated YTD spend. Forecast Variance - No outturn variances are currently forecast.
Transport	£5,879,876	£5,744,991	£134,885	2.29%	£6,436,657	£6,436,657	£0	0.00%	YTD Variance - This is mainly due to the profiling of internal hire charges (£67k), where payments are behind the original anticipated YTD spend. Forecast Variance - No outturn variances are currently forecast.
Third Party	£21,616,295	£21,115,653	£500,642	2.32%	£47,395,753	£47,395,753	£0	0.00%	YTD Variance - Mainly due NPDO payments (£319k) and Transport payments (£194k), where payments are behind the original anticipated YTD spend. Forecast Variance - No outturn variances are currently forecast.
Income	-£24,623,225	-£24,922,512	£299,287	1.22%	-£42,586,090	-£42,586,090	£0	0.00%	YTD Variance - Mainly due to depots income (£132k) and property design income (£76k) where income is in advance of the original budgeted profile. Forecast Variance - No outturn variances are currently forecast.
Totals	£12,982,292	£11,502,131	£1,480,161	11.40%	£33,210,072	£33,210,072	£0	0.00%	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

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RED VARIANCES

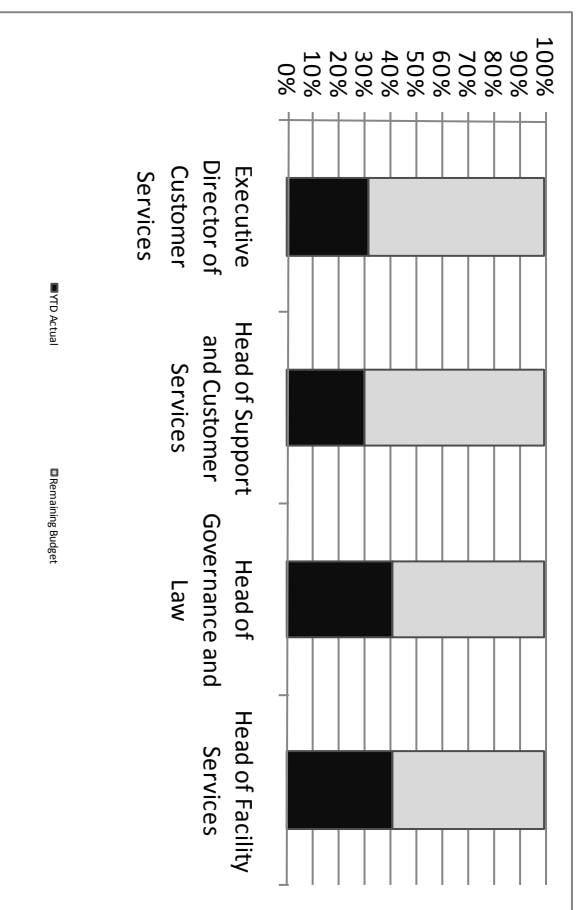
Cost Centre Description	Annual Budget	Projected Variance	Projected Final Outturn	% Variance	Explanation
There are no red variances to report this month					

DEPARTMENTAL BUDGET v ACTUAL GRAPH

The graph below highlights the expenditure to date against the remaining budget per Head of Service. This is a high level graph designed to help have an overall view of how much of the service budget has been spent to date.

The dark area represents the actual expenditure to date as a percentage of the total budget.

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ARGYLL AND BUTE COUNCIL
DEPARTMENT: DEVELOPMENT AND INFRASTRUCTURE SERVICES
BUDGET MONITORING REPORT – SEPTEMBER 2012

This report summarises the financial position of Development and Infrastructure Services as at 30 September 2012.

- The overall projection for the full financial year is a forecast overspend of £245,000 which is equivalent to 0.79%. Forecast overspends are projected in Planning and Regulatory Services of £285,000 due to reduced fee income and Roads and Amenity Services of £140,000 due to a shortfall in car parking income. This has been partially offset by a forecast underspend in Economic Development of £180,000 due to planned delays in piers and harbours works.
- Net expenditure for the year to date is £529,418 less than budget – an underspend to date of 3.73%. In the main this relates to Roads and Amenity Services and is due to budget profiling and timing differences.
- Out of planned budget savings of £2,040,793 a total of £1,552,341 (76%) has been achieved to date.

Further detail is provided within this report along with other financial issues affecting the department.

Content	Page No.
Financial Successes, Challenges, Risks and Future Actions	2
Efficiency Savings and Other Budget Savings	2
Objective Summary	3
Subjective Summary	4
Red Variances	5
Departmental Budget v Actual Graph	6

FINANCIAL SUCCESSES, CHALLENGES, RISKS AND FUTURE ACTIONS

SUCCESSES	CHALLENGES	RISKS	FUTURE ACTIONS
With the exception of additional costs in relation to winter maintenance and storm damage the department delivered services in line with budget allocation for 2011-12	Look for alternative ways of achieving the estimated shortfall in Planning and Building Standard Income and Car Parking income	Level of shortfall in Planning and Building Standards income and Car Parking income	Closely monitor planning and building warrant fee income and car parking income, and consider how these issues can be addressed when setting future year revenue budget
Delays have been planned in piers and harbours works to partially offset projected overspends.	Achieving vacancy savings target in light of adverse forecast outturn position	The costs of operating Dunoon Pier do not drop in line with the reductions in income	Prepare a business plan for the operation of Dunoon Pier
75% of planned savings have been achieved	More focussed approach to managing Road Operations spend to ensure this is brought in line with budget at the year-end	Future costs of Winter Maintenance and storm damage cannot be estimated, risk of cost exceeding available budget	
	Amending the Waste PPP contract		

EFFICIENCY SAVINGS AND OTHER BUDGET SAVINGS

Type of Saving	Target	Actual	Remaining	Explanation
Vacancy Savings	£130,091	£0	£130,091	Vacancy savings have not yet been identified to offset target.
Efficiency Savings	£990,272	£869,713	£120,559	A number of savings options are due to realise savings later in the financial year.
Other Savings	£920,430	£682,318	£238,112	A number of savings options are due to realise savings later in the financial year.
Totals	£2,040,793	£1,552,031	£488,762	

The Efficiency Savings and Other Savings are the savings amounts removed from service budgets as per the approved 2012-13 budget. These will include Year 2 Service Review Savings and Further Savings options approved as part of the 2011-12 budget where the amount of the saving was to increase during 2012-13; or Year 3 Service Review savings which were approved as part of the 2012-13 budget process.

OBJECTIVE SUMMARY

Service	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Executive Director of Development and Infrastructure Services	£966,380	£844,832	£121,548	12.58%	£1,944,137	£1,944,137	£0	0.00%	YTD is profile related and will be refined.
Head of Planning and Regulatory Services	£1,597,202	£1,765,735	(£168,533)	(10.55%)	£3,047,462	£3,332,462	(£285,000)	(9.35%)	The forecast overspend is due to the activity on both planning fee and building warrant fee income generation being less than budgeted. This is being partial offset by planned underspend in Anti Social Behaviour - Noise Nuisance and Tobacco Sales Enforcement. The year to date variance supports the projected outturn.
Head of Economic Development	£848,351	£437,718	£410,633	48.40%	£2,850,222	£2,670,222	£180,000	6.32%	The forecast underspend is due to a planned delay in commencing works in Piers and Harbours to partly offset the adverse variance for the whole department. The year to date variance is due to profiling which will be refined.
Head of Roads and Amenity Services	£10,768,845	£11,661,911	(£893,066)	(8.29%)	£23,255,725	£23,395,725	(£140,000)	(0.60%)	The forecast overspend is due an estimated shortfall in the level of Car Parking Income, the level of income generated has reduced year on year. The income in 2008-09 was £879k and in 2011-12 was £748k, a reduction of £131k or approximately 15%. The year to date variance is due to profiling which will be refined.
Totals	£14,180,778	£14,710,196	(£529,418)	(3.73%)	£31,097,546	£31,342,546	(£245,000)	(0.79%)	

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SUBJECTIVE SUMMARY

Subjective Category	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Employee	£10,918,787	£10,120,950	£797,837	7.31%	£23,697,898	£23,697,898	£0	0.00%	The year to date variance is due to profiling which will be refined.
Premises	£1,123,841	£958,565	£165,276	14.71%	£2,322,317	£2,322,317	£0	0.00%	The year to date variance is due to profiling which will be refined.
Supplies & Services	£3,889,989	£3,548,914	£341,075	8.77%	£7,739,259	£7,715,259	£24,000	0.31%	The underspend is due to a planned reduction in spend on Anti Social Behaviour - Noise Nuisance assisting in offset the adverse variance for the whole department. The year to date variance is due to profiling which will be refined.
Transport	£4,649,702	£4,483,247	£166,455	3.58%	£10,510,142	£10,510,142	£0	0.00%	Outwith Reporting Criteria
Third Party	£11,434,267	£12,212,204	(£777,937)	(6.80%)	£24,360,041	£23,979,041	£381,000	1.56%	The forecast underspend is due to a planned delay in commencing works in Piers and Harbours, restriction on discretionary spend with car parking and reduced spend on Tobacco Sales Enforcement to assisting in offset the adverse variance for the whole department. The year to date variance is due to profiling which will be refined.
Capital Financing	£126	£0	£126	0.00%	£251	£251	£0	0.00%	Outwith reporting criteria
Income	(£17,835,934)	(£16,613,684)	(£1,222,250)	(6.85%)	(£37,532,362)	(£36,882,362)	(£650,000)	(1.73%)	The adverse variance is due to the level of income being generated by planning fees, building warrant fees and car parking charges are less than budgeted. The year to date variance is due to profiling which will be refined.
Totals	£14,180,778	£14,710,196	(£529,418)	(3.73%)	£31,097,546	£31,342,546	(£245,000)	(0.79%)	

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RED VARIANCES

Cost Centre Description	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Carparking	(344,008)	(204,008)	(140,000)	40.70%	The levels of income being generated are not meeting budgetary level and they are reducing year on year. The income in 2008-09 was £879k and in 2011-12 was £748k, a reduction of £131k or approximately 15%.
Building Standards	(84,927)	65,073	(150,000)	176.62%	The activity on building warrant fees income generation is less than was budgeted for.
Development Management	635,522	835,522	(200,000)	(31.47%)	The activity on planning fees income generation is less than was budgeted for.
Tobacco Sales Enforcement	81,605	40,605	41,000	50.24%	Planned underspend on this activity to assist with reducing the overall overspend
Piers and Harbours	303,358	123,358	180,000	59.34%	Planned delay in commencing works to partly offset adverse overall position for Development and Infrastructure Services
Totals	591,550	860,550	(269,000)		

DEPARTMENTAL BUDGET v ACTUAL GRAPH

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