

**PERTH & KINROSS COUNCIL**  
**STRATEGIC POLICY & RESOURCES COMMITTEE**

**17 April 2019**

**REVENUE BUDGET 2018/19 – MONITORING REPORT NUMBER 4**

**Report by Head of Finance (Report No. 19/110)**

**PURPOSE OF REPORT**

This report provides an update on progress with the 2018/19 General Fund Revenue Budget based upon the January 2019 ledger, updated for any subsequent known material movements, and the projected financial position of the Housing Revenue Account.

The total net projected under spend on the 2018/19 General Fund Management Budget is £3,455,000 (see Appendix 1).

The report also proposes a number of adjustments to the 2019/20 Final Revenue Budget (see Appendix 7).

**1. BACKGROUND / MAIN ISSUES**

- 1.1. This is the fourth report updating the Committee on progress with the 2018/19 Revenue Budget. Appendix 1 to this report summarises the current projected year end (outturn) position for each Service based upon the January 2019 ledger, updated for any subsequent known material movements.
- 1.2. The budget total reflected in Column 1 of Appendix 1 to this report is that approved by the Council in setting the Final Revenue Budget for 2018/19 on 22 February 2018 (Report No. 18/47 refers). In addition, adjustments that were approved by the Council on 20 June 2018 (Report No 18/213 refers) and the Strategic Policy and Resources Committee on 18 April, 12 September, 28 November 2018 and 7 February 2019 (Report Nos. 18/133, 18/284, 18/384 and 19/36 refer) are reflected in Appendix 1 (Column 2).
- 1.3. The Council's Financial Regulations allow Executive Directors to vire budgets up to £100,000 within their Service. Any virements between Services or in excess of £100,000 are either included in the body of the revenue monitoring report or in the appendices for approval.
- 1.4. This report details the latest projected outturns and proposed adjustments to the 2018/19 General Fund and Housing Revenue Account budgets.

## **2. PROPOSALS**

### **2.1 Service Budgets**

2.1.1 Details of variances against Service budgets are shown in Appendix 2 to this report with the most significant variances summarised below. The total net projected under spend on Service budgets, as set out in Appendix 1 to this report, is £3,682,000 which represents 1.36% of total net Service expenditure. (In the corresponding report in April 2018, the projected under spend was £2,355,000 which represented 0.88% of total net Service expenditure).

2.1.2 The utilisation of these Service under spends is considered throughout the financial year and may also be considered as part of the Revenue Budget strategy for future years. Specific proposals to utilise many of the projected under spends identified in Appendix 2 were approved by the Council on 20 February 2019 (Report No. 19/46 refers).

2.1.3 **Education & Children's Services:** The projected outturn (excluding the Devolved School Management (DSM) and Pupil Equity Fund (PEF) budgets) is currently anticipated to be £1,450,000 less than budget – a movement of £77,000 from the position last reported to Committee.

2.1.4 The movement in the projected net under spend is made up as follows -

- Staff costs (reduction in projected under spend of £228,000) based on the latest analysis of staff slippage levels across the Service.
- Property Costs (increase in projected over spend of £33,000) due, primarily, to works on the Breadalbane Community Campus biomass boiler which will facilitate the delivery of renewable heat incentive income.
- Transport costs (increase in projected under spend of £26,000) due to projected savings on staff travel costs.
- Third Party Payments (increase in projected under spend of £61,000) due, in the main, to savings on the Scottish Association for the Care and Rehabilitation of Offenders Service level agreement, partner provider payments and advocacy support.
- Residential Schools / Foster Care & Kinship Care (net increase in projected under spend of £33,000) due primarily, to changes in activity (including the number and type of placements) and the number of foster carers.
- Income (reduction in projected shortfall of £64,000) due, primarily, to increased income from foster care / additional support placements.

2.1.5 There is a projected under spend of £758,000 on Devolved School Management budgets (DSM) due, mainly, to staff slippage, lower than anticipated expenditure on educational materials and additional income. It is anticipated that, in line with the approved DSM scheme, the eventual over and under spends will be carried forward into 2019/20.

2.1.6 The projected carry forward of £758,000 represents 0.84% of the overall DSM budget.

2.1.7 At this stage of the academic year, expenditure from the Pupil Equity Fund is projected to be £522,000 less than the current year allocation from the Scottish Government of £1,661,520 and the approved carry forward of £720,000 from 2017/18. In line with the terms of this funding, it is anticipated that this under spend will be carried forward to 2019/20 to meet commitments in the current academic year.

2.1.8 **Housing & Environment:** The projected outturn is currently anticipated to be £1,819,000 less than budget – a movement of £61,000 from the position last reported to Committee.

2.1.9 The movement in the projected net under spend is made up as follows –

- Planning & Development (reduction in projected under spend of £44,000) due to the rephasing of expenditure on projects relating to Tactran (see para 2.3.5 below) partially offset by an under spend on TAYPlan as no payments is required to TAYPlan.
- Bereavement Services (projected over spend of £150,000) which reflects reduced income at Perth Crematorium while the mercury abatement and building works took place earlier this year.
- Property (increase in projected under spend of £100,000) due to further savings on energy.
- Housing (increase in projected under spend of £33,000) due to a reduction in the level of recharges from the Housing Revenue Account.

2.1.10 **Corporate and Democratic Services:** The projected outturn is currently anticipated to be £380,000 less than budget – the same position as reported to the Committee in February.

### **Pay Award Update**

2.1.11 On 1 March 2019 the Scottish Joint Council agreed to a pay award of 3.5%, 3% and 3% for financial years 2018/19, 2019/20 and 2020/21 respectively for Local Government Employees, Craft Workers and Chief Officers (in 2018/19 officers earning in excess of £80,000 were awarded £1,600).

2.1.12 On 29 March 2019 a pay award with teaching unions was agreed as follows, 3% in 2018/19, 7% in 2019/20 and 3% in 2020/21.

## **2.2 Movements in Funding**

2.2.1 Since Revenue Monitoring Report No. 3 was approved by the Committee in February 2019 (Report No. 19/36 refers), notification has been received of additional resources in the current financial year from a number of sources as set out below and in Appendix 3.

### Scottish Government - Revenue Support Grant: £12,000

- Seat Belts: £7,000 (Education & Children's Services)
- Child Poverty Action Reports: £5,000 (Corporate & Democratic Services)

2.2.2 The Scottish Government has advised that the increase in Revenue Support Grant identified at 2.2.1 of £12,000 has been made through a redetermination of the Council's Revenue Support Grant. It is therefore necessary to adjust the net Revenue Budgets for Education & Children's Services, Corporate & Democratic Services; and Revenue Support Grant.

2.2.3 **ACTION:** The Committee is asked to approve the adjustments set out at 2.2.1 above. These adjustments are reflected in Appendix 1 (Column 3) to this report.

### Other Grant Funding from the Scottish Government and other sources: (£811,645)

2.2.4 Other funding amounting to £811,645 has been paid outside the Revenue Support Grant mechanism as Other Grant income and is, therefore, cost neutral in terms of the budget summary. Details of this other funding are set out in Appendix 3.

2.2.5 **ACTION:** The Committee is asked to note the receipt of £811,645 of additional resources, with this funding being reflected within Education & Children's Services, Housing & Environment and Corporate & Democratic Services as additional grant income. The current projected outturn assumes that all of these additional resources were either fully expended in 2018/19 or will be carried forward under the terms of the grant award.

## **2.3 Virements**

### Contribution to/from Capital Fund

2.3.1 In line with the strategy for managing the Council's Capital Programme over the medium term (as reported to Council on 20 February 2019 – Report No. 19/47 refers) it is recommended that the eventual over or under spend on Capital Financing Costs and Interest on Revenue Balances be transferred from or to the Capital Fund.

2.3.2 The latest monitoring indicates an increase in the projected outturn for capital financing costs (loan charges) of £8,000 which reflects the latest treasury management activity.

2.3.3 There is also an increase in the projected level of income from Interest on Revenue Balances of £12,000. These projections reflect the financial implications of treasury management activity in the year to date.

2.3.4 **ACTION:** The Committee is requested to approve the virement of £8,000 to the Capital Financing Costs (Loan Charges) Budget and £12,000 from

Interest on Revenue Balances with a net increase of £4,000 in the projected contribution to the Capital Fund. These adjustments have been reflected in Appendix 1 (Column 4) to this report.

#### Service Virements

2.3.5 In order to ensure that the 2018/19 Management Revenue Budget continues to reflect current Service needs and operational requirements the following virements are proposed –

- Housing & Environment to Corporate & Democratic Services – £24,000 – funding for the provision of sanitary products in public places.
- Housing & Environment to Capital Grant - £109,000 – to reflect a rephasing of expenditure on Tactran capital projects. This funding will be reinstated in 2019/20.
- Corporate & Democratic Services to Renewal & Repair Fund (£20,000) – to reflect a rephasing of expenditure on the Integrated Human Resources & Payroll system (Report No 19/47 refers).

2.3.6 **ACTION:** The Committee is asked to approve the adjustment to Service Revenue Budgets listed in 2.3.5 above. This adjustment is reflected in Appendix 1 (Column 4) to this report.

## **2.4 Movements in Reserves**

#### Transformation Programme (including Workforce Management and Organisational Change)

2.4.1 Approval is sought to adjust the budgets in 2018/19 for a number of transformation projects as set out in Appendix 4 to reflect changes in the phasing of expenditure.

2.4.2 **ACTION:** The Committee is asked to transfer £67,000 from Education & Children's Services, £80,000 from Housing & Environment, £104,000 from Corporate & Democratic Services and £25,000 from Health & Social Care to the earmarked Reserve for the Transformation Programme (including Workforce Management and Organisational Change) as set out in Appendix 4 to reflect revised expenditure profiles. These adjustments are reflected in Appendix 1 (Column 5) to this report and have no overall impact on the budgeted level of uncommitted Reserves.

#### Community Investment Fund

2.4.3 At its meeting on 20 March 2019, the Executive Sub-Committee of the Strategic Policy & Resources Committee considered a number of funding applications from the Community Investment Fund (Report No. 19/90 refers). The Sub-Committee agreed to provide funding of £579,312 across the Council's 12 wards based on recommendations from individual ward panels which were established through Local Action Partnerships.

- 2.4.4 **ACTION:** The Committee is asked to note the transfer of £579,312 to Corporate & Democratic Services from the earmarked Reserve for the Community Investment Fund. This adjustment is reflected in Appendix 1 (Column 5) to this report and has no overall impact on the budgeted level of uncommitted Reserves.

Provision of Affordable Housing - Council Tax 2<sup>nd</sup> Home and Long Term Empty Property Discount – Transfer from Reserves

- 2.4.5 The Strategic Policy & Resources Committee of 18 April 2018 (Report No. 18/133 refers) transferred £1,100,000 from the earmarked Reserve for Affordable Housing (Council Tax Discounts) to Housing & Environment. Due to the revised programme for the delivery of affordable housing, £960,000 is required in 2018/19. Approval is, therefore, sought to return the balance of £140,000 from Housing & Environment to the earmarked Reserve for Affordable Housing (Council Tax Discounts).

- 2.4.6 **ACTION:** The Committee is asked to approve the transfer of £140,000 from Housing & Environment to the earmarked Reserve for Affordable Housing (Council Tax Discounts). This adjustment is reflected in Appendix 1 (Column 5) to this report and has no overall impact on the budgeted level of uncommitted Reserves.

Culture Earmarked Reserve

- 2.4.7 Due to a rephrasing of expenditure it is proposed to transfer the projected under spend on Cultural projects of £101,000 in 2018/19 to the earmarked Reserve for Culture.

- 2.4.8 **ACTION:** The Committee is asked to approve the transfer of £101,000 from Corporate & Democratic Services to the earmarked Reserve for Culture. This adjustment is reflected in Appendix 1 (Column 5) to this report and has no overall impact on the budgeted level of uncommitted Reserves.

Voluntary Severance

- 2.4.9 The Voluntary Severance Scheme was introduced, as far as possible, to avoid compulsory redundancies and to facilitate significant levels of recurring savings to the Council. Under delegated authority the Executive Officer Team has approved seven voluntary severance scheme applications during 2018/19 at a total cost of approximately £258,000 in order to generate significant levels of recurring savings.

- 2.4.10 Approval is now sought to transfer the funding from Reserves to individual Services to meet the cost of the scheme, which will be accounted for in 2018/19. This comprises strain on the fund and, where eligible, added year lump sum payments.

2.4.11 The costs for the General Fund to be met from the earmarked Reserve for Transformation and Workforce Management are as follows –

- Housing & Environment - £162,000
- Health & Social Care - £96,000

2.4.12 **ACTION:** The Committee is asked to approve the transfer of £162,000 to Housing & Environment and £96,000 to Health & Social Care from the earmarked Reserve for Workforce Management (including Transformation and Organisational Development). This adjustment is reflected in Appendix 1 (Column 5) to this report and has no overall impact on the budgeted level of uncommitted Reserves.

#### Communities and Area Action Partnerships

2.4.13 The projected outturns for Communities & Area Action Partnerships have been updated to show a projected under spend of £52,000 in the current financial year. This projected under spend is a consequence of a rephasing of LEADER funding and Area Action Partnership initiatives to support community and digital engagement and will be required in future financial years.

2.4.14 **ACTION:** The Committee is asked to approve the transfer of £52,000 from Corporate & Democratic Services to the earmarked Reserve to support future expenditure on Community Action Partnerships. This adjustment is reflected in Appendix 1 (Column 5) to the report.

### **3. CORPORATE BUDGETS**

#### Health & Social Care - Perth & Kinross Integration Joint Board

3.1 The projected outturn for Health & Social Care is split between that which is delegated to Perth & Kinross Integration Joint Board and that which remains with the Council. Full details of the projected outturn for Health & Social Care are set out in Appendix 5.

3.2 The next meeting of Perth & Kinross Integration Joint Board will consider a financial update from the Board's Chief Finance Officer. At this time there is a projected net over spend of £836,000 – a net movement of £221,000 from the position last reported this Committee.

3.3 The movement in the projected net over spend is made up as follows –

- Older People (reduction in projected over spend of £7,000) based on latest client activity.
- Adult Support & Wellbeing (increase in projected over spend of £193,000) due, primarily to slippage on the delivery of the Financial Recovery Plan.
- Localities and Early Intervention & Prevention (reduction in projected over spend of £19,000).

- Management & Commissioned Services (reduction in projected under spend of £55,000) due to updated assumptions on bad debt provisions.
- Savings Delivery (reduction in projected over spend of £1,000).

- 3.4 There are a number of functions which are not devolved to Perth & Kinross Integration Joint Board and, therefore, remain with the Council. In respect of these non-devolved functions there is a projected under spend of £33,000 – an increase of £1,000 from the position last reported to Committee.
- 3.5 The total projected over spend on Health & Social Care is £803,000 (a movement of £220,000 from the position last reported to Committee) which is set out in Appendix 5.

#### Contribution to Tayside Valuation Joint Board

- 3.6 The Treasurer of the Tayside Valuation Joint Board is currently projecting that expenditure is in line with budget.

#### Unfunded Pension Costs

- 3.7 The latest projected outturn, based on current recharges from the Tayside Pension Fund, indicates an under spend of £35,000 which is reflected in Appendix 1. This is £15,000 less than previous reports and reflects the decision of Council on 19 December 2018 to pay the Real Living Wage to Council staff from 5 November 2018 through utilising part of the projected under spend on this budget.

#### Apprenticeship Levy

- 3.8 The latest projected outturn, based on current levels of remittance to HM Revenue & Customs, indicates an under spend of £4,000 which is reflected in Appendix 1.

#### Council Tax Reduction Scheme

- 3.9 The latest monitoring indicates a projected under spend of £299,000 on the Council Tax Reduction Scheme. This is based on the latest activity in this area.

#### Discretionary Non-Domestic Rates Relief Scheme

- 3.10 On 13 September 2017 the Strategic Policy & Resources Committee approved a package of “Assistance to Business Occupation of Key Vacant Property in Perth & Kinross through Non-Domestic Rates Relief” (Report No. 17/281 refers). The maximum cost of this non-recurring proposal was estimated at £100,000 and this amount was earmarked in Reserves.
- 3.11 To date, financial support from this discretionary scheme has been awarded at a cost of £62,000 which is reflected in Appendix 1 to the report. This discretionary scheme is now closed following the decision of the Strategic



Policy & Resources Committee on 6 February 2019 to transfer the remaining funding to the Rural Perth and Kinross Micro Enterprise Fund (Report No. 19/39 refers).

#### Council Tax Income

- 3.12 The monitoring of Council Tax Income as at 31 January 2019 indicates that additional income in excess of budget in the order of £300,000 will be generated in the current year. The primary reasons for this additional income are anticipated favourable movements in the provisions for bad debts and a net increase in the Council Tax base in excess of budget assumptions.
- 3.13 These projections are indicative at this stage and will be confirmed in the 2018/19 Annual Accounts. This additional income is reflected in Appendix 1.

#### **4. HOUSING REVENUE ACCOUNT (HRA)**

- 4.1 The Executive Director (Housing & Environment) is currently projecting a break even position on the Housing Revenue Account. Within this projection there are a number of variances which are set out below.
- Repairs and Improvement (increase in projected over spend of £110,000) due, primarily, to an increase in stock purchases.
  - Letham, North & South (reduction in projected under spend of £4,000) due primarily to updated staff cost projections.
  - Perth City and Specialist (increase in projected under spend of £15,000) due to updated staff cost forecasts.
  - Housing Management (reduction in projected under spend of £3,000) due to updated projections.
  - Administration (reduction in projected under spend of £10,000) due to reduced recharges as a result of staff slippage.
  - Income (projected reduction of £15,000) due to void rent loss
- 4.2 The net projected over spend described above results in a reduction of £127,000 in the projected contribution to Capital Financed from Current Revenue (CFCR) available for the HRA Capital Programme.
- 4.3 Full details of the movement against the HRA Revenue Budget are set out in Appendix 6.

#### **5. 2019/20 FINAL REVENUE BUDGET**

- 5.1 The 2019/20 Final Revenue Budget approved by Council on 20 February 2019 is set out in Appendix 7 (Report No. 19/46 refers). There are a number of proposed adjustments to the 2019/20 Final Revenue Budget which are set out below.

## **2019/20 Movements in Funding**

- 5.2 The funding detailed below refers to the 2019/20 financial year. This funding will be paid both through the Revenue Support Grant mechanism and as Other Grant Funding.

### **Scottish Government - Revenue Support Grant: £1,545,000**

- Discretionary Housing Payments: £597,000 (Corporate & Democratic Services)
  - 1 + 2 Languages: £78,000 (Education & Children's Services)
  - Free Personal Care Under 65's: £778,000 (Health & Social Care (H&SC))
  - Change in Carers Act Extension: £15,000 (H&SC)
  - Scottish Assessors Barclay Implementation: £77,000 (Contribution to Valuation Joint Board)
- 5.3 The Scottish Government has advised that the increase in Revenue Support Grant for 2019/20 of £1,545,000 identified at 5.2 will be made through a redetermination of the Council's Revenue Support Grant. It is therefore necessary to adjust the net Revenue Budgets for Education & Children's Services, Corporate & Democratic Services, Health & Social Care; the Contribution to the Valuation Joint Board and Revenue Support Grant.
- 5.4 **ACTION:** The Committee is asked to approve the following adjustments to the net Revenue Budgets for Education & Children's Services (£78,000); Corporate & Democratic Services (£597,000), Health & Social Care (£793,000), Contribution to Valuation Joint Board (£77,000) and Revenue Support Grant to reflect the revised allocation of resources in 2019/20. These adjustments are reflected in Appendix 7 (Column 2) to this report.

### **Other Grant Funding from the Scottish Government and other sources: (£231,025)**

- 5.5 Other funding amounting to £231,025 will be paid outside the Revenue Support Grant mechanism as Other Grant income and is therefore cost neutral in terms of the budget summary. Details of this other funding are set out in Appendix 8.
- 5.6 **ACTION:** The Committee is asked to note the receipt of £231,025 of additional resources, with this funding being reflected within Education & Children's Services and Housing & Environment as additional grant income. It is assumed that all of these additional resources will be fully expended in 2019/20.

## **2019/20 Virements**

- 5.7 In order to ensure that the 2019/20 Management Revenue Budget continues to reflect current Service needs and operational requirements the following virements are required –

- Capital Grant to Housing & Environment - £109,000 – to reflect a rephrasing of expenditure as set out in paragraph 2.3.5 and Appendix 7.
- Housing & Environment to Health & Social Care - £150,000 – reallocation of transformation funding for the Review of Care Packages.
- Housing Revenue Account – Capital Financed from Current Revenue to Supplies & Services - £150,000 – to fund the five year stock condition survey.
- Building Ambition – transfer of budgets from Housing & Environment to:
  - Education & Children’s Services (£560,000) for Criminal Justice Services and Learning & Development,
  - Corporate & Democratic Services (£480,000) for the Charging and Assessment Team Equalities and support functions, and
  - Health & Social Care (£2,006,000) for Forensic Social Work, Mental Health, Planning & Commissioning and various support functions.

5.8 **ACTION:** The Committee is asked to approve the adjustments to Service Revenue Budgets listed in 5.7 above.

### **2019/20 Movements in Reserves**

#### **Provision of Affordable Housing - Council Tax 2<sup>nd</sup> Home and Long Term Empty Property Discount – Transfer from Reserves**

- 5.9 The Housing & Communities Committee of 31 October 2018 (Report No. 18/348 refers) approved a contribution of £360,000 in 2019/20 from the earmarked Reserve for Affordable Housing (Council Tax Discounts). This investment will fund an additional 18 affordable housing units at Milne Street, Perth and Stanley.
- 5.10 In addition approval is sought to transfer a further £200,000 in 2019/20 to continue to take forward the Empty Homes Initiative project which brings unused properties back into use.
- 5.11 **ACTION:** The Committee is asked to approve the transfer of £560,000 to Housing & Environment from the earmarked Reserve for Affordable Housing (Council Tax Discounts). This adjustment is reflected in Appendix 1 (Column 5) to this report.

#### **North Muirton Flood Storage Reservoir**

- 5.12 Inspection work around the North Muirton Flood Storage Reservoir has identified that, in the event of a significant weather event, there is a potential risk of some localised flooding in the Bute Drive area of Perth. To mitigate this risk it is proposed to carry out engineering works along the 500m length of the embankment. The work is scheduled to commence in May 2019 and be complete by the end of June 2019. Approval is sought to draw down £1,250,000 from the earmarked Reserve for Works Maintenance to fund these works.

- 5.13 **ACTION:** The Committee is asked to approve the transfer of £1,250,000 to Housing & Environment from the earmarked Reserve for Works Maintenance. This adjustment is reflected in Appendix 1 (Column 5) to this report and has no impact on the level of unearmarked Reserves.

#### Future Grounds Maintenance Works

- 5.14 Approval is sought to transfer £225,000 from Housing & Environment to an earmarked Reserve for grounds maintenance works around the A9/A85 project. This transfer follows the capitalisation of Road Safety Measures set out in the Capital Monitoring report to this Committee (Report No. 19/111 refers).
- 5.15 **ACTION:** The Committee is asked to approve the transfer of £225,000 from Housing & Environment to an earmarked Reserve for Grounds Maintenance which will be drawn down over following next three years. This adjustment is reflected in Appendix 1 (Column 5).

#### Transformation Programme (including Workforce Management and Organisational Change)

- 5.16 Approval is sought to adjust the budget in 2019/20 for a number of approved transformation projects as set out in Appendix 9 to reflect changes in the phasing of expenditure.
- 5.17 **ACTION:** The Committee is asked to transfer £127,000 to Education & Children's Services, £191,000 to Housing & Environment and £191,000 to Corporate & Democratic Services from the earmarked Reserve for the Transformation Programme (including Workforce Management and Organisational Change) as set out in Appendix 9 to reflect revised expenditure profiles. These adjustments are reflected in Appendix 1 (Column 5) to this report and have no overall impact on the budgeted level of uncommitted Reserves.

#### Employers' Superannuation Contributions - Teachers

- 5.18 On 20 February 2019 the Council was advised of an anticipated increase in the employers' contribution to the teachers' pension scheme (Report No. 19/46 refers). At that time it was anticipated that the increase would be implemented from 1 April 2019 with 79% of the funding being provided by the UK Treasury following the UK Government's Spring Statement.
- 5.19 The Spring Statement did not contain any information on additional funding. Furthermore, on 18 March 2019 the Council was formally advised that the increase would now not take effect until 1 September 2019 when the rate would increase from the current 17.2% to 23%. Further updates on this issue will be provided to future meetings of the Strategic Policy and Resources Committee.

## Perth & Kinross Integration Joint Board

5.20 At the meeting of Perth & Kinross Integration Joint Board on 22 March 2019, the Board agreed the following (Report No. G/19/54 refers) –

- Approve the 2019/20 Financial Plan and the associated 2019/20 Transformation and Efficiency Proposals.
- Approve the indicative 2020/21 and 2021/22 Financial Plan and the associated Transformation and Efficiency Proposals.

## **6. CONCLUSION AND RECOMMENDATIONS**

- 6.1. The total net projected under spend on the 2018/19 General Fund, as set out in Appendix 1 to this report, is £3,455,000.
- 6.2. Additionally, the projected under spend on the Devolved School Management Budget currently stands at £758,000 and £522,000 on the Pupil Equity Fund.
- 6.3. There is a projected net over spend on Health & Social Care of £803,000.
- 6.4. The Executive Director (Housing & Environment) is currently projecting a break even position on the Housing Revenue Account in 2018/19.
- 6.5. The Committee is requested to:
- Note the contents of the report;
  - Approve the adjustments to the 2018/19 Management Revenue Budget detailed in Appendices 1 to 4 & 6 and Section 2, 3 & 4 above;
  - Approve 2018/19 Service virements summarised in Appendices 2, 5 and 6;
  - Note the Health & Social Care projected outturn summarised in Paragraphs 3.1 to 3.5 and Appendix 5;
  - Note the Housing Revenue Account projected outturn summarised in Section 4 above and Appendix 6.
  - Approve the adjustments to the 2019/20 Revenue Budget detailed in Appendices 7, 8 and 9.

### **Author(s)**

<b>Name</b>	<b>Designation</b>	<b>Contact Details</b>
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**Approved**

<b>Name</b>	<b>Designation</b>	<b>Date</b>
Stewart Mackenzie	Head of Finance	2 April 2019
Jim Valentine	Depute Chief Executive and Chief Operating Officer	4 April 2019

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

<b>Strategic Implications</b>	<b>Yes / None</b>
Community Plan / Single Outcome Agreement	None
Corporate Plan	Yes
<b>Resource Implications</b>	
Financial	Yes
Workforce	Yes
Asset Management (land, property, IST)	Yes
<b>Assessments</b>	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	Yes
Sustainability (community, economic, environmental)	Yes
Legal and Governance	None
Risk	None
<b>Consultation</b>	
Internal	Yes
External	None
<b>Communication</b>	
Communications Plan	None

### 1. Strategic Implications

#### Corporate Plan

1.1 The Council's Corporate Plan 2018 – 2023 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

1.2 This report relates to all of these objectives.

### 2. Resource Implications

#### Financial

2.1 There are no direct financial implications arising from this report other than those reported within the body of the main report.

### Workforce

- 2.2 There are no direct workforce implications arising from this report other than those reported within the body of the main report.

### Asset Management (land, property, IT)

- 2.3 There are no direct asset management implications arising from this report other than those reported within the body of the main report.

## **3 Assessments**

### Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.
- 3.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as **not relevant** for the purposes of EqIA.

### Strategic Environmental Assessment

- 3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.4 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

### Sustainability

- 3.5 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.
- 3.6 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

## **4. Consultation**

### Internal

- 4.1 The Executive Officer Team have been consulted in the preparation of this report.



## **2. BACKGROUND PAPERS**

- 2.1 No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

## **3. APPENDICES**

- Appendix 1 – General Fund 2018/19 Revenue Budget - Summary
- Appendix 2 – General Fund 2018/19 Projected Outturn – Service Analysis
- Appendix 3 – Other 2018/19 Funding
- Appendix 4 – Corporate Transformation Funding 2018/19
- Appendix 5 – Health & Social Care 2018/19 Projected Outturn
- Appendix 6 – Housing Revenue Account 2018/19 Projected Outturn
- Appendix 7 – General Fund 2019/20 Revenue Budget – Update
- Appendix 8 – Other 2019/20 Funding
- Appendix 9 – Corporate Transformation Funding 2019/20