

Overall Position:

- There is a forecast overspend for 2019-20 of £2.490m as at the end of December 2019. The main overspend is in relation to Social Work, where there is a forecast overspend of £1.310m due to a combination of forecast slippage on the delivery of agreed savings and also a high demand for services. Within the remit of Executive Director Kirsty Flanagan, there is a forecast overspend of £0.349m. There are overspends resulting from a loss of income in Public Conveniences, loss of car parking income, loss of planning income, additional cost for Street Lighting Consultant, additional glass collection costs and increased costs of essential repairs on vehicles. These are offset by additional income from DPE and a planned underspend on roads maintenance. Within the remit of Executive Director Douglas Hendry, there is an underspend of £0.191m resulting from an insurance saving on NPDO schools. Within Central Budgets there is an overspend of £0.876m in relation to Exit Packages £0.504m, unachievable procurement savings £0.200m and a potential VAT misdeclaration £0.172m. Within Local Tax, there is a shortfall of income of £0.146m against budget. A review of the overall council tax budget will be carried out to ensure the base budget is at the correct level for next year
- There is a year to date underspend of £1.831m. More focus is on the forecast outturn position, hence why sometimes the year to date position is not updated. The year to date variances within the departments mainly relate to the timing of income and expenditure and recharging of costs to capital.

Key Highlights as at December 2019:

- The forecast outturn is an overspend of £2.490m and this has increased from £1.950m as at November. The increase is predominantly due to recognition of the overspend in exit packages and the VAT misdeclaration.
- A recovery plan has been prepared by the IJB's Head of Finance and Transformation and approved by the Board on 7 August 2019. The recovery plan has a number of actions to bring the spending in line with budget and this will be closely monitored.
- Further savings options have now been proposed in a new recovery plan and this was approved by the Board on 25 September 2019 with the exception of one saving in respect of care packages for older people (Option 1) which has to be brought back to the Board.

Key Financial Successes:

The performance against budget for the financial year 2018-19 was a net underspend of £1.037m in relation to Council service departmental expenditure, a net underspend of £0.863m in relation to other central costs and additional Council Tax income over budget of £0.109m. However, these underspends were offset by an overspend within Social Work, managed by the Health and Social Care Partnership of £3.127m.

Key Financial Challenges:

Achieving a favourable year-end balanced position and achieving savings targets in light of council wide risks to expenditure.

Proposed Actions to address Financial Challenges:

Robust monitoring of the financial position to ensure that any budget issues are fed back into the budget monitoring process.

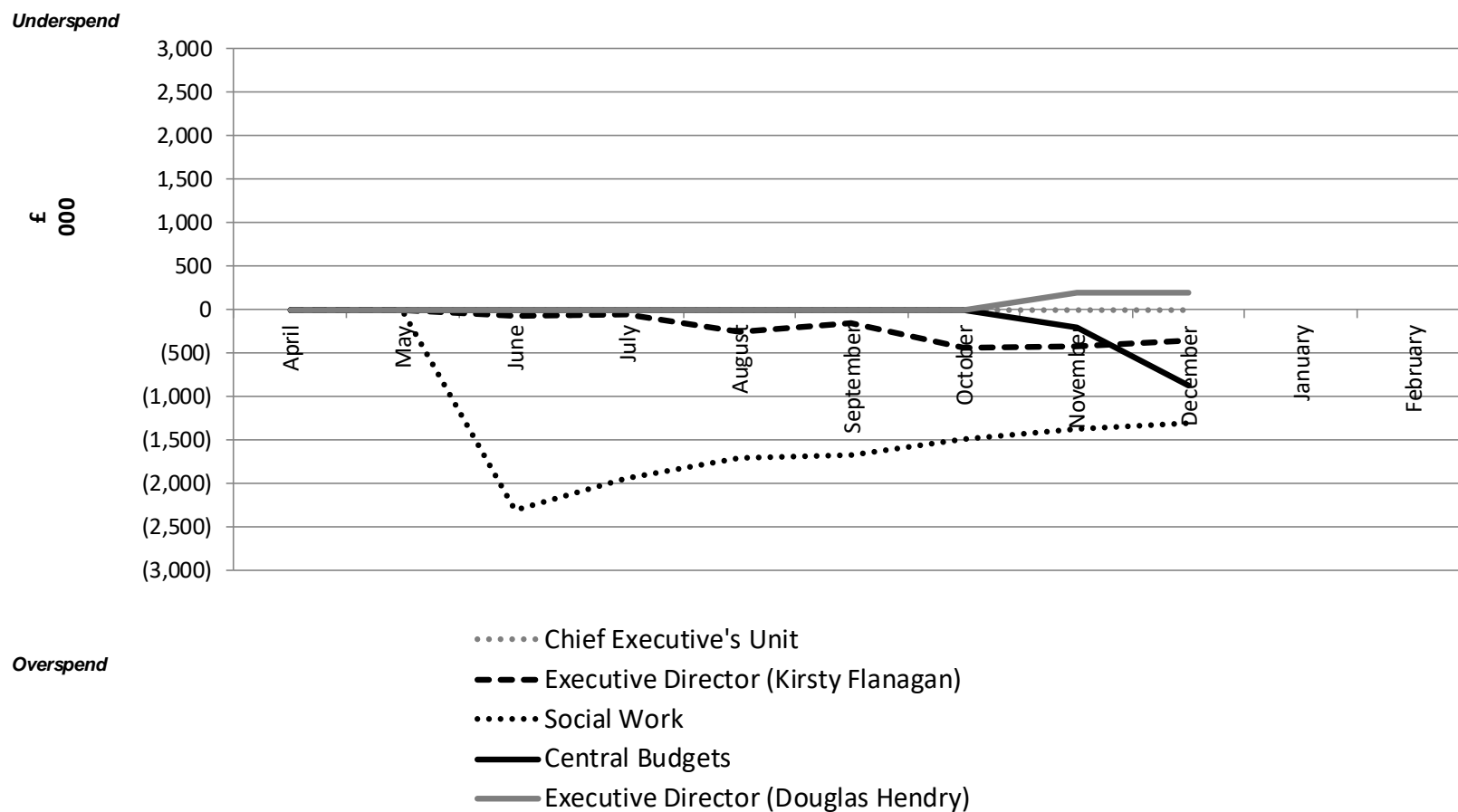
Monitoring the expenditure within Social Work and more widely the IJB position as any overspend will transfer back to partner bodies, in the first instance.	Work more closely with the CFO of the IJB to ensure that early indication of financial outturn is known and corrective action is agreed as appropriate to reduce the risk to the Council. Review of Scheme of Integration, particularly risk sharing arrangements to reduce any risk to the Council.
Identifying further savings and delivering services more efficiently with less resources.	Continually refine/develop systems to accurately calculate forecast outturns and the future budget outlook.
Maintaining or improving the level of service income recovered, for example planning, building standards and car parking.	Actively monitor income recovery and ensure Council fees and 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 areas like employee costs, utility costs etc.	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 overspend for 2019-20 of £2.490m as at the end of December 2019 and the main variances are noted below.

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	5,299	5,299	0	0	0	
Executive Director (Kirsty Flanagan)	48,623	48,972	(349)	(419)	70	There are overspends resulting from a loss of income in Public Conveniences, loss of car parking income, additional cost for Street Lighting Consultant, additional glass collection costs and increased costs of essential repairs on vehicles within Roads & Infrastructure Services. These are offset by additional income from DPE and a planned underspend on roads maintenance.
Executive Director (Douglas Hendry)	111,103	110,912	191	191	0	There is an underspend of £0.191m from a saving on insurance for NPDO schools
Social Work	58,675	59,985	(1,310)	(1,376)	66	Projected overspend is due to a combination of forecast slippage on the delivery of agreed savings and also a high demand for services.
Central Budgets	25,350	26,226	(876)	(200)	(676)	Within Central Budgets, there are overspends projected in relation to Exit Packages £0.504m, unachievable procurement savings £0.200m and a potential VAT misdeclaration £0.172m.
Financed By	(249,050)	(248,904)	(146)	(146)	0	There is a shortfall of income of £0.146m against budget. A review of the overall council tax budget will be carried out to ensure the base budget is at the correct level for next year.
Total	0	2,490	(2,490)	(1,950)	(540)	

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

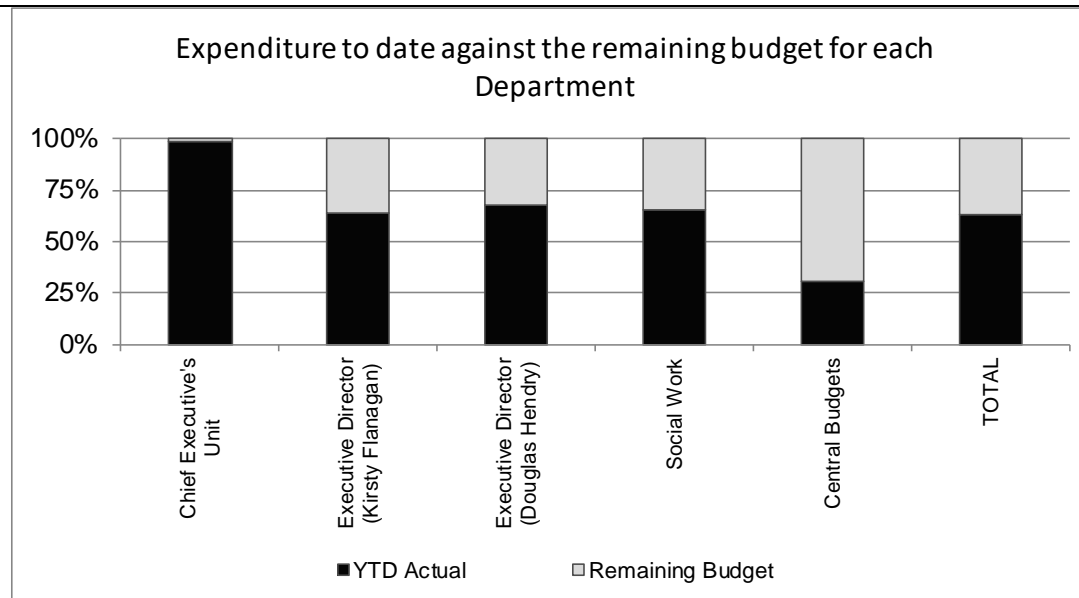


Further information on the departmental forecast variances is included later on in the report.

Year to Date Position

The year to date position as at the end of December 2019 is an underspend of £1.831m and the main variances are noted below.

Department	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Explanation
Chief Executive's Unit	5,205	5,032	(173)	The YTD overspend results from the Money Skills Argyll project as there have been no claims to the Big Lottery Fund to offset the accumulated expenditure
Executive Director (Kirsty Flanagan)	31,118	31,856	738	The YTD underspend is largely due to the Coastal Communities Grant and external roads income being received ahead of expenditure
Executive Director (Douglas Hendry)	75,197	77,243	2,046	The main variances are in relation to an underspends within the Hub and NPDO Schools of £0.794m, the One Council Property Team of £0.151m, Catering and Cleaning Services of £0.202m, Surplus Property and Design Service of 0.087m and £0.732m in Education.
Social Work	38,418	37,385	(1,033)	The YTD overspend is due to a combination of forecast slippage on the delivery of agreed savings and high demand for services
Central Budgets	7,718	7,971	253	Profiling within the Refugee Resettlement scheme, Non Domestic Rates, Loans Fund Interest and the Audit Fee resulting in a year to date underspend which is partially offset by overspends within redundancy related expenditure, unfunded pensions costs, Joint Boards and print services savings
Total Net Expenditure	157,656	159,487	1,831	



Further information on the departmental year to date variances is included later on in the report.

OBJECTIVE SUMMARY – OVERALL COUNCIL POSITION AT 31 DECEMBER 2019

	YEAR TO DATE POSITION				CURRENT PROJECTED FINAL OUTTURN			
	YTD Actual	YTD Budget	YTD Variance	Variance	Annual Budget	Forecast Outturn	Forecast Variance	Variance
	£'000	£'000	£'000	%	£'000	£'000	£'000	%
<u>Departmental Budgets</u>								
Chief Executive's Unit	5,205	5,032	(173)	(3.4%)	5,299	5,299	0	0.0%
Executive Director (Kirsty Flanagan)	31,118	31,856	738	2.3%	48,623	48,972	(349)	(0.7%)
Executive Director (Douglas Hendry)	75,197	77,243	2,046	2.7%	111,103	110,912	191	0.2%
Social Work	38,418	37,385	(1,033)	(2.8%)	58,675	59,985	(1,310)	(2.2%)
Total Departmental Budgets	149,938	151,516	1,578	1.0%	223,700	225,168	(1,468)	(0.7%)
<u>Central Budgets</u>								
Other Operating Income and Expenditure	532	1,008	476	47.2%	2,023	2,395	(372)	(18.4%)
Joint Boards	1,121	1,077	(44)	(4.1%)	1,436	1,436	0	0.0%
Non-Controllable Costs	6,065	5,886	(179)	(3.0%)	21,891	22,395	(504)	(2.3%)
Total Central Budgets	7,718	7,971	253	3.2%	25,350	26,226	(876)	(3.5%)
TOTAL NET EXPENDITURE	157,656	159,487	1,831	1.2%	249,050	251,394	(2,344)	(0.9%)
<u>Financed By</u>								
Aggregate External Finance	(116,664)	(116,664)	0	0.0%	(195,059)	(195,059)	0	0.0%
Local Tax Requirement	(46,727)	(46,727)	0	0.0%	(50,457)	(50,311)	(146)	0.3%
Contributions to General Fund	0	0	0	0.0%	218	218	0	0.0%
Supplementary Estimates	0	0	0	0.0%	0	0	0	0.0%
Earmarked Reserves	0	0	0	0.0%	(3,752)	(3,752)	0	0.0%
Total Funding	(163,391)	(163,391)	0	0.0%	(249,050)	(248,904)	(146)	0.1%
Deficit/(Surplus) for Period	(5,735)	(3,904)	1,831		0	2,490	(2,490)	

SUBJECTIVE SUMMARY – OVERALL COUNCIL POSITION AS AT 31 DECEMBER 2019

	YEAR TO DATE POSITION				CURRENT PROJECTED FINAL OUTTURN			
	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Variance %	Annual Budget £'000	Forecast Outturn £'000	Forecast Variance £'000	Variance %
Subjective Category								
Employee Expenses	105,456	106,831	1,375	1.3%	150,763	150,420	343	0.2%
Premises Related Expenditure	10,147	10,427	280	2.7%	15,055	15,194	(139)	(0.9%)
Supplies and Services	15,996	13,411	(2,585)	(19.3%)	20,228	22,133	(1,905)	(9.4%)
Transport Related Expenditure	8,685	8,412	(273)	(3.3%)	16,743	16,973	(230)	(1.4%)
Third Party Payments	102,025	101,263	(762)	(0.8%)	147,972	149,201	(1,229)	(0.8%)
Capital Financing	(308)	0	308	#DIV/0!	15,756	15,756	0	0.0%
TOTAL EXPENDITURE	242,001	240,344	(1,657)	(0.7%)	366,517	369,677	(3,160)	(0.9%)
Income	(247,736)	(244,248)	3,488	(1.4%)	(366,517)	(367,187)	670	(0.2%)
Deficit/(Surplus) for Period	(5,735)	(3,904)	1,831		0	2,490	(2,490)	

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.

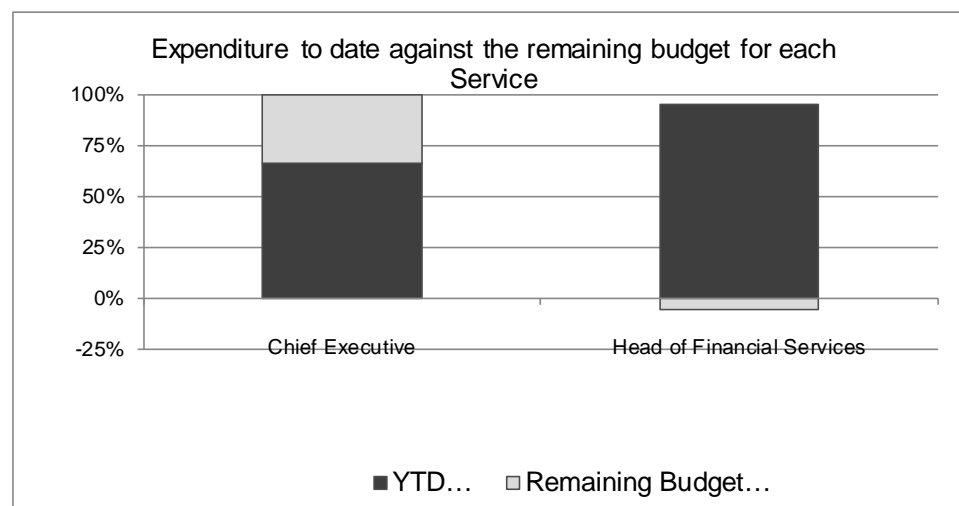
CHIEF EXECUTIVE'S UNIT – AS AT 31 DECEMBER 2019

- The department is currently forecasting spend to be in line with budget.
- The department has a year to date overspend of £0.173m mainly resulting from the Money Skills Argyll Project which is showing an overall overspend because of the substantial volatility in relation to the readiness and quality of claims for funding from the Big Lottery Fund and the lengthy and complex claim processing procedures involved.

Forecast Outturn Position

Service	Annual Budget £000	Forecast Outturn £000	Current Forecast Variance £000	Previous Forecast Variance £000	Change £000
Chief Executive	1,009	1,009	0	0	0
Head of Financial Services	4,290	4,290	0	0	0
Totals	5,299	5,299	0	0	0

Year to Date Position



Key Financial Successes:

The department are currently forecasting that spend will be in line with budget for 2019-20. All Service Choices savings options have been delivered. The department outturn position at the end of 2018-19 was an underspend of £0.125m due to effective management and monitoring of the budget.

Key Financial Challenges:

To continue to deliver high quality support service function during a time of continued budget cuts, particularly as the majority of the costs within Chief Executive's Unit are employee costs.

Proposed Actions to address Financial Challenges:

To ensure that the team are operating as efficiently and effectively as possible to enable continued support to departments with reduced resources. This will be achieved through building resilience and knowledge sharing across the teams.

CHIEF EXECUTIVE'S UNIT – OBJECTIVE SUMMARY AS AT 31 DECEMBER 2019

Business Outcome	Service Area	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Central/Management Costs	Central/Management Costs	208	217	9	4.2%	306	306	0	0.0%	Outwith reporting criteria
BO104 - Our communities are protected and supported	Community Development and Grants to Third Sector	280	307	27	8.8%	412	412	0	0.0%	Outwith reporting criteria
BO110 - We support businesses, employment and development opportunities	Social Enterprise	105	102	(3)	(2.9%)	146	146	0	0.0%	Outwith reporting criteria
BO116 - We engage and work with our customers, staff and partners	Community Planning	81	94	13	13.8%	145	145	0	0.0%	Budget profiling
Chief Executive Total		674	720	46	6.4%	1,009	1,009	0	0.0%	
BO101 - We ensure information and support is available for everyone	Money Skills Argyll	243	0	(243)	0.0%	0	0	0	0.0%	Due to timing difference between expenditure and income
BO102 - We provide support, prevention and opportunities to help people make better lifestyle choices	Benefits including Scottish Welfare Fund	2,294	2,336	42	1.8%	1,547	1,547	0	0.0%	Outwith reporting criteria
BO110 - We support businesses, employment and development opportunities	Creditors and NDR relief	95	116	21	18.1%	364	364	0	0.0%	Underspends in staffing budgets within Creditors. Over-recovery against budget in NDR relief
BO115 - We are efficient and cost effective	Accounting and Budgeting and Revenues and Benefits	1,899	1,860	(39)	(2.1%)	2,379	2,379	0	0.0%	Outwith reporting criteria
Head of Financial Services Total		4,531	4,312	(219)	(5.1%)	4,290	4,290	0	0.0%	
GRAND TOTAL		5,205	5,032	(173)	(3.4%)	5,299	5,299	0	0.0%	

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 2019

Subjective Category	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Employee	3,164	3,173	9	0.3%	4,581	4,581	0	0.0%	Outwith reporting criteria
Premises	0	0	0	0.0%	0	0	0	0.0%	Outwith reporting criteria
Supplies and Services	175	209	34	16.3%	515	515	0	0.0%	Numerous accumulating variances across the service
Transport	31	40	9	22.5%	54	54	0	0.0%	Numerous accumulating underspends on staff travel
Third Party	16,684	16,814	130	0.8%	24,743	24,743	0	0.0%	There is a favourable variance of £340k against Housing Benefits private (contra with Income). This is offset by adverse variances against Money Skills Argyll (£133k), Scottish Welfare Fund (£45k) and Council Tax (£39k)
Income	(14,849)	(15,204)	(355)	2.3%	(24,594)	(24,594)	0	0.0%	There is adverse variances of £333k from Housing Benefits Private (contra with Third Party payments) and £74k adverse from Money Skills Argyll and profiling differences within Benefits Administration provides an offsetting favourable variance (£47k)
Totals	5,205	5,032	(173)	(3.4%)	5,299	5,299	0	0.0%	

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 AS AT 31 DECEMBER 2019

Service Area	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	

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

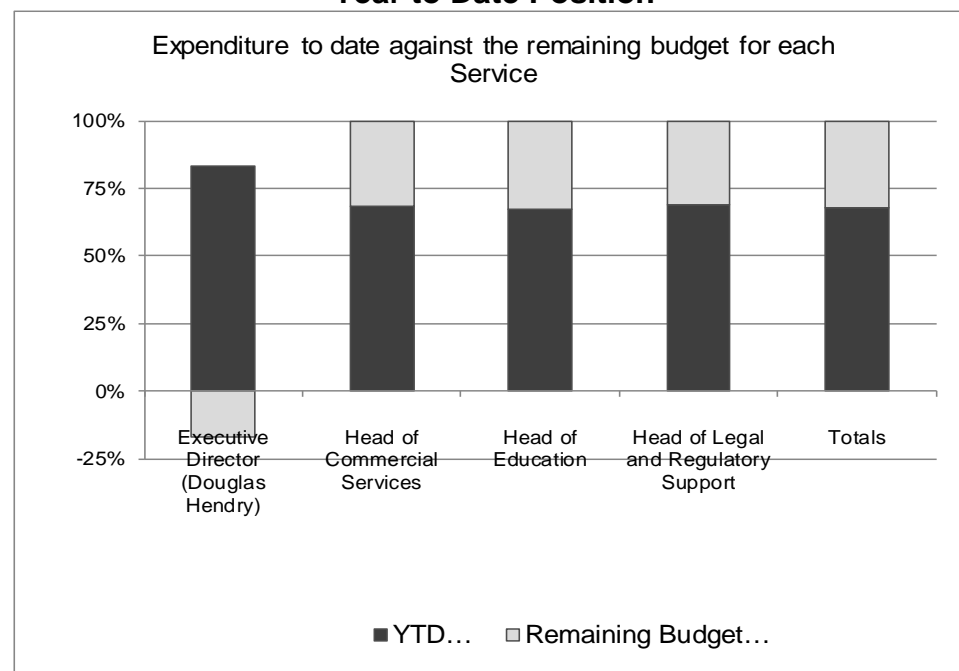
EXECUTIVE DIRECTOR (DOUGLAS HENDRY) – AS AT 31 DECEMBER 2019

- The department is currently forecasting a net underspend of £0.191m due to insurance savings on the NPDO schools contract.
- The department has a year to date underspend of £2.046m (2.7%). The main variances are in relation to underspends within the Hub and NPDO Schools of £0.794m, the One Council Property Team of £0.151m, Catering and Cleaning Services of £0.202m, Surplus Property and Design Service of 0.087m and £0.732m in Education. The year to date underspend position in Education is due to underspends in teaching and PEF budgets within schools. Schools are allowed to carry forward any underspends in teaching budgets under the Devolved Schools Management (DSM) arrangements. PEF is awarded by academic year so can be carried forward. Apart from the Hub & NPDO Schools underspends and the unbudgeted income of £0.150m within the One Council Property Team, the remaining year to date variances are mainly budget profile related and are not anticipated to affect the final outturn position.

Forecast Outturn Position

Service	Annual Budget £000	Forecast Outturn £000	Current Forecast Variance £000	Previous Forecast Variance £000	Change £000
Head of Commercial Services	8,790	8,790	0	0	0
Head of Education	83,332	83,332	0	0	0
Head of Legal and Regulatory Support	18,782	18,591	191	191	0
Totals	110,904	110,713	191	191	0

Year to Date Position



Key Financial Successes:

The 2018-19 year-end consolidated outturn position was an underspend of £0.607m. This was mainly due to deductions and delays in the Hub Schools contract and as a result lower than expected insurance and utility cost savings arising as a result of the annual renegotiation of insurance costs which forms part of the contract management arrangements which are in place for the NPDO. Additional rental income was collected by the One Council Property Team as well as savings on the Surplus Property Account.

A number of the service choices savings have also been secured to date.

Key Financial Challenges:	Proposed Actions to address Financial Challenges:
Delivering the proposed Commercial 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 catering, design services 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 as well as delivering the expansion of free school meals as part of the delivery of 1140 hours of Early Learning and Childcare. Success of the re-design project is dependent on buy-in from Argyll & Bute Health and Social Care Partnership.	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 and unknown impact of new education arrangements on all support services.	Analysis of new obligations and whether they incur additional costs not met through increased grant.
Ensuring the Education service can continue to contribute to Council savings programmes whilst adhering to Scottish Government national initiatives (i.e. maintaining Pupil Teacher ratio across the service.	Ongoing robust financial monitoring and forecasting with the provision of supporting management information to ensure deliverable savings options are presented.
The Council has a requirement to deliver 1140 hours of Early Learning and Childcare by 2020. The Scottish Government has committed to funding this with additional resources based on individual implementation plans.	Robust service costings, financial monitoring and reporting to ensure the service can deliver the project within the financial resources available.

EXECUTIVE DIRECTOR (DOUGLAS HENDRY) – OBJECTIVE SUMMARY AS AT 31 DECEMBER 2019

Business Outcome	Service Area	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Central/Management Costs	Central/Management Costs	250	253	3	1.2%	199	199	0	0.0%	Outwith Reporting Criteria
Executive Director (Douglas Hendry) Total		250	253	3	1.2%	199	199	0	0.0%	
Central/Management Costs	Central/Management Costs	3,377	3,643	266	7.3%	4,907	4,907	0	0.0%	The YTD variance relates to one off receipt of £150k income in July for servitude of land near Strachur, service plans to use this income to fund condition surveys expected to start Feb/March. Also YTD over recovery of rental income .
BO107 - The support and lifestyle needs of our children, young people, and their families are met	Catering and Cleaning	36	170	134	78.8%	529	529	0	0.0%	The YTD variance is caused by underspends in staff costs across the catering and cleaning service and over recovery of the catering variable bid, work currently ongoing to ensure fixed and variable bid more accurate. Also over recovery of income from Kilbowie Outdoor Centre.
BO113 - Our infrastructure is safe and fit for the future	Catering and Cleaning, CHORD, Property and Leisure	2,558	2,627	69	2.6%	3,299	3,299	0	0.0%	The YTD variance caused by an underspend in staff costs within Cleaning HQ.
BO114 - Our communities are cleaner and greener	Property Services Utility Fund	9	19	10	52.6%	30	30	0	0.0%	Outwith Reporting Criteria
BO116 - We engage and work with our customers, staff and partners	Schools Support Development	18	17	(1)	(5.9%)	25	25	0	0.0%	Outwith Reporting Criteria
Head of Commercial Services Total		5,998	6,476	478	7.4%	8,790	8,790	0	0.0%	

BO106 - Our looked after young people are supported by effective corporate parenting	Education Psychologists and Residential Accommodation	1,159	1,157	(2)	(0.2%)	1,674	1,674	0	0.0%	Outwith Reporting Criteria
BO107 - The support and lifestyle needs of our children, young people, and their families are met	Early Years and Community Learning	3,067	3,103	36	1.2%	8,424	8,424	0	0.0%	Outwith Reporting Criteria
BO108 - All our children and young people are supported to realise their potential	Primary and Secondary Education	51,177	51,965	788	1.5%	72,841	72,841	0	0.0%	The main contributing factors to the ytd underspend are variances within employee and income budgets in schools. Part of the variance is due to budget profiling and outstanding budget adjustments and these will be refined within the January period. Under the Scheme of Devolved School Management (DSM) schools are permitted flexibility at the end of the year so no Forecast Variance is required.
BO116 - We engage and work with our customers, staff and partners	Regional Improvement Collaborative	29	29	0	0.0%	53	53	0	0.0%	Outwith Reporting Criteria
BO117 - We encourage creativity and innovation to ensure our workforce is fit for the future	Education Support	301	207	(94)	(45.4%)	(24)	(24)	0	0.0%	YTD overspend relates to a number of Education Licences required (ie PPL, PRS, Copyright). Budget requires to be identified to fund this and it will be closely monitored throughout the year.
Central/Management Costs	Central/Management Costs	238	241	3	1.2%	364	364	0	0.0%	Outwith Reporting Criteria
Head of Education Total		55,971	56,702	731	1.3%	83,332	83,332	0	0.0%	

BO102 - We provide support, prevention and opportunities to help people make better lifestyle choices	Housing and Regulatory Services	258	246	(12)	(4.9%)	352	352	0	0.0%	Outwith Reporting Criteria
BO104 - Our communities are protected and supported	Civil Contingencies & Anti Social Behaviour	80	113	33	29.2%	155	155	0	0.0%	£29k CCTV grant income received -requires profiling
BO107 - The support and lifestyle needs of our children, young people, and their families are met	Childrens Panel	1	25	24	96.0%	33	33	0	0.0%	Investigating codes used for travel claims & reimbursement of costs/coding of income to correct cost centre
BO110 - We support businesses, employment and development opportunities	Licensing, Procurement and Commissioning	394	396	2	0.5%	880	880	0	0.0%	Outwith Reporting Criteria
BO111 - We influence and engage with businesses and policy makers	Trading Standards	149	151	2	1.3%	253	253	0	0.0%	Outwith Reporting Criteria
BO115 - We are efficient and cost effective	Democratic Services, Governance & Legal Services	973	988	15	1.5%	1,495	1,495	0	0.0%	Outwith Reporting Criteria
BO116 - We engage and work with our customers, staff and partners	Members Services and Community Councils	319	314	(5)	(1.6%)	454	454	0	0.0%	Outwith Reporting Criteria
BO117 - We encourage creativity and innovation to ensure our workforce is fit for the future	Moving and Handling Training	51	48	(3)	(6.3%)	73	73	0	0.0%	Outwith Reporting Criteria
Central/Management Costs	Central/Management Costs	10,753	11,531	778	6.8%	15,087	14,896	191	1.3%	HUB-DBFM: Monthly service payment one off saving from delays £19k. Deductions offered to date £55k and withheld disputed sums £189k. Delays in invoicing from Hub DBFM est. £105k. NPDO: Received insurance saving (£291k) of which £100k already utilised to reduce budget. Utilities invoicing for water has not been received for several schools ytd (est. £115k). Gas and Electricity 2 months behind (est. £99k). Deductions offered to date £24k and withheld disputed sums £10k. A £191k favourable forecast outturn variance has been processed for the insurance saving against the NPDO due to successful contract management.
Head of Legal and Regulatory Support Total		12,978	13,812	834	6.0%	18,782	18,591	191	1.0%	
GRAND TOTAL		75,197	77,243	2,046	2.7%	111,103	110,912	191	0.2%	

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%.

EXECUTIVE DIRECTOR (DOUGLAS HENDRY) – SUBJECTIVE SUMMARY AS AT 31 DECEMBER 2019

Subjective Category	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Employee	58,666	59,472	806	1.4%	82,945	82,945	0	0.0%	<p>Non-Education: YTD overspend of £4k, comprising a £53K underspend within Commercial Services offset by an overspend of £38k within Legal and Regulatory and £20k overspend in Directorate Management. Contributions to the vacancy savings target were made during November and the overall savings target is expected to be met by the end of the financial year.</p> <p>Education: YTD underspend of £809k. The main contributing factor is the YTD underspend of £511k in teaching budgets within schools. Under the scheme of Devolved School Management (DSM) schools are permitted flexibility at the end of the year so no Forecast Variance is required. The remaining YTD underspend of £298k is due to budget profiles in pre five units, QIT and learning centres which will be refined in January.</p>
Premises	3,856	3,900	44	1.1%	5,659	5,659	0	0.0%	Outwith Reporting Criteria
Supplies and Services	7,197	7,272	75	1.0%	10,867	10,867	0	0.0%	<p>Non-Education: £139k YTD underspend in supplies and services, this is made up of underspends in Directorate of £24k, Commercial Services £56k and £59k in Legal and Regulatory Services, these variances are mainly profile related.</p> <p>Education: YTD overspend of £64k. The main contributing factors are: Educational Licences required (PPL, PRS, Copyright). Budget requires to be identified to fund this and it will be closely monitored throughout the year. There are also YTD overspends in school and pre-five unit budgets which will be remedied through a combination of budget adjustments and budget reprofiling. These are partially offset by YTD underspends in Pupil Equity Fund (PEF) and central Early Years cost centres, both of these are profile related.</p>
Transport	410	383	(27)	(7.1%)	594	594	0	0.0%	Outwith Reporting Criteria
Third Party	24,624	25,318	694	2.7%	35,494	35,303	191	0.5%	<p>Non-Education: £767k underspend YTD, mainly relating to Schools NPDO and Hub School Programmes. See explanation in objective summary section (legal and regulatory).</p> <p>Education: YTD overspend of £73k. This is due to budget profiling which will be refined in January period.</p>
Income	(19,556)	(19,102)	454	(2.4%)	(24,456)	(24,456)	0	0.0%	<p>Non-Education: YTD underspend variance of £352k, £150k relates to one off income from the One Council Property Team, £167k of additional income over budget received YTD within Commercial Services, £100k of which relates to the catering service. There is also £40k additional income over budget in Legal and Regulatory Support, £29k of which relates to the annual CCTV Maintenance grant.</p> <p>Education: YTD under spend of £103k. The main contributing factor is outstanding budget adjustments within schools and these will be rectified in the January period.</p>
Totals	75,197	77,243	2,046	2.7%	111,103	110,912	191	0.2%	

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%.

EXECUTIVE DIRECTOR (DOUGLAS HENDRY) – RED VARIANCES AS AT 31 DECEMBER 2019

Service Area	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Head of Legal and Regulatory Support Central/Management Costs	15,382	15,191	191	1.2%	NPDO Schools Insurance saving due to good contract management

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

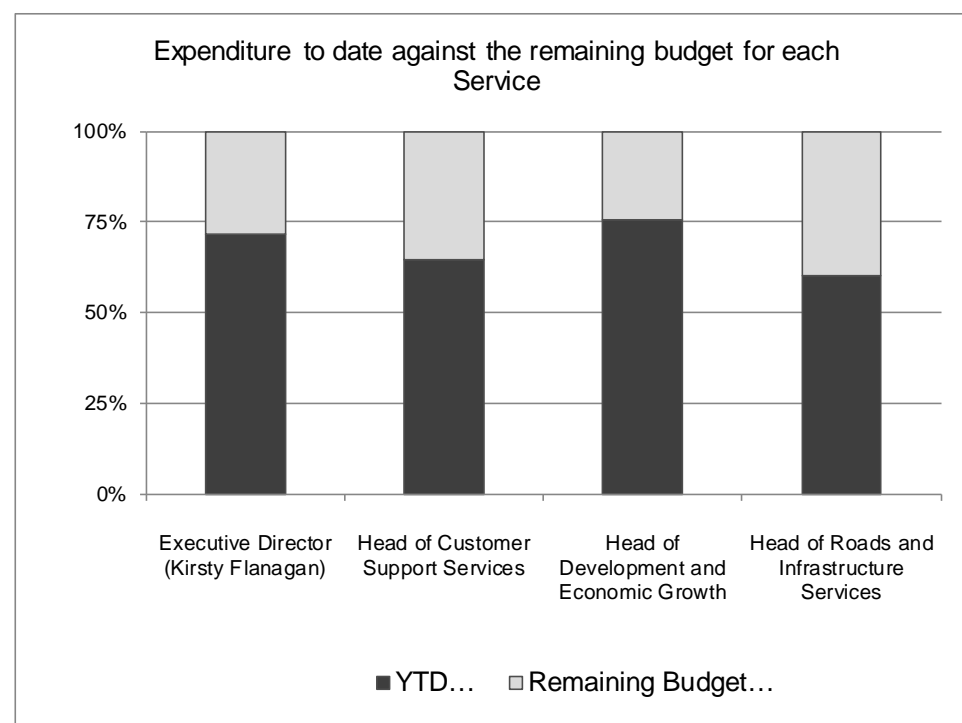
EXECUTIVE DIRECTOR (KIRSTY FLANAGAN) – AS AT 31 DECEMBER 2019

- The department is currently forecasting an overspend of £0.349m in 2019-20. There are overspends resulting from a loss of income in Public Conveniences, loss of car parking income, additional cost for Street Lighting Consultant, additional glass collection costs and increased costs of essential repairs on vehicles within Roads & Infrastructure Services. These are offset by additional income from DPE and a planned underspend on roads maintenance.
- The department has a year to date underspend of £0.738m (2.3%) against budget and this is largely due to the Coastal Communities Grant and external roads income being received ahead of expenditure.

Forecast Outturn Position

Service	Annual Budget £000	Forecast Outturn £000	Current Forecast Variance £000	Previous Forecast Variance £000	Change £000
Executive Director (Kirsty Flanagan)	297	297	0	0	0
Head of Customer Support Services	7,903	7,903	0	(125)	125
Head of Development and Economic Growth	9,910	9,944	(34)	0	(34)
Head of Roads and Infrastructure Services	30,513	30,828	(315)	(294)	(21)
Totals	48,623	48,972	(349)	(419)	70

Year to Date Position



Key Financial Successes:

At the end of financial year 2018-19, there were overspends in a variety of service areas such as Winter Maintenance, Ferries and the PSO contract for Air Services plus a reduction in income from Public Conveniences but as a result of a planned over-recovery of vacancy savings and delays in the replacing of fleet this enabled the department to manage the situation leading to an overall departmental underspend of £0.305m.

CHORD project manager salaries being funded by capital, underspends in Piers & Harbours maintenance and additional Building Warrant Income and Road Permit Income also contributed to the overall underspend position.

Key Financial Challenges:

Department / Service ongoing ability to meet future savings / efficiency requirements.

Potential shortfall in income within Car Parking.

Dangerous buildings, there is no budget for this expenditure and the council have no control over the demand for the service.

Due to the nature of the various components of Waste Management there are ongoing challenges with:

- Island haulage costs
- Uncertainty with recycling income/ gate fee costs due to the volatility of the market
- Challenges in the legislative changes around the disposal of Biodegradable Municipal Waste

Winter Maintenance costs are difficult to estimate as they are very much dependant on the weather.

Proposed Actions to address Financial Challenges:

Monitoring of trend / expenditure levels / service configuration and the Service Packages Policy Options savings process.

Closely monitoring of income levels, regular performance management reviews and reporting of the financial implications through budget monitoring process.

Building Standards, Legal Services and Strategic Finance are working closely to manage debt recovery and to consider other options to minimise corporate risk exposure.

To closely monitor all service components of Waste Management and review Waste Strategy in conjunction with our contractual partner Renewi (previously Shanks).

Close monitoring of Winter Maintenance and reporting of the financial implications through budget monitoring process.

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.

EXECUTIVE DIRECTOR (KIRSTY FLANAGAN) – OBJECTIVE SUMMARY AS AT 31 DECEMBER 2019

Business Outcome	Service Area	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Central/Management Costs	Central/Management Costs	213	226	13	5.8%	297	297	0	0.0%	Outwith reporting criteria
Executive Director (Kirsty Flanagan) Total		213	226	13	5.8%	297	297	0	0.0%	
BO101 - We ensure information and support is available for everyone	Customer Service Centre and HR Employee Relations	1,179	1,158	(21)	(1.8%)	1,713	1,713	0	0.0%	Outwith reporting criteria
BO112 - Argyll and Bute is promoted to everyone	Bord na Gaidhlig	(17)	0	17	0.0%	0	0	0	0.0%	Outwith reporting criteria
BO113 - Our infrastructure is safe and fit for the future	ICT	2,190	1,925	(265)	(13.8%)	3,775	3,775	0	0.0%	Savings in HQ Reprographics - Postages £42k, plus vacancy savings which will be used to fund support for implementation of Drupal upgrade. Communications PFN costs incurred ahead of profile
BO115 - We are efficient and cost effective	HR operations, payroll and system development	683	671	(12)	(1.8%)	904	904	0	0.0%	Outwith reporting criteria
BO116 - We engage and work with our customers, staff and partners	Communications team and HR HSCP	214	235	21	8.9%	330	330	0	0.0%	Outwith reporting criteria
BO117 - We encourage creativity and innovation to ensure our workforce is fit for the future	HR project teams and improvement and organisational development	624	652	28	4.3%	875	875	0	0.0%	Outwith reporting criteria
Central/Management Costs	Central/Management Costs	230	226	(4)	(1.8%)	306	306	0	0.0%	Outwith reporting criteria
Head of Customer Support Services Total		5,103	4,867	(236)	(4.9%)	7,903	7,903	0	0.0%	

BO102 - We provide support, prevention and opportunities to help people make better lifestyle choices	Private Water Supplies and Welfare Reform	(85)	57	142	249.1%	13	13	0	0.0%	Vacancy savings and Private Water Supply grant income received ahead of profile.
BO103 - We enable a choice of suitable housing options	Homelessness and Housing Support Services	3,984	3,190	(794)	(24.9%)	3,179	3,179	0	0.0%	HEEPS Grant income behind expenditure plus PSHG still to be transferred from capital. A further drawdown is required from the Strategic Housing Fund.
BO104 - Our communities are protected and supported	Environmental Health	546	669	123	18.4%	1,094	1,075	19	1.7%	Appraisal of water supplies in West income is ahead of budget profile plus a small amount of vacancy savings.
BO105 - Our natural and built environment is protected and respected	Building Standards	(75)	(50)	25	(50.0%)	(7)	(7)	0	0.0%	Due to a drop in commercial income this service is expected to come in on budget by year end
BO110 - We support businesses, employment and development opportunities	Development Policy. Development Management and Economic Development	1,385	1,481	96	6.5%	2,207	2,252	(45)	(2.0%)	Planning income is back on track as a result of 2 large applications however there is still a forecast variance in relation to Pre-apps. There is also a projected overspend relating to Employers Liability Excess.
BO111 - We influence and engage with businesses and policy makers	European Team and Economic Development Intelligence	236	268	32	11.9%	361	361	0	0.0%	Payments to other bodies behind profile but expected to be fully utilised by year end.
BO112 - Argyll and Bute is promoted to everyone	T&L Regeneration, Town Centre Fund, Events and Festivals, CWSS and Timber Transport	47	533	486	91.2%	650	650	0	0.0%	Income from Coastal Communities fund received ahead of expenditure. The majority of this income will be transferred to capital once projects are identified.
BO113 - Our infrastructure is safe and fit for the future	Projects, TIF and Airports	1,000	1,058	58	5.5%	1,763	1,763	0	0.0%	Payments to Scottish Fire & Rescue behind profile.
Central/Management Costs	Central/Management Costs	461	417	(44)	(10.6%)	650	658	(8)	(1.2%)	Private water supply grant miscoded. Will be corrected in January
Head of Development and Economic Growth Total		7,499	7,623	124	1.6%	9,910	9,944	(34)	(0.3%)	

BO104 - Our communities are protected and supported	Public Transport	5,446	5,712	266	4.7%	2,660	2,660	0	0.0%	Public transport operator costs are behind profile but any underspend here will be used to offset overspends in internal pupil transport costs which are under pressure due to increasing demand.
BO113 - Our infrastructure is safe and fit for the future	Road & Lighting, Roads Design, Network & Environment & Marine Services	614	1,486	872	58.7%	9,992	9,978	14	0.1%	Car parking income behind budget due to delays in progressing the TRO partially offset by over-recovery of DPE income. Forecast variance of £235k has been processed. Roads maintenance is forecasted to underspend by £150k to offset overspends elsewhere in the department. Forecast variance overspend of £75k processed for Street Lighting Consultant. Additional income of £198k is forecast within Piers & Harbours. YTD underspend mainly relates to external income received in Roads which is not yet spent as well as the profile of internal transfer expenditure. Pupil Transport continues to show an overspend due to demand for this service.
BO114 - Our communities are cleaner and greener	Amenity Services & Waste Disposal	10,629	10,603	(26)	(0.3%)	14,920	15,048	(128)	(0.9%)	Shortfall in income from Public Conveniences. Insurance payment still to be received re Millpark depot. Central repairs costs are ahead of profile by £63k. Vehicle repairs as a result of aging vehicles continue to cause concern and are being closely monitored. Forecast variance relates to overspends on vehicle repairs and additional glass collection costs of £30k due to being brought in-house as a result of the previous contractor going into administration.
BO115 - We are efficient and cost effective	Fleet & Waste Collection	(44)	(304)	(260)	85.5%	701	902	(201)	(28.7%)	Vehicle repairs as a result of aging vehicles continue to cause concern and are being closely monitored. Overspend in Waste employee costs offset by an underspend in Amenity plus an over recovery of income from commercial refuse Fleet maintenance costs continue to cause concern and a forecast overspend of £200k has been processed.
Central/Management Costs	Central/Management Costs	1,658	1,643	(15)	(0.9%)	2,240	2,240	0	0.0%	Outwith reporting criteria
Head of Roads and Infrastructure Services Total		18,303	19,140	837	4.4%	30,513	30,828	(315)	(1.0%)	
GRAND TOTAL		31,118	31,856	738	2.3%	48,623	48,972	(349)	(0.7%)	

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%.

EXECUTIVE DIRECTOR (KIRSTY FLANAGAN) – SUBJECTIVE SUMMARY AS AT 31 DECEMBER 2019

Subjective Category	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Employee	22,017	22,578	561	2.5%	31,916	31,921	(5)	(0.0%)	Vacancy underspends in Operational Holding Account and Infrastructure Design team which will be offset by lower income. Vacancy savings in street lighting being used to partially offset the cost of an external consultant. Vacancy savings in ICT will be used to fund support for implementation of Drupal upgrade and this has been reflected in a forecast variance. Vacancy savings at Rothesay Pavilion will be earmarked to fund future costs.
Premises	1,383	1,324	(59)	(4.5%)	2,814	2,841	(27)	(1.0%)	CRA costs ahead of profile
Supplies and Services	6,794	5,568	(1,226)	(22.0%)	8,578	8,620	(42)	(0.5%)	Purchase of Quarry materials within Roads will be offset by additional income from capital.
Transport	7,725	7,569	(156)	(2.1%)	15,354	15,700	(346)	(2.3%)	Vehicle repairs as a result of aging vehicles continue to cause concern and are being closely monitored
Third Party	26,235	24,734	(1,501)	(6.1%)	38,148	38,151	(3)	(0.0%)	Payments to private contractors in Roads Operations will be offset by additional income. HEEPS expenditure offset by additional income. The forecast variance relates to contractors costs for the Drupal instalation in ICT offset by vacancy savings, an overspend due to Street Lighting Consultant, a planned underspend in roads maintenance to offset overspends elsewhere and an overspend in the glass collection service as a result of the previous contractor going into administration.
Capital Financing	(55)	0	55	0.0%	1,413	1,413	0	0.0%	Additional income raised by Piers and Harbours to finance borrowing costs for Harbour Investment.
Income	(32,981)	(29,917)	3,064	(10.2%)	(49,600)	(49,674)	74	(0.2%)	Town Centre Grant income received ahead of expenditure. This may transfer to capital depending on which projects are taken forward. HEEPS grant in excess of budget offsets additional 3rd party expenditure; additional income as a result of Roads Capital expenditure and additona income withink Piers and Harbours. Forecast variance relates to loss of income in public conveniences and loss of income in parking. This is offset with additional income within Commercial Waste and Private Water Supplies.
Totals	31,118	31,856	738	2.3%	48,623	48,972	(349)	(0.7%)	

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%.

EXECUTIVE DIRECTOR (KIRSTY FLANAGAN) – RED VARIANCES AS AT 31 DECEMBER 2019

Service Area	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Public Conveniences Income	(314)	(264)	(50)	15.9%	Replacement structure have been installed at North Pier, Oban. Honesty boxes have been installed at a number of public conveniences in line with the recent report to the EDI Committee
Car Parking	(1,404)	(1,169)	(235)	16.7%	Loss of car parking income. Review of TRO process currently being carried out
Fleet Maintenance	276	476	(200)	(72.5%)	Vehicle repairs as a result of aging vehicles
Roads Maintenance	3,561	3,411	150	4.2%	Planned reduction in roads maintenance to offset overspends elsewhere
Street Lighting Consultant	875	950	(75)	(8.6%)	Street Lighting Consultant covering vacancy, partially offset by vacancy.
Piers & Harbours	(6,468)	(6,666)	198	(3.1%)	Additional income generated from Berthing dues etc
Waste Collection - H&L	45	96	(51)	(113.3%)	Additional overtime costs partially offset by vacancy savings
Waste Collection - Vehicle Repairs	25	115	(90)	(360.0%)	Increase in vehicle avoidable repairs.
Waste Collection - Commercial Refuse Income	(913)	(1,053)	140	(15.3%)	Additional Commercial Refuse Income.

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

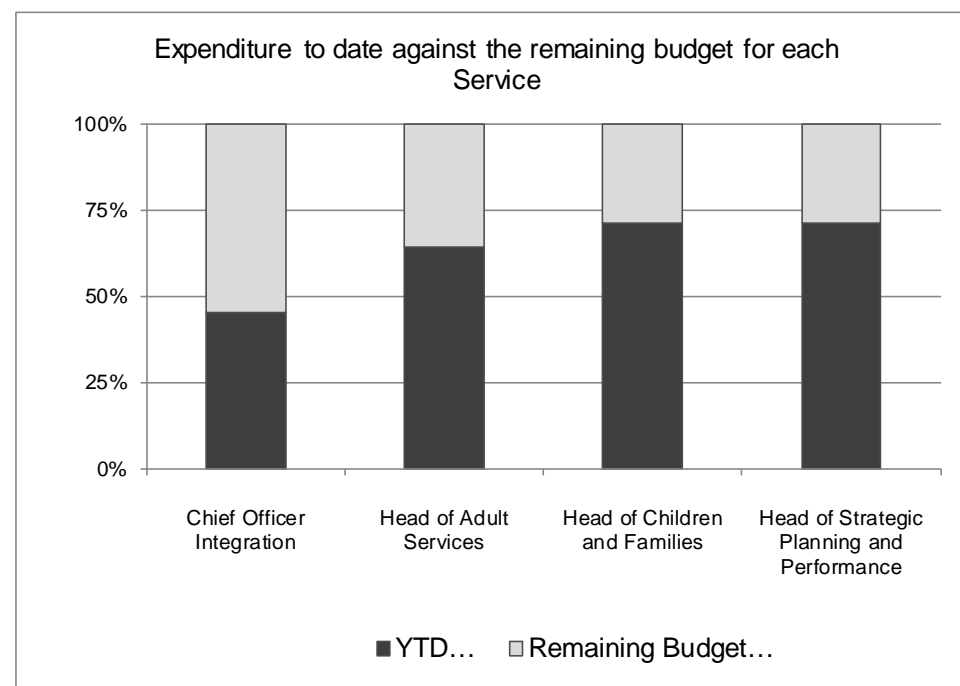
SOCIAL WORK – AS AT 31 DECEMBER 2019

- The department is currently forecasting an overspend of £1.310m (2.2%) which is due to a combination of forecast slippage on the delivery of agreed savings and high demand for services.
- The department has a year to date overspend of £1.033m (2.8%) against budget.

Forecast Outturn Position

Service	Annual Budget £000	Forecast Outturn £000	Current Forecast Variance £000	Previous Forecast Variance £000	Change £000
Chief Officer Integration	1,167	124	1,043	1,054	(11)
Head of Adult Services	43,446	45,660	(2,214)	(2,281)	67
Head of Children and Families	13,646	13,789	(143)	(153)	10
Head of Strategic Planning and Performance	416	412	4	4	0
Totals	58,675	59,985	(1,310)	(1,376)	66

Year to Date Position



Key Financial Successes:

Identified approximately £0.872m towards a total of £2.345m in unidentified savings during 2018/19. Whilst the service was still overspent, the value of the overspend was reduced.

Key Financial Challenges:

Fully deliver the £2.189m of agreed savings which remain outstanding as at December 2019.

Proposed Actions to address Financial Challenges:

Implementation of a robust performance management mechanism to track the delivery of the savings options.

Support the HSCP to deliver the financial recovery plan agreed at the IJB to address the £0.700m deficit which would remain after full delivery of all of the agreed efficiency savings mentioned above.	Support from finance to assist the service to identify and action opportunities to save money through tight spending controls and service redesign.
Development and delivery of future service redesigns which will be necessary to contain service expenditure within the allocated resource in the medium to long term.	Support from finance to assist strategic managers to look beyond the short term to identify and plan the changes which will be needed to address the expected ongoing budget challenge over the next 3 to 5 years.

SOCIAL WORK – OBJECTIVE SUMMARY AS AT 31 DECEMBER 2019

Business Outcome	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Integration HQ	531	874	343	39.2%	1,167	124	1,043	89.4%	The YTD variance is mainly due to the over-recovery of agreed vacancy savings offset by slippage on the delivery of agreed savings (£186k). The forecast underspend arises due to the forecast over recovery of vacancy savings (£762k, up from £649k in November), the forecast impact of recovery plan savings (£380k), adjustment to expected corporate support costs and third party payments partially offset by slippage on agreed savings (£277k). The annual budget has increased compared to November due to £140k of unused payroll budgets being transferred for vacancy savings.
Chief Officer Total	531	874	343	39.2%	1,167	124	1,043	89.4%	
Service Development	296	299	3	1.0%	416	412	4	1.0%	Outwith reporting criteria.
Head of Strategic Planning and Performance Total	296	299	3	1.0%	416	412	4	1.0%	
Older People	19,381	19,043	(338)	(1.8%)	29,574	30,018	(444)	(1.5%)	The YTD overspend is mainly due to higher than budgeted demand for care home placements, homecare, slippage on the delivery of agreed savings (£492k) and expenditure on agency staff. This is offset by underspends in Telecare, respite and the recovery of unused Direct Payment funds from service users. The forecast overspend reflects higher than budgeted demand for care home placements and slippage on agreed savings (£640k) partially offset by higher than expected income from fees and charges in the HSCP care homes and Telecare, the recovery of unused Direct Payment funds from clients and underspends on progressive care and respite.

Physical Disability	1,304	945	(359)	(38.0%)	1,545	2,218	(673)	(43.6%)	The YTD overspend is mainly due to overspends on third party payments in supported living and residential care services and increased spending on adaptations arising due to service demand, slippage on agreed savings (£21k) and lower than expected income from fees and charges. The forecast overspend reflects higher than budgeted demand for service and slippage on agreed savings (£28k) in supported living and residential placements. This is partially offset by an underspend in payments to other bodies in sensory impairment which reflects the service spending plan.
Learning Disabilities	5,868	5,116	(752)	(14.7%)	9,960	11,251	(1,291)	(13.0%)	The YTD overspend is mainly due to the YTD slippage on the delivery of agreed savings (£599k) and overspends on third party payments arising due to service demand in supported living. The forecast overspend reflects higher than budgeted demand for services and slippage on agreed savings (£813k) in supported living and residential placements partially offset by underspends on day services, respite and assessment and care management.
Mental Health	1,091	1,065	(26)	(2.4%)	1,927	1,766	161	8.4%	<p>Mental Health YTD position should be in an underspend position, the 26k overspend has been caused by profiling issues. Income due in December has been received in January and payments budgeted for in January were paid in December. This has been rectified and will be reflected accurately in January's update.</p> <p>The YTD underspend of approximately £161k is mainly due to underspends on income in the residential care budget and staffing underspends partially offset by an agency staff overspend in the assessment and care management team and third party payments in supported living and residential care. The forecast underspend arises due to lower than budgeted demand for residential care and community support services and an underspend on assessment and care management costs partially offset by higher than budgeted demand for supported living services, an overspend within the integrated addiction service and agency</p>

									expenditure in the assessment and care management team.
Central/Management Costs	236	306	70	22.9%	440	407	33	7.5%	The YTD underspend is mainly related to staffing underspends and lower than expected spend to date on external contracts partially offset by slippage on the delivery of agreed savings (£29k) and expenditure on agency staff. The forecast variance is outwith reporting criteria.
Head of Adult Services Total	27,880	26,475	(1,405)	(5.3%)	43,446	45,660	(2,214)	(5.1%)	
Looked After Children	5,244	4,972	(272)	(5.5%)	6,909	7,243	(334)	(4.8%)	The YTD overspend is mainly due to overspends on staffing costs in children's homes, safety maintenance work at Shellach View, third party payments arising due to service demand for residential placements and slippage on the delivery of agreed savings (£150k). The forecast overspend arises due to service demand, commitments against Life Changes reflecting uncertainty of the receipt of grant funding towards costs and slippage on agreed savings in residential placements (£200k) partially offset by underspends in fostering arising due to lower than budgeted service demand.
Child Protection	2,099	2,392	293	12.3%	3,399	3,216	183	5.4%	The YTD underspend is mainly due to underspends in staffing, travel and supplies and services costs in the Children and Families area teams and lower than expected demand for contact and welfare services. The forecast underspend arises mainly due to lower than anticipated service demand for contact and welfare services.
Children with a Disability	555	636	81	12.7%	859	823	36	4.2%	The YTD underspend is mainly due to underspends in staffing and payments to other bodies partially offset by slippage on the delivery of agreed savings (£17k). The forecast variance is outwith reporting criteria.
Criminal Justice	178	155	(23)	(14.8%)	151	62	89	58.9%	The YTD overspend is mainly due to payments to other bodies offset by YTD staffing underspends due to staff vacancies. The forecast underspend arises due to staff vacancies and related reduced staff travel expenses partially offset by agency staff costs.
Central/Management Costs	1,635	1,582	(53)	(3.4%)	2,328	2,445	(117)	(5.0%)	The YTD overspend is mainly due to overspends on staffing for unbudgeted SIO post and slippage on the delivery of agreed savings (£96k) partially offset by YTD underspends on rents and payments to other bodies. The forecast overspend arises mainly

									due to slippage on agreed savings (£150k) and an unbudgeted SIO post being covered by vacancies in Children with a Disability and Criminal Justice. This is partially offset by reduced forecast cost against payments to other bodies as now forecast within Looked After Children.
Head of Children and Families and Community Justice Total	9,711	9,737	26	0.3%	13,646	13,789	(143)	(1.0%)	
	38,418	37,385	(1,033)	(2.8%)	58,675	59,985	(1,310)	(2.2%)	

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%.

SOCIAL WORK – SUBJECTIVE SUMMARY AS AT 31 DECEMBER 2019

Subjective Category	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Employee	19,247	19,854	607	3.1%	28,033	27,180	853	3.0%	The YTD underspend arises due to a number of over and underspends across the service. The most significant underspends relate to higher than budgeted in-year vacancy savings, mental health services, children and families area teams and Children with a Disability teams. The most significant overspends relate to care home and home care services for older people and in the children's houses. The forecast underspend arises mainly due to the expected over-recovery of vacancy savings (£762k, up from £649k in November).
Premises	655	602	(53)	(8.8%)	1,018	1,130	(112)	(11.0%)	The YTD overspend arises mainly due to expenditure on central repairs and safety maintenance. The forecast overspend is mainly due to forecast overspends on rental costs, safety maintenance and electricity.
Supplies & Services	1,122	(376)	(1,498)	398.4%	(538)	1,127	(1,665)	309.5%	Both the YTD and forecast variances reflect the YTD and overall estimated slippage on the delivery of agreed savings as at December 2019.
Transport	462	592	130	22.0%	780	663	117	15.0%	Both the YTD and forecast underspends are mainly due to lower than expected costs for car leases and staff mileage.
Third Party	33,167	32,836	(331)	(1.0%)	47,516	48,761	(1,245)	(2.6%)	The YTD overspend reflects higher than budgeted demand for services. The forecast overspend reflects the higher than budgeted demand for purchased care services in Children's and Adult Services. The position this month has worsened mainly due to increases in homecare and supported living forecasts.
Income	(16,235)	(16,123)	112	(0.7%)	(18,134)	(18,876)	742	(4.1%)	The YTD over recovery of income is mainly due to higher than budgeted unused direct payment funding recovered from clients and increased income from fees, charges and recharges. The forecast over recovery of income is mainly due to higher than budgeted income from fees, charges and recharges partially offset by a lower than budgeted income from new charging order debt and charges to Health Boards for supported living clients.
Totals	38,418	37,385	(1,033)	(2.8%)	58,675	59,985	(1,310)	(2.2%)	

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%.

SOCIAL WORK – RED VARIANCES AS AT 31 DECEMBER 2019

Service Area	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Chief Officer	1,167	124	1,043	89.4%	The forecast underspend arises due to the forecast over recovery of vacancy savings (£762k, up from £649k in November), the forecast impact of recovery plan savings (£380k), adjustment to expected corporate support costs and third party payments partially offset by slippage on agreed savings (£277k). The annual budget has increased compared to November due to £140k of unused payroll budgets being transferred for vacancy savings.
Looked After Children	6,909	7,243	(334)	(4.8%)	The forecast overspend arises due to service demand, commitments against Life Changes reflecting uncertainty of the receipt of grant funding towards costs and slippage on agreed savings in residential placements (£200k) partially offset by underspends in fostering arising due to lower than budgeted service demand.
Child Protection	3,399	3,216	183	5.4%	The forecast underspend arises mainly due to lower than anticipated service demand for contact and welfare services.
Criminal Justice	151	63	88	58.3%	The forecast underspend arises due to staff vacancies and related reduced staff travel expenses partially offset by agency staff costs.
Children and Families Central Management Costs	2,328	2,445	(117)	(5.0%)	The forecast overspend arises mainly due to slippage on agreed savings (£150k) and an unbudgeted SIO post being covered by vacancies in Children with a Disability and Criminal Justice. This is partially offset by reduced forecast cost against payments to other bodies as now forecast within Looked After Children.
Older People	29,574	30,017	(443)	(1.5%)	The forecast overspend reflects higher than budgeted demand for care home placements and slippage on agreed savings (£640k) partially offset by higher than expected income from fees and charges in the HSCP care homes and Telecare, the recovery of unused Direct Payment funds from clients and underspends on progressive care and respite.
Physical Disability	1,545	2,218	(673)	(43.6%)	The forecast overspend reflects higher than budgeted demand for service and slippage on agreed savings (£28k) in supported living and residential placements. This is partially offset by an underspend in payments to other bodies in sensory impairment which reflects the service spending plan.
Learning Disability	9,961	11,251	(1,290)	(13.0%)	The forecast overspend reflects higher than budgeted demand for services and slippage on agreed savings (£813k) in supported living and residential placements partially offset by underspends on day services, respite and assessment and care management.
Mental Health	1,927	1,766	161	8.4%	The forecast underspend arises due to lower than budgeted demand for residential care and community support services and an underspend on assessment and care management costs partially offset by higher than budgeted demand for supported living services, an overspend within the integrated addiction service and agency expenditure in the assessment and care management team.

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