

<p>Overall Position:</p> <ul style="list-style-type: none"> • There is a forecast underspend of £1,000k as at the end of December 2017. This underspend consists of the following variances: underspend of £98k within NPDO utilities and deductions, over recovery of vacancy savings within Customer Services and DIS £153k, grant income in DIS relating to previous years £97k, £132k due to a delay in replacing fleet vehicles over 5years, £70k within regulatory services income, £200k increased income from RET, underspend of £245k relating to superannuation budget no longer required, £90k from apprenticeship levy, £395k relating to underspend in utilities and an estimated £600k over recovery of Council Tax Income. These variances are offset by an overspend in respect of dangerous buildings of £177k, an estimated overspend of £213k within Community Services which is mainly due to increased demand within ASN support and Residential School placements, an under recovery of planning fees amounting to £240k and an estimated overspend in winter maintenance of £450k. • The estimated overspend for winter maintenance was calculated at the end of December, however, due to the snow in January, this overspend is likely to increase and a further estimate will be calculated. • Where the forecast outturn position is recurring in nature, this has already been accounted for as part of the budget outlook position. • There is a year to date surplus of £6,837k against the year to date budgeted expenditure of £155,981k. More focus is on the forecast outturn position, hence why sometimes the year to date position is not updated. The majority of this variance relates to the timing of income and expenditure and any variances that give rise to a forecast variance have been accounted for. 	
<p>Key Highlights as at December 2017:</p> <ul style="list-style-type: none"> • The estimated forecast underspend has increased from £805k as at the end of November to £1,000k at the end of December. • An exercise was carried out to look at the utilities position and an estimated underspend of £395k is anticipated within 2017-18. At this stage the budget for 2018-19 looks to be sufficient. • Development and Infrastructure are currently forecasting an overspend of £88k, however, this includes an estimated overspend of £450k of winter maintenance and therefore the department are hoping to contain the majority of this estimated overspend within current resources. However, as the winter weather has continued into January, the winter maintenance overspend may increase as a result. 	
<p>Key Financial Successes:</p> <p>Controllable departmental expenditure for 2016-17 was under budget with an underspend of £1,038k. This was mainly a result of an over recovery of vacancy savings through the management of resources and forward planning of the savings targets for 2017-18 within Customer Services and Development and Infrastructure. In addition to this, NPDO cost were lower than expected due to insurance and utility costs savings arising as a result of annual renegotiation of insurance costs, part of the contract management arrangements which are in place, and lower than expected energy prices. The General Fund increased by £1,072k in 2016-17, which was broadly in line with the forecast position.</p>	
<p>Key Financial Challenges:</p>	<p>Proposed Actions to address Financial Challenges:</p>
<p>Maintaining favourable year-end balanced position and achieving savings targets in light of council wide risks to expenditure.</p>	<p>Robust monitoring of the financial position to ensure that any budget issues are fed back into the budget monitoring process.</p>
<p>Identifying further savings and delivering services more efficiently with less resources.</p>	<p>Continually refine/develop systems to accurately calculate forecast outturns and the future budget outlook.</p>
<p>Maintaining or improving the level of service income recovered, for</p>	<p>Actively monitor income recovery and ensure Council fees and</p>

example planning, building standards and car parking.	charges policies are reviewed.
Managing spend in service areas which are demand led and, to some extent, outwith service control, for example Winter Maintenance.	Use risk based approach to budget monitoring to focus additional attention to these areas.
Ongoing requirement to fund unavoidable increases in employee costs, particularly in relation to pay awards, holiday pay entitlements, disturbance payments and changes in rules around pension and national insurance contributions.	Ongoing work with HR to ensure emerging issues are highlighted as soon as possible so that the financial impact can be reported through the budget monitoring and preparation processes.

Forecast Outturn Position

There is a forecast underspend of £1,000k as at the end of December 2017. This underspend consists of the following variances: underspend of £98k within NPDO utilities and deductions, over recovery of vacancy savings within Customer Services and DIS £153k, grant income in DIS relating to previous years £97k, £132k due to a delay in replacing fleet vehicles over 5years, £70k within regulatory services income, £200k increased income from RET, underspend of £245k relating to superannuation budget no longer required, £90k from apprenticeship levy, £395k relating to underspend in utilities and an estimated £600k over recovery of Council Tax Income. These variances are offset by an overspend in respect of dangerous buildings of £177k, an estimated overspend of £213k within Community Services which is mainly due to increased demand within ASN support and Residential School placements, an under recovery of planning fees amounting to £240k and an estimated overspend in winter maintenance of £450k.

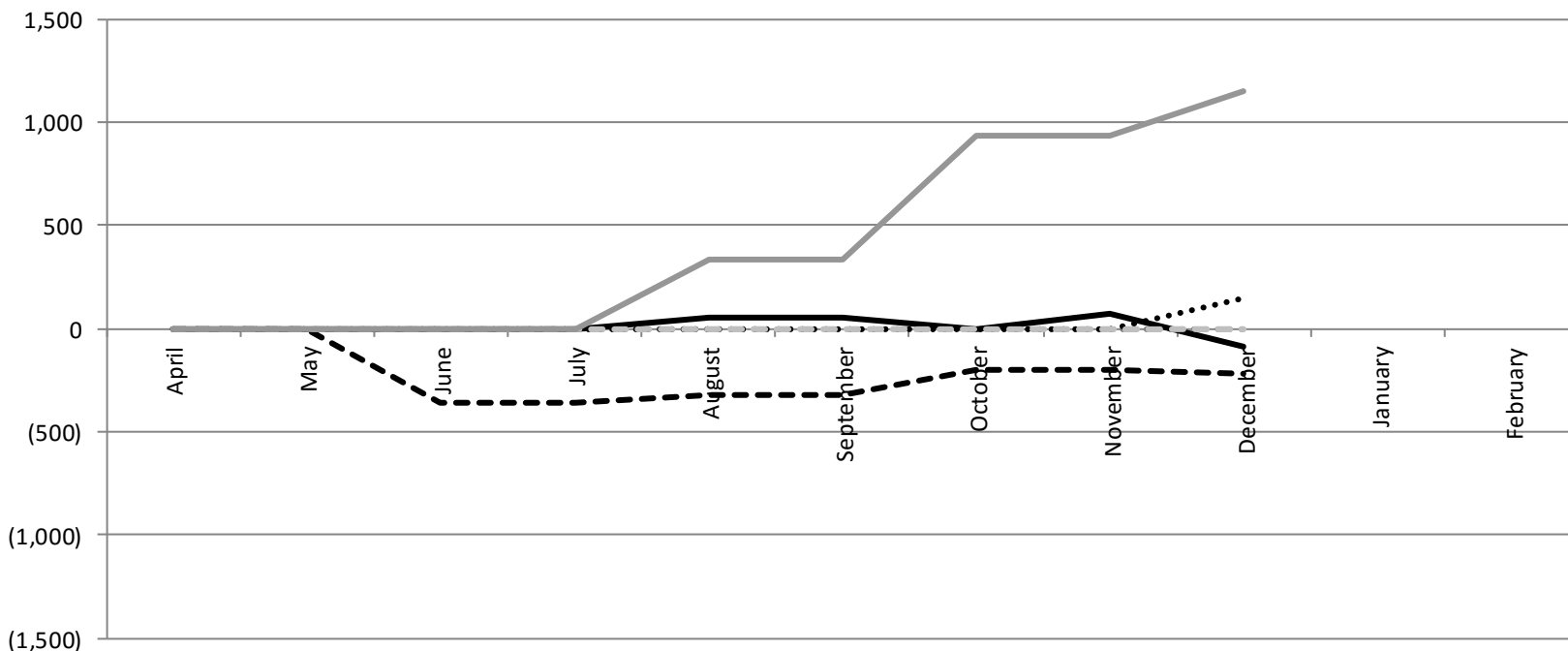
Current Forecast Outturn Variance with change from previous month

Department	Annual Budget £'000	Forecast Outturn £'000	Current Forecast Variance £'000	Previous Forecast Variance £000	Change £000	Explanation
Chief Executive's Unit	2,488	2,488	0	0	0	Community Services are forecasting an overspend of £213k. This relates to increased demand within ASN support (£150k) and Residential School placements (£63k). The Service are actively monitoring demand levels and looking to mitigate this overspend utilising other resources.
Community Services	74,027	74,240	(213)	(200)	(13)	Customer Services are forecasting an underspend of £148k. £100k relates to better than expected outturn within NPDO utilities and deductions - this has largely achieved due to effective contract management and £50k has been achieved via vacancy savings.
Customer Services	40,328	40,180	148	0	148	Development and Infrastructure are forecasting an overspend of £88k. The vacancy savings are exceeding the target set at the beginning of the year by £103k, £97k of grant income has been received which relates to expenditure in 2016-17, £132k due to a delay in replacing fleet vehicles over 5 years, £70k within regulatory services due to over recovery of fees and there is £200k of increased income from RET.
Development and Infrastructure Services	33,692	33,780	(88)	70	(158)	These underspends are offset by a forecast under recovery of income from planning applications of £240k and forecast winter maintenance overspend of £450k.
Leisure and Libraries Trust - Council	4,203	4,203	0	0	0	The underspend within Other budgets relates to a superannuation provision created in 2015-16 relating to pensionable pay that is no longer required £245k, a forecast underspend of £90k for apprenticeship levy, an additional £600k over budget in respect of Council Tax collection and an underspend in utilities costs Council wide of £395k, offset by an overspend of £177k in relation to dangerous buildings.
Other Corporate Budgets	85,802	84,649	1,153	935	218	
Total	240,540	239,540	1,000	805	195	

Movement in the forecast outturn position for each Department from the start of the financial year

Underspend

£
000



Overspend

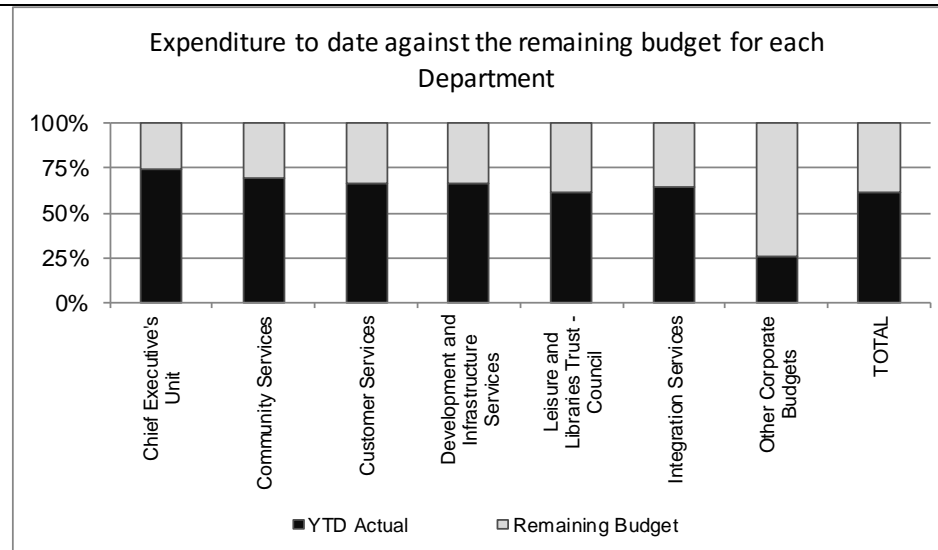
- Chief Executive's Unit
- Customer Services
- - - Leisure and Libraries Trust - Council
- - - Community Services
- Development and Infrastructure
- Other Budgets

Year to Date Position

The year to date position as at the end of December 2017 is a surplus of £6,837k and the main variances are noted below.

The current year to date variance position for each Department:

Department	YTD Budget £'000	YTD Actual Spend £'000	YTD Variance £'000	Explanation
Chief Executive's Unit	1,895	1,859	36	Small variance.
Community Services	52,669	51,379	1,290	The year to date variance is mainly within Primary and Secondary Education and is due to a reduction in costs relating to school meals which continues to be monitored, budget profiling of Pupil Equity Funds and school carry forwards, and an underspend in relation to school staffing. Under the Scheme of Devolved School Management schools are permitted flexibility at year end, therefore no forecast variance has been processed in relation to this.
Customer Services	28,532	26,851	1,681	There are a number of variances due to profiling/timing of the income and expenditure versus budget - within NPDO, Housing Benefits and ICT.
Development and Infrastructure Services	22,595	22,450	145	Small variance.
Leisure and Libraries Trust - Council	3,978	2,606	1,372	This line has been created temporarily while the financial entries are being refined in respect of the Leisure Trust with the creation of the management fee and a new company within our ledger system.
Integration Services	37,738	36,292	1,446	The year to date underspend mainly reflects delays in receipt/processing of invoices from care providers but is also impacted by a combination of lower than expected demand for services in children's services, slippage resulting from a delay in implementing new overnight staffing schedules in the HSCP's three Children's' Houses, higher than expected income from charges for services, increased income from charging order settlements and the recovery of surplus direct payment funds.
Other Corporate Budgets	8,574	7,707	867	Half of this variance relates to timing of expenditure and income in relation to the Refugees Resettlement scheme as well as an underspend in relation to utilities that has been reported via the forecast variance.
Total Net Expenditure	155,981	149,144	6,837	



Further information on the departmental year to date variances is included within the attached appendices.

OBJECTIVE SUMMARY – OVERALL COUNCIL POSITION AT 31 DECEMBER 2017

	YEAR TO DATE POSITION				CURRENT PROJECTED FINAL OUTTURN			
	YTD Budget	YTD Actual	YTD Variance	Variance	Annual Budget	Forecast Outturn	Forecast Variance	Variance
	£'000	£'000	£'000	%	£'000	£'000	£'000	%
<u>Departmental Budgets</u>								
Chief Executives	1,895	1,859	36	1.90%	2,488	2,488		0.00%
Community Services	52,669	51,379	1,290	2.45%	74,027	74,240	(213)	(0.29%)
Customer Services	28,532	26,851	1,681	5.89%	40,328	40,180	148	0.37%
Development and Infrastructure Services	22,595	22,450	145	0.64%	33,692	33,780	(88)	(0.26%)
Leisure & Libraries Trust - Council	3,978	2,606	1,372	34.49%	4,203	4,203		0.00%
Total Departmental Budgets	109,669	105,145	4,524	4.13%	154,738	154,891	(153)	(0.10%)
<u>Non-Departmental Budgets</u>								
Integration Services	37,738	36,292	1,446	3.83%	56,380	56,380		0.00%
Other Operating Income and Expenditure	2,637	2,013	624	23.66%	4,113	3,560	553	13.45%
Joint Boards	1,032	1,032	0	0.00%	1,374	1,374		0.00%
Non-Controllable Costs	4,905	4,662	243	4.95%	23,935	23,935		0.00%
Total Non-Departmental Budgets	46,312	43,999	2,313	4.99%	85,802	85,249	553	0.64%
TOTAL NET EXPENDITURE	155,981	149,144	6,837	4.38%	240,540	240,140	400	0.17%
<u>Financed By</u>								
Aggregate External Finance	(114,392)	(114,392)	0	0.00%	(191,318)	(191,318)		0.00%
Local Tax Requirement	(42,929)	(42,929)	0	0.00%	(45,476)	(46,076)	600	(1.32%)
Contributions to General Fund	0	0	0	0.00%	193	193		0.00%
Supplementary Estimates	0	0	0	0.00%	0	0		0.00%
Earmarked Reserves	0	0	0	0.00%	(3,939)	(3,939)		0.00%
Total Funding	(157,321)	(157,321)	0	0.00%	(240,540)	(241,140)	600	(0.25%)
Deficit/(Surplus) for Period	(1,340)	(8,177)	6,837		(0)	(1,000)	1,000	

SUBJECTIVE SUMMARY – OVERALL COUNCIL POSITION AS AT 31 DECEMBER 2017

	YEAR TO DATE POSITION				CURRENT PROJECTED FINAL OUTTURN			
	YTD Budget £'000	YTD Actual £'000	YTD Variance £'000	Variance %	Annual Budget £'000	Forecast Outturn £'000	Forecast Variance £'000	Variance %
Subjective Category								
Employee Expenses	99,585	98,677	908	0.91%	139,392	138,865	527	0.38%
Premises Related Expenditure	11,029	10,544	485	4.39%	15,339	15,121	218	1.42%
Supplies and Services	14,221	13,307	914	6.43%	18,104	18,183	(79)	(0.44%)
Transport Related Expenditure	8,452	8,631	(179)	(2.12%)	17,440	17,308	132	0.76%
Third Party Payments	97,432	93,455	3,977	4.08%	136,475	136,897	(423)	(0.31%)
Capital Financing	502	(79)	581	115.71%	18,475	18,475	0	0.00%
TOTAL EXPENDITURE	231,222	224,536	6,686	2.89%	345,225	344,849	376	0.11%
Income	232,562	232,713	(151)	(0.07%)	345,225	345,849	(624)	(0.18%)
Deficit/(Surplus) for Period	(1,340)	(8,177)	6,837		0	(1,000)	1,000	

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

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

The Variance is the difference between budget and actual or forecast outturn.

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.

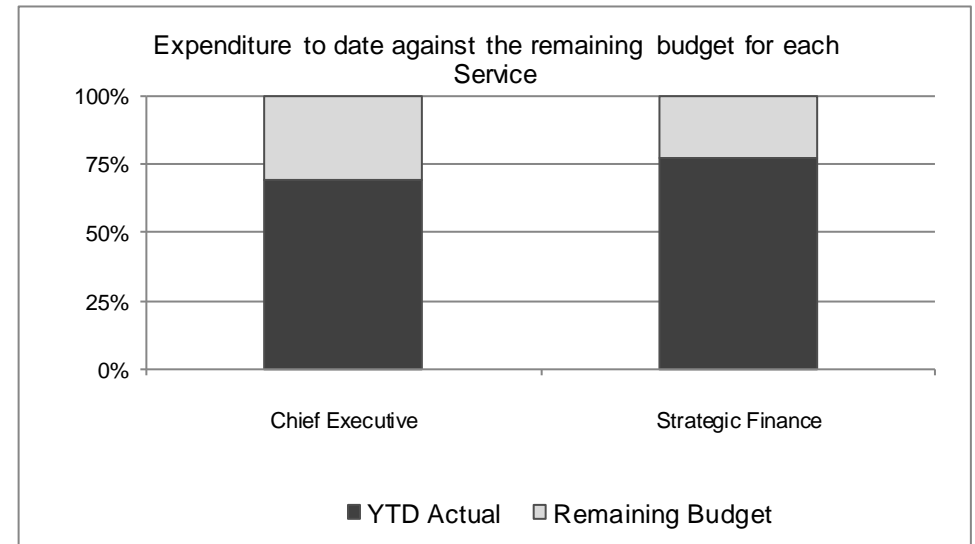
CHIEF EXECUTIVE'S UNIT HIGHLIGHTS – DECEMBER 2017

- The department is currently forecasting spend to be in line with budget.
- The department has a year to date underspend of £36k (1.9%).

Forecast Outturn Position

Current Forecast Outturn Variance with change from previous month					
Service	Annual Budget £000	Forecast Outturn £000	Current Forecast Variance £000	Previous Forecast Variance £000	Change £000
Chief Executive	824	824	0	0	0
Strategic Finance	1,664	1,664	0	0	0
Totals	2,489	2,489	0	0	0

Year to Date Position



Key Financial Successes:

The Service Choice savings option for 2017-18 has been delivered.

The department are forecasting that their spend in 2017-18 will be contained within approved resources.

The 2016-17 year-end outturn position was broadly in line with budget due to effective management and monitoring of the budget position.

Key Financial Challenges:

The department delivers support services, the main assets and costs of this support service are the employees. The continued requirement to meet savings means that the only area where budget can be cut is from employee costs. This service faces losing posts with no reduction in demand for support from client departments.

Proposed Actions to address Financial Challenges:

Ongoing robust monitoring to ensure financial issues are promptly highlighted to the service management team. Continually refine/develop staffing structures and systems. Strategic Finance are currently reviewing different areas of business to ensure work is prioritised in line with Council priorities and that tasks are carried out in the most efficient way.

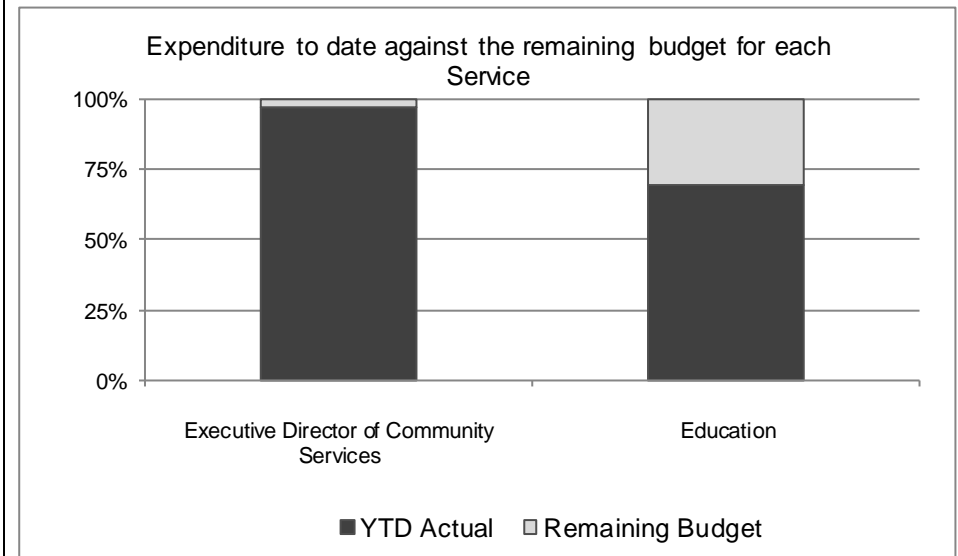
COMMUNITY SERVICES HIGHLIGHTS – DECEMBER 2017

- The department is currently forecasting an overspend of £213k which is mainly due to an increased demand within ASN support and Residential School placements.
- The department has a year to date underspend of £1,290k (2.45%) against budget.

Forecast Outturn Position

Current Forecast Outturn Variance with change from previous month					
Service	Annual Budget £000	Forecast Outturn £000	Current Forecast Variance £000	Previous Forecast Variance £000	Change £000
Executive Director of Community Services	224	224	0	0	0
Education	73,803	74,016	(213)	(200)	(13)
Totals	74,027	74,240	(213)	(200)	(13)

Year to Date Position



Key Financial Successes:

The department have delivered all their service choices savings, with the exception of demand led services in relation to ASN support and residential schools placement and the music tuition saving as the take-up of music instruction after the introduction of increased charges has reduced.

The 2016-17 year-end outturn position was an underspend of £16k (0.02% of budget), this was due to the effective management and monitoring of the budget position.

Key Financial Challenges:

Ensuring the Education service can continue to contribute to Council saving programmes whilst adhering to Scottish Government national initiatives (i.e. maintaining Pupil Teacher ratio across the Education

Proposed Actions to address Financial Challenges:

Ongoing robust financial monitoring and forecasting with the provision of supporting management information to ensure deliverable saving options are presented.

service).	
Evaluating and managing the financial impact of new legislation (i.e. Children and Young People Act, Education (Scotland) Bill).	Full participation in consultation process to assist in the identification of potential cost pressures as early as possible.
Impact of the Education Governance Review, particularly in relation to the Fair Funding consultation, and how this informs potential changes to funding arrangements for the Education Service.	Respond to Fair Funding consultation, engage with SG through COSLA and ensure implications for resources and financial management arrangements are clearly identified.

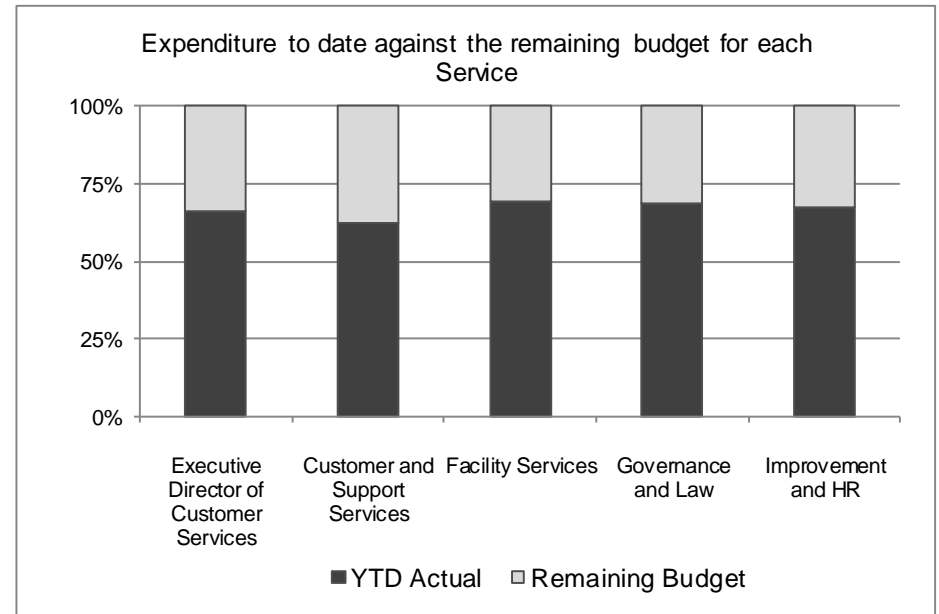
CUSTOMER SERVICES HIGHLIGHTS – DECEMBER 2017

- The department is currently forecasting an underspend of £148k. .
- The department has a year to date underspend of £1,681k (5.89%) against budget.

Forecast Outturn Position

Current Forecast Outturn Variance with change from previous month					
Service	Annual Budget £000	Forecast Outturn £000	Current Forecast Variance £000	Previous Forecast Variance £000	Change £000
Executive Director of Customer Services	14,323	14,173	150	0	150
Customer and Support Services	8,718	8,720	-2	0	(2)
Facility Services	11,974	11,974	0	0	0
Governance and Law	2,079	2,079	0	0	0
Improvement and HR	3,233	3,233	0	0	0
Totals	40,328	40,180	148	0	148

Year to Date Position



Key Financial Successes:

The department are forecasting an underspend of £148k due to exceeding the vacancy savings target and delivering savings on the NPDO contract – these savings have been achieved due to decisions within the department.

All Service Choices savings have been delivered or are on track to be delivered.

Department delivered services within budget during 2016-17 with a year-end outturn underspend of £866k. This was mainly as a result of an over recovery of vacancy savings through the management of resources and forward planning of the savings targets for 2017-18. In addition to this, NPDO cost were lower than expected due to insurance and utility costs savings arising as a result of annual renegotiation of insurance costs, part of the contract management arrangements which are in place, and lower than expected energy prices.

Key Financial Challenges:

Impact of Welfare reforms.

Delivering on the requirements for savings as part of the Service Choices Programme, both in terms of delivering the savings required from Customer Services but also in supporting other services.

Proposed Actions to address Financial Challenges:

Input ongoing to multi agency working group to ensure robust arrangements are put in place.

Engagement with Service Choices process for Customer Services but also picking up on any implications of the direction of travel for service delivery for other Council services.

Delivering the proposed Facility Services budget reductions identified in the Transformation programme.	Provide the Transformation Board with robust information upon which decisions can be made and develop any savings proposals as necessary.
Impact of numbers/uptake in demand led service areas like transport, benefits and licensing.	Continually refine/develop systems to accurately calculate forecast outturns and the impact on the future financial outlook.
Support longer term service re-design project for Catering and Cleaning services to ensure efficiencies and financial savings are secured for the Council.	Effective working with consultants and support with implementation of preferred service delivery method.
New legislative/policy requirements not fully funded by Scottish Government which put additional burdens on the Council. For example, additional demands from IJB, requirement to register all property in land register by 2019, new education arrangements knock on impact for all support services.	Analysis of new obligations and whether they incur additional costs not met through increased grant.

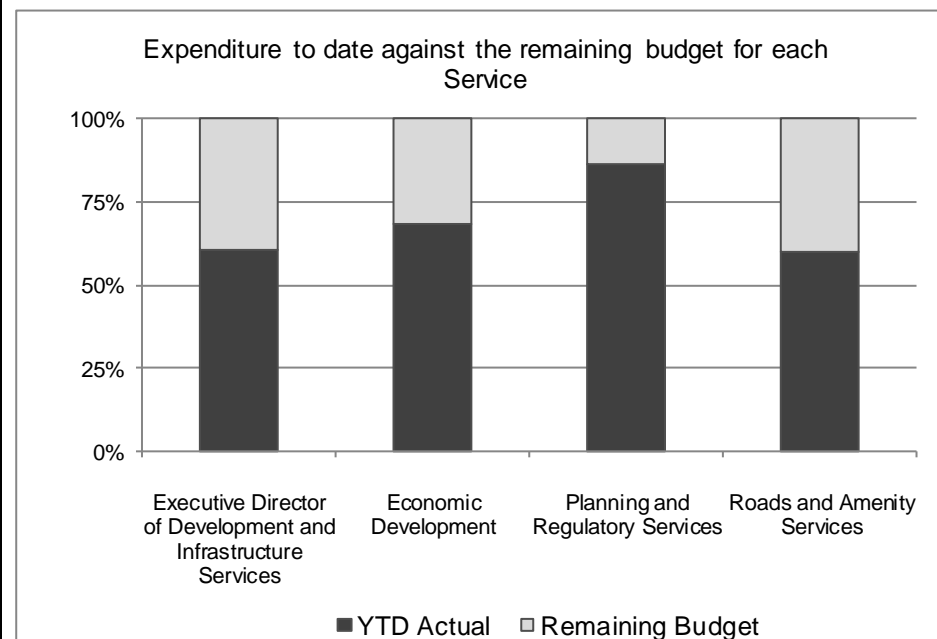
DEVELOPMENT AND INFRASTRUCTURE SERVICES HIGHLIGHTS – DECEMBER 2017

- The department is currently forecasting an overspend of £88k, which includes an estimated overspend of £450k in relation to winter maintenance.
- The department has a year to date overspend of £145k (0.64%) against budget.

Forecast Outturn Position

Current Forecast Outturn Variance with change from previous month					
Service	Annual Budget £000	Forecast Outturn £000	Current Forecast Variance £000	Previous Forecast Variance £000	Change £000
Executive Director of Development and Infrastructure Services	1,533	1,431	102	102	0
Economic Development	4,350	4,252	98	98	(0)
Planning and Regulatory Services	6,881	7,051	(170)	(130)	(40)
Roads and Amenity Services	20,928	21,046	(118)	0	(118)
Totals	33,692	33,780	(88)	70	(158)

Year to Date Position



Key Financial Successes:

Although the department are currently forecasting an overspend of £88k this includes an estimated overspend of £450k of winter maintenance and therefore the department are hoping to contain the majority of the winter maintenance overspend within current resources.

All Service Choices savings have been delivered or are on track to be delivered.

In order to meet the Employability Team's ongoing contractual obligations until the end of 2017-18 the Council approved an earmarking of £456k in November 2015. Some of the earmarking was drawn down during 2016-17, however, the year-end position for 2017-18 is forecast to be a surplus of £113k. This will result in a forecast balance within earmarking of £435k which is no longer required and can be released back to the General Fund. This figure will be finalised at the conclusion of 2017-18.

The Department's outturn for 2016-17 was an underspend of £135k and this was due an over-recovery of vacancy savings through the management of resources and forward planning of the savings targets for 2017-18.

Key Financial Challenges:	Proposed Actions to address Financial Challenges:
Department / Service ongoing ability to meet future savings / efficiency requirements.	Monitoring of trend / expenditure levels / service configuration and the Service Choices process.
Potential shortfall in income within building standards, planning, Car Parking, Planning and Decriminalised Parking Enforcement (DPE).	Closely monitoring of income levels, regular performance management reviews and reporting of the financial implications through budget monitoring process.
Dangerous buildings, there is no budget for this expenditure and the council have no control over the demand for the service.	Building Standards, Legal Services and Strategic Finance are working closely to manage debt recovery and to consider other options to minimise corporate risk exposure.
<p>Due to the nature of the various components of Waste Management there are ongoing challenges with:</p> <ul style="list-style-type: none"> • Island haulage costs • Uncertainty with recycling income/ gate fee costs due to the volatility of the market • Increased landfill costs due to rise in landfill tonnage 	To closely monitor all service components of Waste Management and review Waste Strategy in conjunction with our contractual partner Shanks.
Winter Maintenance costs are difficult to estimate as they are very much dependant on the weather.	<p>Closely monitoring of Winter Maintenance and reporting of the financial implications through budget monitoring process.</p> <p>The Council agreed the winter policy, setting out the intervention level and locations to be treated. The numbers of treatments are determined by weather conditions. The current budget provision provides for 58 full equivalent runs. There is a sophisticated weather monitoring system in place consisting of several weather stations, this is supported by a forecasting and metrological service which is collaboratively procured by West of Scotland local authorities.</p>

CHIEF EXECUTIVE'S UNIT – OBJECTIVE SUMMARY AS AT 31 DECEMBER 2017

Business Outcome	Service Area	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Central/Management Costs	Central/Management Costs	£208,647	£209,193	(£546)	(0.26%)	£294,090	£294,090	£0	0.00%	Outwith reporting criteria.
BO15 - Argyll and Bute is open for business	Community Planning	£85,063	£72,121	£12,942	15.21%	£123,307	£123,307	£0	0.00%	Small variance within payments to third parties - profile related.
BO33 - Information and support are available for our communities	Community Development and Grants to Third Sector	£323,488	£288,887	£34,601	10.70%	£406,927	£406,927	£0	0.00%	The variance arises due to a mismatch between profiled budget and when invoice to voluntary organisation was paid.
Chief Executive Total		£617,198	£570,201	£46,996	7.61%	£824,324	£824,324	£0	0.00%	
BO28 - Our processes and business procedures are efficient, cost effective and compliant	Departmental Support, Corporate Accounting, Treasury & Internal Audit	£1,277,314	£1,288,585	(£11,272)	(0.88%)	£1,664,447	£1,664,447	£0	0.00%	Outwith reporting criteria.
Head of Strategic Finance Total		£1,277,314	£1,288,585	(£11,272)	(0.88%)	£1,664,447	£1,664,447	£0	0.00%	
Grand Total		£1,894,511	£1,858,787	£35,725	1.89%	£2,488,771	£2,488,771	£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 is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

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 for any variance which exceeds £50,000 or 10%.

CHIEF EXECUTIVE'S UNIT – SUBJECTIVE SUMMARY AS AT 31 DECEMBER 2017

Subjective Category	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Employee	£1,659,958	£1,612,724	£47,234	2.85%	£2,331,463	£2,331,463	£0	0.00%	Outwith reporting criteria.
Premises	£261	£77	£184	70.34%	£350	£350	£0	0.00%	Small variance.
Supplies & Services	£41,155	£42,985	(£1,830)	(4.45%)	£55,373	£55,373	£0	0.00%	Small overspend within Finance on Professional and Technical Publications and Computer Software - this will be covered by underspends elsewhere.
Transport	£26,635	£19,875	£6,760	25.38%	£30,678	£30,678	£0	0.00%	Small underspend due to increased use of lync and the pool cars - this underspend will be used to offset part of the overspend within supplies and services.
Third Party	£206,746	£233,256	(£26,510)	(12.82%)	£231,070	£231,070	£0	0.00%	This variance arises due to an overspend on consultants who were contracted to provide support in changing the financial ledger for LiveArgyll - this overspend will be met from underspends elsewhere.
Income	(£40,244)	(£50,132)	£9,888	(24.57%)	(£160,164)	(£160,164)	£0	0.00%	This variances is mainly as a result of a number of third sector grants that have been returned due to being unspent.
Totals	£1,894,511	£1,858,787	£35,725	1.89%	£2,488,771	£2,488,771	£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 is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

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 for any variance which exceeds £50,000 or 10%.

CHIEF EXECUTIVE'S UNIT – RED VARIANCES

Service Area	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation

A red variance is a forecast variance which is greater than +/- £50,000.

THERE ARE CURRENTLY NO RED VARIANCES FOR THE DEPARTMENT.

COMMUNITY SERVICES – OBJECTIVE SUMMARY AS AT 31 DECEMBER 2017

Business Outcome	Service Area	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Central/Management Costs	Central/Management Costs	£219,217	£216,690	£2,527	1.15%	£223,876	£223,876	£0	0.00%	Outwith reporting criteria.
Executive Director of Community Services Total		£219,217	£216,690	£2,527	1.15%	£223,876	£223,876	£0	0.00%	
BO16 - We wholly embrace our Corporate Parenting responsibilities	Additional Support Needs (ASN)	£6,156,388	£6,112,907	£43,481	0.71%	£8,481,547	£8,694,218	(£212,671)	(2.51%)	The budget within Early Years is fully committed and the YTD variance is due to coding adjustments that are required to be processed.
BO17 - The support needs of children and their families are met	Early Years	£4,093,599	£3,951,787	£141,812	3.46%	£6,284,619	£6,284,619	£0	0.00%	The YTD variance within Primary and Secondary Education is due to a reduction in costs relating to school meals which continues to be monitored, budget profiling of Pupil Equity Funds and school carry forwards, and an underspend in relation to school staffing. Under the Scheme of Devolved School Management schools are permitted flexibility at year end, therefore no forecast variance has been processed in relation to this.
BO19 - All children and young people are supported to realise their potential	Primary & Secondary Education	£38,880,560	£37,608,741	£1,271,819	3.27%	£53,334,106	£53,334,106	£0	0.00%	
BO21 - Our young people participate in post-16 learning, training or work	Youth Services	£476,231	£476,011	£220	0.05%	£702,371	£702,371	£0	0.00%	
BO22 - Adults are supported to realise their potential		£398,354	£360,331	£38,023	9.55%	£587,500	£587,500	£0	0.00%	The YTD variance within BO31 is due to a number of smaller overspends which will be reduced via reprofiling of budgets and is not an indication of the year end outturn position.
BO30 - We engage with our customers, staff and partners	Support for Parents	£17,537	£19,037	(£1,500)	(8.55%)	£20,860	£20,860	£0	0.00%	The variance within BO32 is budget profile related and will be rectified in January.
BO31 - We have a culture of continuous improvement	Education Initiatives (GIRFEC, SEEMIS, Languages 1+2, Music) Education Support Team, Quality Improvement Team, Schools Development Team	£2,406,264	£2,610,058	(£203,794)	(8.47%)	£4,374,880	£4,374,880	£0	0.00%	
BO32 - Our workforce is supported to realise its potential	Leadership & Professional Learning	£20,789	£23,445	(£2,656)	(12.78%)	£17,364	£17,364	£0	0.00%	
Head of Education Total		£52,449,722	£51,162,318	£1,287,405	2.45%	£73,803,247	£74,015,918	(£212,671)	(0.29%)	
Grand Total		£52,668,939	£51,379,007	£1,289,932	2.45%	£74,027,123	£74,239,794	(£212,671)	(0.29%)	

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

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

The Variance is the difference between budget and actual or forecast outturn.

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 for any variance which exceeds £50,000 or 10%.

COMMUNITY SERVICES – SUBJECTIVE SUMMARY AS AT 31 DECEMBER 2017

Subjective Category	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Employee	£43,634,114	£43,194,614	£439,500	1.01%	£59,748,636	£59,898,636	(£150,000)	(0.25%)	The year-to-date underspend relates mainly to school vacancy savings. Under the scheme of devolved school management (DSM) schools are permitted flexibility at the year-end, within agreed limits, therefore no forecast variance is required to be processed. The forecast overspend relates to an increased demand for ASN support.
Premises	£2,132,278	£2,130,439	£1,838	0.09%	£3,206,452	£3,206,452	£0	0.00%	Outwith reporting criteria.
Supplies & Services	£5,257,688	£4,605,278	£652,410	12.41%	£7,562,046	£7,562,046	£0	0.00%	The year-to-date underspend partly relates to a reduction in expenditure on school meals. This is being monitored closely to establish whether it is a budget profiling issue. The variance is also due to budget profiling in relation to Pupil Equity Funds and School Carry Forwards which will be updated in January.
Transport	£217,728	£249,801	(£32,073)	(14.73%)	£330,737	£330,737	£0	0.00%	This variance is budget profile related and will be updated in January.
Third Party	£5,756,490	£5,721,545	£34,945	0.61%	£8,222,701	£8,285,372	(£62,671)	(0.76%)	Outwith reporting criteria.
Income	(£4,329,359)	(£4,522,671)	£193,312	4.47%	(£5,043,450)	(£5,043,450)	£0	0.00%	The year to date variance is due to numerous smaller variances across the Service including school meal income and donations received. These will be monitored on an ongoing basis.
Totals	£52,668,939	£51,379,007	£1,289,932	2.45%	£74,027,123	£74,239,794	(£212,671)	(0.29%)	

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

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

The Variance is the difference between budget and actual or forecast outturn.

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 for any variance which exceeds £50,000 or 10%.

COMMUNITY SERVICES – RED VARIANCES

Business Outcome	Service Area	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
BO16 - We wholly embrace our Corporate Parenting responsibilities.	Additional Support Needs (ASN)	8,481,547	8,694,218	(212,671)	(2.51%)	The Education Service have forecasted an overspend due to increased demand within ASN support (£150k) and Residential School placements (£63k). The Service are actively monitoring demand levels and looking to mitigate this overspend utilising other resources.
Totals		8,481,547	8,694,218	(212,671)	(2.51%)	

A red variance is a forecast variance which is greater than +/- £50,000 or 10%.

CUSTOMER SERVICES – OBJECTIVE SUMMARY AS AT 31 DECEMBER 2017

Service	Business Outcome	Service Area	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Executive Director of Customer Services	Central/Management Costs	Central/Management Costs, NPDO, Special Projects & Estates	10,115,814	9,440,281	675,532	6.68%	14,323,324	14,173,324	150,000	1.05%	Underspend year to date of £601k within NPDO mainly due to insurance savings and timing of billing for water within the NPDO contract. These will be used to offset inflation costs not already budgeted for and are forecasting a yearend outturn position of £100k underspent. Vacancy savings that have been over achieved account for the other £50k forecast underspend. Surplus properties property costs and directorate costs year to date are underspent £46k and £19k at this time due to timing of expenditure.
Executive Director of Customer Services Total	Executive Director of Customer Services Total		10,115,814	9,440,281	675,532	6.68%	14,323,324	14,173,324	150,000	1.05%	
Head of Customer and Support Services	Central/Management Costs	Central/Management Costs	249,044	239,847	9,197	3.69%	345,263	345,263	0	0.00%	Outwith reporting criteria
Head of Customer and Support Services	BO04 - Benefits are paid promptly and accurately	Benefits, SWF & Welfare Reform	1,795,399	1,429,323	366,076	20.39%	1,650,179	1,650,179	0	0.00%	BO04 - Benefits Administration £109k mainly additional grant income. Timing of expenditure and income against H61 - Housing Benefits - Private £220k, will net to zero by end of financial year. £29k relates to the timing of payment on Scottish Welfare Fund
Head of Customer and Support Services	BO23 - Economic Growth is supported	NDR Disc Relief, Creditors & Procurement	691,517	619,604	71,913	10.40%	1,172,962	1,172,962	0	0.00%	BO32 - £43k procurement and £16k commissioning vacancy savings for funding trainee procurement officers as agreed by Transformation Board.
Head of Customer and Support Services	BO27 - Infrastructure and assets are fit for purpose	ICT Applications & Infrastructure	2,015,895	1,680,887	335,008	16.62%	3,595,109	3,595,109	0	0.00%	BO27 - £246k IT infrastructure -vacancy savings of £21k, £127k variance to a recharge for Education and Libraries where only £75k of a £202k invoice paid to date. £77k income in excess of budget in relation to the disposal of IT equipment. Forecast additional income £77k offset by additional forecast costs in software development £77k. £42k Print and Mail Room - postages and franking costs timing of expenditure and reduction in income from printing. £26k IT applications - vacancy savings offset by additional costs of contractors. £10k forecast outturn position
Head of Customer and Support Services	BO28 - Our processes and business procedures are efficient, cost effective and compliant	Local Tax, Debtors, Debt Recovery, Customer Service Centres & Registrars	1,582,043	1,494,987	87,056	5.50%	1,954,807	1,956,807	(2,000)	(0.10%)	BO28 - Customer Service Centre Management maintenance/development of computer software timing of spend compared to budget £79k
Head of Customer and Support Services Total	Head of Customer and Support Services Total		6,333,898	5,464,648	869,250	13.72%	8,718,320	8,720,320	(2,000)	(0.02%)	
Head of Facility Services	BO09 - Our assets are safe, efficient and fit for purpose	Shared Offices, Property, Pool Cars, Public Transport and Cleaning.	8,219,736	8,007,062	212,674	2.59%	11,339,954	11,339,954	0	0.00%	BO09 - Property services vacant posts £73k Timing of Transport Operator Payments - Schools £85k with income from Highland £18k
Head of Facility Services	BO18 - Improved lifestyle choices are available	School Meals	119,023	163,825	-44,802	(37.64%)	355,284	355,284	0	0.00%	BO18 - Catering vacant posts £25k and variable bid income timing of processing £64k
Head of Facility Services	Central/Management Costs	Central/Management Costs	190,106	166,902	23,203	12.21%	278,821	278,821	0	0.00%	Central - Property Admin vacancy £14k, £9k timing of expenditure re ordinance survey
Head of Facility Services Total	Head of Facility Services Total		8,528,865	8,337,790	191,075	2.24%	11,974,060	11,974,060	0	0.00%	

Head of Governance and Law	BO10 - Quality of life is improved by managing risk	Civil Contingencies & Anti Social Behaviour	84,760	89,319	-4,558	(5.38%)	127,522	127,522	0	0.00%	Outwith reporting criteria
Head of Governance and Law	BO17 - The support needs of children and their families are met	Childrens Panel	15,902	18,798	-2,896	(18.21%)	33,698	33,698	0	0.00%	BO17 - Children's Panel Safeguarders £1.8k year to date variance Children's Panel Expenses £1k year to date variance
Head of Governance and Law	BO23 - Economic Growth is supported	Licensing	-160,949	-155,468	-5,481	3.41%	(133,000)	(133,000)	0	0.00%	Outwith reporting criteria
Head of Governance and Law	BO28 - Our processes and business procedures are efficient, cost effective and compliant	Democratic Serives, Governance & Legal Services	1,290,906	1,314,768	-23,862	(1.85%)	1,826,353	1,826,353	0	0.00%	Outwith reporting criteria
Head of Governance and Law	Central/Management Costs	Central/Management Costs	149,688	160,661	-10,973	(7.33%)	224,355	224,355	0	0.00%	Outwith reporting criteria
Head of Governance and Law Total	Head of Governance and Law Total		1,380,307	1,428,077	-47,770	(3.46%)	2,078,929	2,078,929	0	0.00%	
Head of Improvement and HR	BO06 - Quality culture, archives, libraries and museums are provided to promote wellbeing	Gaelic Language Plan	18,278	18,278	0	0.00%	26,278	26,278	0	0.00%	Outwith reporting criteria
Head of Improvement and HR	BO28 - Our processes and business procedures are efficient, cost effective and compliant	HR Services	719,225	719,989	-764	(0.11%)	1,071,773	1,071,773	0	0.00%	Outwith reporting criteria
Head of Improvement and HR	BO29 - Health and safety is managed effectively	Health & Safety	197,005	199,230	-2,225	(1.13%)	287,600	287,600	0	0.00%	Outwith reporting criteria
Head of Improvement and HR	BO30 - We engage with our customers, staff and partners	Communications	146,273	145,092	1,181	0.81%	241,927	241,927	0	0.00%	Outwith reporting criteria
Head of Improvement and HR	BO31 - We have a culture of continuous improvement	Service Improvements	501,801	501,607	194	0.04%	744,662	744,662	0	0.00%	Outwith reporting criteria
Head of Improvement and HR	BO32 - Our workforce is supported to realise its potential	Learning & Development	501,033	505,592	-4,559	(0.91%)	732,262	732,262	0	0.00%	Outwith reporting criteria
Head of Improvement and HR	Central/Management Costs	Central/Management Costs	89,686	90,463	-776	(0.87%)	128,691	128,691	0	0.00%	Outwith reporting criteria
Head of Improvement and HR Total	Head of Improvement and HR Total		2,173,301	2,180,250	-6,948	(0.32%)	3,233,193	3,233,193	0	0.00%	
Grand Total	Grand Total		28,532,185	26,851,046	1,681,140	5.89%	40,327,825	40,179,825	148,000	0.37%	

CUSTOMER SERVICES – SUBJECTIVE SUMMARY AS AT 31 DECEMBER 2017

Subjective Category	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Employee	£14,231,084	£14,032,705	£198,380	1.39%	£20,303,320	£20,243,320	£60,000	0.30%	Forecast overachievement of vacancy savings of £50k. Further £10k underspend on employee costs within IT services which is offset by £10k overspend in third party payments where contractors have been used to fill the gap while pending recruitment.
Premises	£978,876	£884,353	£94,523	9.66%	£1,557,203	£1,557,203	£0	0.00%	Surplus properties - property costs has an underspend £61k due to timing of expenditure on these properties. Asbestos and other projects costs £21k recharges due at end of financial year and budget phased across year. Remainder made up of smaller variances across the service.
Supplies & Services	£2,529,156	£2,252,845	£276,311	10.93%	£4,999,634	£5,078,634	(£79,000)	(1.58%)	PFN recharge to Community Services £202k received but only part payment to supplier £75k made resulting in £127k ytd variance. £83k on maintenance and software development and £38k on postages, £24k underspend on catering purchases due to timingd. Balance made up of smaller variances.
Transport	£908,769	£839,303	£69,466	7.64%	£6,439,242	£6,439,242	£0	0.00%	£19k ytd variance on education transport parents and £13k within tranman fuel. £28k on staff travel.
Third Party	£35,682,971	£34,930,681	£752,290	2.11%	£48,047,620	£47,957,620	£90,000	0.19%	£598k YTD variance in NPDO due to insurance savings being received earlier than anticipated which will be used to offset higher than budgeted inflation costs. Overspend in benefits afforded £29k which is balanced by income received within the same cost centre. Public transport operations £85k due to timing of expenditure
Income	(£25,798,672)	(£26,088,842)	£290,170	1.12%	(£41,019,193)	(£41,096,193)	£77,000	0.19%	£77k more income than budgeted for disposal of IT equipment. £88k more grant income against benefits administration. Variance in housing benefits £207k which is balanced by expenditure within the same cost centre. Balance made up of smaller variances
Totals	£28,532,185	£26,851,046	£1,681,140	5.89%	£40,327,825	£40,179,825	£148,000	0.37%	

CUSTOMER SERVICES – RED VARIANCES

Service Area	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Central/Management Costs, NPDO, Special Projects & Estates	14,323,324	14,173,324	150,000	1.05%	Forecast underspend of £100k within NPDO mainly due to insurance savings and timing of billing for water within the NPDO contract. Vacancy savings that have been over achieved account for the other £50k forecast underspend.
			0		
			0		

A red variance is a forecast variance which is greater than +/- £50,000.

THERE ARE CURRENTLY NO RED VARIANCES FOR THE DEPARTMENT.

DEVELOPMENT AND INFRASTRUCTURE SERVICES – OBJECTIVE SUMMARY AS AT 31 DECEMBER 2017

Business Outcome	Service Area	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Central/Management Costs	Central/Management Costs	£903,246	£924,739	(£21,493)	(2.38%)	£1,532,606	£1,430,606	£102,000	6.66%	The forecast variance relates to vacancy savings that have surpassed the target set at the start of the year due to conscious non filling of posts for future savings. In addition, there has also been some difficulty recruiting to certain skilled posts which increases the time a post is vacant. The YTD variance is as a result of severance paid to an employee.
Executive Director of Development and Infrastructure Services Total		£903,246	£924,739	(£21,493)	(2.38%)	£1,532,606	£1,430,606	£102,000	6.66%	
BO06 - Quality culture, archives, libraries and museums are provided to promote wellbeing	Events and Festivals	£181,523	£169,777	£11,746	6.47%	£220,966	£220,966	£0	0.00%	BO06 - The YTD underspend relates to unspent budget for Rothesay Pavilion which is currently being refurbished. This unspent budget will be carried forward at year end to cover future commitments.
BO15 - Argyll and Bute is open for business	Airports & Strategic Transportation	£1,444,881	£1,301,922	£142,959	9.89%	£1,982,716	£1,885,113	£97,603	4.92%	
BO22 - Adults are supported to realise their potential	Business Gateway	£294,175	£289,819	£4,356	1.48%	£319,172	£319,172	£0	0.00%	BO15 - Both the YTD and forecast variance is mainly due to the timing difference of grant income being received and when the expenditure is incurred which will be offset against the relevant grant.
BO23 - Economic growth is supported	Projects, TIF & European Team	£1,019,533	£987,771	£31,762	3.12%	£1,438,015	£1,438,015	£0	0.00%	
BO27 - Infrastructure and assets are fit for purpose	Economic Development Intelligence	£70,061	£69,895	£165	0.24%	£108,013	£108,013	£0	0.00%	
Central/Management Costs	Central/Management Costs	£184,356	£162,020	£22,336	12.12%	£280,868	£280,868	£0	0.00%	
Economic Development Total		£3,194,527	£2,981,204	£213,323	6.68%	£4,349,749	£4,252,146	£97,603	2.24%	

BO01 - The health of our people is protected through effective partnership working	Private Water Supplies	£57,828	£59,476	(£1,647)	(2.85%)	£482	£482	£0	0.00%	BO12 - There is a YTD and forecast variance within Environmental Health relating to additional income for Fish Exports and Private Water Supplies. BO13 - There is a YTD shortfall in Building Standards income which is anticipated to be recovered by year end. There is an increase in Private Landlord Registration Income plus an underspend in the Tobacco Sales enforcement budget. A forecast variance in respect of Private Landlord Registration for £30k has been processed. BO23 - Planning fee income behind profile (£312k YTD) which is being closely monitored on a monthly basis. A forecast variance of £240k has been processed taking into account likely applications to the year end. The profile is based on the pattern over the last 4 years but July & August 2017 have been significantly lower than previous years. BO26 - There is a lag between expenditure and the HEEPS grant being received.
BO03 - Prevention and support reduces homelessness	Homelessness and Housing Support Services	£1,427,117	£1,401,001	£26,116	1.83%	£2,085,776	£2,085,776	£0	0.00%	
BO05 - Information and support are available for everyone	Trading Standards	£407,573	£408,419	(£846)	(0.21%)	£541,514	£541,514	£0	0.00%	
BO12 - High standards of Public health and health protection are promoted	Environmental Health	£828,577	£690,453	£138,124	16.67%	£1,165,471	£1,125,471	£40,000	3.43%	
BO13 - Our built environment is safe and improved	Building Standards & Environmental Safety	£36,725	(£41,620)	£78,345	213.33%	£94,303	£64,303	£30,000	31.81%	
BO15 - Argyll and Bute is open for business	Development Policy	£282,150	£292,893	(£10,743)	(3.81%)	£417,227	£417,227	£0	0.00%	
BO23 - Economic growth is supported	Development Management	£143,439	£455,136	(£311,697)	(217.30%)	£266,498	£506,498	(£240,000)	(90.06%)	
BO25 - Access to and enjoyment of the natural and built environments is improved	Corepath Plan	£39,367	£37,902	£1,465	3.72%	£55,181	£55,181	£0	0.00%	
BO26 - People have a choice of suitable housing options	Housing	£1,104,054	£1,331,505	(£227,451)	(20.60%)	£835,416	£835,416	£0	0.00%	
BO27 - Infrastructure and assets are fit for purpose	Marine & Coastal	£63,443	£64,528	(£1,085)	(1.71%)	£89,874	£89,874	£0	0.00%	
BO31 - We have a culture of continuous improvement	Strategic Housing Fund	£1,039,596	£1,056,858	(£17,262)	(1.66%)	£1,039,596	£1,039,596	£0	0.00%	
Central/Management Costs	Central/Management Costs	£178,223	£172,271	£5,952	3.34%	£290,089	£290,089	£0	0.00%	
Planning and Regulatory Services Total		£5,608,092	£5,928,821	(£320,730)	(5.72%)	£6,881,428	£7,051,428	(£170,000)	(2.47%)	

BO14 - Our transport infrastructure is safe and fit for purpose	Road & Lighting, Roads Design, Network & Environment & Marine Services	£3,434,106	£3,809,274	(£375,168)	(10.92%)	£6,672,058	£6,922,058	(£250,000)	(3.75%)	BO14 - The main contributing factor to the YTD variance is the Roads & Lighting Operational Holding Account which relates to budget profiling due to its unpredictable nature caused by many factors e.g. weather, reactive v planned works, timing of capital works and timing of contractors invoices. It is also projected that there will be a £200k over recovery of income from Piers and Harbours as a result of RET. BO14 - a forecast variance of £450k has been entered for Winter Maintenance which is based on spend to date plus a mid-range average over the previous 3 years. BO24 - there is a forecast variance of £132k which relates to the retained budget for vehicles caused by delays in replacing vehicles over 5 years old. BO25 - The YTD underspend relates to the purchase order for new machinery across amenities being delayed, spend should start to be incurred during January and February. Over-recovery of crematorium income not reported at this stage, proposal to use to fund crematorium alterations. BO27 - The YTD variance relates to budget profiling and no forecast variance is anticipated in this area. The variance in Central Management costs is caused by the recharge from depots covering some uncontrollable costs which are excluded from the departmental budget monitoring.
BO15 - Argyll and Bute is open for business	Marine Management	£115,608	£121,640	(£6,032)	(5.22%)	£162,949	£162,949	£0	0.00%	
BO24 - Waste is disposed of sustainably	Waste Management	£7,505,801	£7,402,382	£103,419	1.38%	£11,647,156	£11,514,779	£132,377	1.14%	
BO25 - Access to and enjoyment of the natural and built environments is improved	Amenity Services	£2,537,511	£2,364,162	£173,350	6.83%	£3,809,291	£3,809,291	£0	0.00%	
BO27 - Infrastructure and assets are fit for purpose	Fleet	(£1,426,953)	(£1,494,299)	£67,346	(4.72%)	(£1,917,456)	(£1,917,456)	£0	0.00%	
Central/Management Costs	Central/Management Costs	£722,877	£411,741	£311,136	43.04%	£554,404	£554,404	£0	0.00%	
Roads and Amenity Services Total		£12,888,950	£12,614,899	£274,051	2.13%	£20,928,403	£21,046,026	(£117,623)	(0.56%)	
Grand Total		£22,594,815	£22,449,664	£145,151	0.64%	£33,692,186	£33,780,206	(£88,020)	(0.26%)	

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

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

The Variance is the difference between budget and actual or forecast outturn.

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 for any variance which exceeds £50,000 or 10%.

DEVELOPMENT AND INFRASTRUCTURE SERVICES – SUBJECTIVE SUMMARY AS AT 31 DECEMBER 2017

Subjective Category	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Employee	£17,751,195	£16,644,363	£1,106,832	6.24%	£25,424,790	£25,142,493	£282,297	1.11%	The YTD variance relates to Roads Operational holding account £569k, Infrastructure Design £162k and an accrual made at the end of 2016-17 in respect of a backdated claim for standby payments. There is also an underspend in the amenity service which will be used to fund the purchase of equipment to avoid a cost pressure in 2018/19. The forecast variance relates to a departmental forecast variance of £102k for vacancy savings plus vacancy savings in the Infrastructure Design Team which will be offset by reduction in income as noted below.
Premises	£2,024,427	£1,764,948	£259,479	12.82%	£3,109,029	£3,109,029	£0	0.00%	Reduction in Street Lighting electricity costs which will be offset by additional cost of prudential borrowing for LED project plus underspends in depot costs.
Supplies & Services	£4,110,537	£4,009,801	£100,735	2.45%	£5,476,357	£5,476,357	£0	0.00%	The YTD variance relates to an overspend in Play equipment of £137k which is offset by additional income from community groups; £28k DPE, £142k Roads Operational holding account which will be offset by reduced income and £64k Amenity Services in Oban which will be recovered as part of an insurance claim. There is also a lag in the invoices from the Regional Chemist causing a YTD underspend of £88k.
Transport	£6,708,985	£6,668,970	£40,015	0.60%	£9,618,932	£9,486,555	£132,377	1.38%	The forecast variance of £132k which relates to the retained budget for vehicles caused by delays in replacing vehicles over 5 years old.
Third Party	£19,897,593	£19,837,569	£60,024	0.30%	£29,255,271	£29,705,271	(£450,000)	(1.54%)	There is a lag between expenditure and the HEEPS grant being received giving a YTD adverse variance of £172k. This is partially offset by underspends across Roads & Amenity Services which are expected to be spent by Year End. A forecast variance of £450k has been entered for Winter Maintenance which is based on spend to date plus a mid-range average over the previous 3 years.
Capital Financing	(£27,897,921)	(£26,475,987)	(£1,421,934)	(5.10%)	£0	£0	£0	0.00%	
Income	(£27,897,921)	(£26,475,987)	(£1,421,934)	(5.10%)	(£39,192,192)	(£39,139,498)	(£52,694)	(0.13%)	There is a YTD adverse variance in Planning income of £331k which is partially reflected in an adverse forecast variance of £240k. It is anticipated that planning applications will pick up in the next few months. The forecast outturn variance also includes £200k over recovery of income from Piers and Harbours as a result of RET. Budget profiling of the Operational Holding Account is difficult due to its unpredictable nature caused by many factors e.g. weather, reactive v planned works, timing of capital works and timing of contractors invoices. The underspends in expenditure budgets above are offset by a reduction in income.
Totals	£22,594,815	£22,449,664	£145,151	0.64%	£33,692,186	£33,780,206	(£88,020)	(0.26%)	

DEVELOPMENT AND INFRASTRUCTURE SERVICES – RED VARIANCES

Service Area	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Vacancy Savings	(259,166)	(362,058)	102,892	(39.70%)	Vacancy savings have surpassed the target set at the start of the year due to conscious non filling of posts for future savings. In addition, there has also been some difficulty recruiting to certain skilled posts which increases the time a post is vacant.
Planning Fee Income	(1,151,000)	(911,001)	(239,999)	20.85%	Planning fee income is behind profile (£255k YTD) which will be closely monitored over the coming months. A forecast variance of £240k has been processed at this time. The profile is based on the pattern over the last 4 years but July & August 2017 have been significantly lower than previous years.
Rothsay THI	0	(97,603)	97,603		Income received in 2017-18 which relates to expenditure incurred in previous years.
Winter Maintenance	1,636,828	2,086,828	(450,000)	(27.49%)	Projection based on YTD spend plus mid-range estimate of average spend over past 3 years.
Piers & Harbours	(2,630,314)	(2,830,314)	200,000	(7.60%)	Projection based on YTD income as a result of RET.
Waste Vehicle Retained Budget	142,004	9,627	132,377	93.22%	Relates to the retained budget for vehicles caused by delays in replacing vehicles over 5 years old.

A red variance is a forecast variance which is greater than +/- £50,000.