

PERTH AND KINROSS COUNCIL

Strategic Policy and Resources Committee – 2 December 2015

REVENUE BUDGET 2015/16 – MONITORING REPORT NUMBER 2

Report by the Head of Finance

PURPOSE OF REPORT

This report provides an update on progress with the 2015/16 General Fund Revenue Budget based upon the September 2015 ledger, updated for any subsequent known material movements. The report also provides an update on the projected financial position of the Housing Revenue Account.

The total net projected under spend on the 2015/16 General Fund Management Budget is £4,894,000 (see Appendix 1).

1. BACKGROUND / MAIN ISSUES

- 1.1. This is the second report updating the Committee on progress with the 2015/16 Revenue Budget. Appendix 1 to this report summarises the current projected year end (outturn) position for each Service based upon the August 2015 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 2015/16 on 11 February 2015 (Report No. 15/34 refers). In addition, adjustments that were approved by the Strategic Policy and Resources Committee on 22 April and 23 September 2015 (Report Nos. 15/167 and 15/395 refer) are reflected in Appendix 1 (Column 2).
- 1.3. This report details the latest projected outturns and proposed adjustments to the 2015/16 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 £3,815,000 which represents 1.22% of total net Service expenditure.
- 2.1.2 **Education & Children's Services:** The projected outturn (excluding Devolved School Management (DSM)) is currently anticipated to be £1,325,000 less than budget – a movement of £41,000 from the position last reported to Committee.

- 2.1.3 This movement is made up of a reduction in the projected under spend on early years and childcare provision (£163,000) due to a reallocation of the “600 hours” budget to staff costs, a projected increase in spend on transport (£351,000) following a recent retendering exercise on school transport and a small increase in the projected over spend on third party payments and Loan Charges (£1,000 and £10,000 respectively).
- 2.1.4 These projected movements are partially offset by additional staff slippage in excess of budgeted levels (£368,000), a projected under spend on partner provider payments (£69,000) based on the latest forecasts and the projected receipt of additional net income (£31,000) due, in the main, to the Evidence to Success project. There is a reduction in the projected over spend on residential schools / foster care / kinship care (£16,000) due to changes in the demand for this service.
- 2.1.5 There is also a projected planned under spend of £984,000 on Devolved School Management budgets (DSM) due to projected under spends on staff costs, property costs, supplies and services and the receipt of additional income. It is anticipated that in line with the approved DSM scheme the eventual under spend will be carried forward into 2016/17.
- 2.1.6 The projected carry forward of £984,000 represents 1.20% of the overall DSM budget.
- 2.1.7 **Housing & Community Care:** The projected outturn is currently anticipated to be £1,354,000 less than budget – a favourable movement of £1,080,000 from the position last reported to Committee.
- 2.1.8 This is made up of movements in the projected net under spends in Finance and Support (£180,000) due to further staff slippage, overpayment recoveries and the accelerated delivery of savings; in Strategic Support and Commissioning (£42,000) due to additional staff slippage and non-recurring income and a reduction in the projected over spend in Housing (£32,000). In addition there is an increase in the projected net under spend on Other Community Care Services (£333,000) due, in the main, to additional projected income from the approved Contributions Policy and the delivery of accelerated savings offset by the Council’s contribution to the Perth and Kinross Integrated Joint Board and in Learning Disabilities (£89,000) due to further staff slippage and revised Day Opportunity costs. The Council will also receive additional funding from the Scottish Government to support the reduction in delayed discharges (£450,000) and will apply funding from the Council Tax 2nd Home Discount and Long Term Empty Properties Earmarked Reserve to support relevant work in this area (£142,000).
- 2.1.9 These favourable movements are partially offset by reductions in the projected under spends in Older People (£140,000) due primarily to continued demand for residential placements and home care services and a projected over spend in Community Safety (£48,000) due to additional property costs and staff costs.

- 2.1.10 Within this projected under spend for Housing and Community Care there is a projected over spend of almost £1million on residential placements and home care for older people due to increased demand and a frailer ageing population. In the current year this is being partially funded by non-recurring revenue budget flexibility of £525,000.
- 2.1.11 **The Environment Service:** The projected outturn is currently anticipated to be £955,000 less than budget – a favourable movement of £565,000 from the position last reported to Committee.
- 2.1.12 This includes an increase in the projected under spend on fuel costs (£50,000) reflecting continued low prices and additional income from building warrants and planning applications (£100,000) based on the latest activity levels. This position is partially offset by a reduction in the projected under spend on vehicle hire costs (£30,000) based on the most up to date maintenance programme.
- 2.1.13 The revised projection also reflects the fact that in responding to the flooding event that took place in Alyth at the end of July 2015 the Council has incurred significant additional expenditure on the clear up operation (£375,000). Despite the Bellwin Scheme being activated, this level of expenditure does not meet the threshold for triggering Bellwin funding of £649,862 in 2015/16. Should there be any further events in Perth and Kinross during this financial year then the Bellwin scheme remains in place and the original expenditure counts towards the threshold level. Discussions are still ongoing with the Scottish Government as to any other support that may be available.
- 2.1.14 Within Property there are projected under spends on energy (£300,000) reflecting lower price increases than originally budgeted, on water (£70,000), on the Carbon Reduction Scheme (£20,000) due to reduced prices and conversion factors and facilities management costs (£70,000) following the renegotiation of the Pullar House management contracts. In addition there is projected additional income from the Renewable Heat Incentive scheme (£30,000).
- 2.1.15 There are also significant under spends being generated in the current year, primarily in non-domestic rates and cleaning, whilst the renovation works at 2 High Street are under way (£360,000).
- 2.1.16 These projected under spends are partially offset by additional non-domestic rates costs for mothballed buildings (£30,000).
- 2.1.17 Expenditure on winter maintenance is currently projected to be in line with the approved budget although there is inevitably uncertainty at this stage of the financial year. Further updates will be provided to future meetings of the Strategic Policy and Resources Committee in February and April 2016.
- 2.1.18 **Corporate and Democratic Services:** The projected outturn is currently anticipated to be £181,000 less than budget – a favourable movement of £9,000 from the position last reported to Committee.

2.1.19 This net movement is primarily made up of a further projected under spend on staff costs due to slippage in excess of budgeted levels across all Divisions and savings on supplies and services.

2.2 Movements in Funding

2.2.1 Since Revenue Monitoring Report Number 1 was approved by this Committee (Report No. 15/395 refers) notification has been received of additional resources in the current financial year from a number of sources.

2.2.2 Scottish Government: Revenue Support Grant (£613,117)

- Teacher Induction Scheme – Additional Funding: £317,156 (Education & Children’s Services – ECS)
- Developing the Young Workforce: £183,707 (ECS)
- Kinship Care Allowances: £99,024 (ECS)
- Children and Young People (Scotland) Act 2014: £13,230 (ECS)

2.2.3 The Scottish Government has advised that the increase in Revenue Support Grant identified at 2.2.2 of £613,117 will be made through a redetermination of the Council’s Revenue Support Grant. It is therefore necessary to adjust the net budget for Education and Children’s Services and Revenue Support Grant.

2.2.4 **ACTION:** The Committee is asked to approve an adjustment of £613,117 to the budget for Revenue Support Grant and Education and Children’s Services to reflect the additional resources being made available by the Scottish Government. This adjustment has been reflected in Appendix 1 (Column 3) to this report.

2.2.5 Other Funding (£902,440)

- NHS Tayside – ASSIST (A Stop Smoking in Schools Trial): £13,300 (ECS)
- National Museums Scotland – To fund various purchases: £530 (ECS)
- Paths for All – Smarter Choices, Smarter Places: £179,138 (The Environment Service – TES)
- Big Lottery/Coastal Communities Fund – Inner Tay Regeneration: £166,000 (TES)
- Skills Development Scotland – Scotland’s Employment Recruitment Initiative: £156,205 (TES)
- Scottish Government – Air Quality Action Plan: £108,000 (TES)
- Scottish Government – Youth Employment Scotland: £83,148 (TES)
- Transport Scotland – Chargeplace Scotland Network: £80,000 (TES)
- Scottish Government – Local Air Quality Management: £50,000 (TES)
- Zero Waste Scotland – Volunteer & Community Advocate Programme: £48,564 (TES)
- Visit Scotland – City of Perth St Andrews Day Festival: £7,500 (TES)

- Scottish Golf Environment Group - Ryder Cup Outreach Fund: £5,055 (TES)
- Tactran – Muckhart and West Kinross-shire Demand Responsive Transport Project: £5,000 (TES)

2.2.6 The other funding amounting to £902,440 will be paid outside the Revenue Support Grant mechanism as Other Grant income and is therefore cost neutral in terms of the budget summary.

2.2.7 **ACTION:** The Committee is asked to note the receipt of £902,440 of additional resources, with this funding being reflected within Education & Children's Services and the Environment Service as additional grant income. The current projected outturn assumes that all of these additional resources will be fully expended in 2015/16 or carried forward where permitted.

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 11 February 2015 – Report No. 15/37 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 a reduction in the projected outturn for capital financing costs (loan charges) of £39,000 primarily due to a projected rephasing of the composite capital programme. There is also a small reduction in the projected income from Interest on Revenue Balances of £2,000.

2.3.3 **ACTION:** The Committee is requested to approve the virement of £39,000 from the Capital Financing Costs (Loan Charges) Budget; £2,000 to Interest on Revenue Balances with a net increase of £37,000 in the projected Contribution to the Capital Fund. These adjustments have been reflected in Appendix 1 (Column 4) to this report.

Service Virements

2.3.4 In order to ensure that the revenue budget continues to reflect current service needs the following virement between Services is required:

- Director (Social Work) – Education and Children's Services to Housing and Community Care - £58,000 - Strategic Policy and Resources Committee have previously approved Building Ambition – A Blueprint for a 21st Century Council (Report No. 15/258 refers).

2.3.5 **ACTION:** The Committee is requested to approve the adjustment to Service Budgets listed at 2.3.4. This adjustment has been reflected in Appendix 1 (Column 4) to this report.

2.4 Movements in Reserves

2015/16 Pay Award

- 2.4.1 Revenue Monitoring Report No.1 that was considered by this Committee on 23 September 2015 (Report No. 15/395 refers) approved adjustments to Service Revenue Budgets in anticipation of the 2015/16 pay award. All staff groups have now formally accepted the 1.5% offer for 2015/16 and 1% for 2016/17 that was described in Revenue Monitoring Report No. 1.

Building Ambition – A Blueprint for a 21st Century Council

- 2.4.2 The adjustments to the Council structure that were approved by the Strategic Policy and Resources Committee in the Building Ambition report (Report No. 15/258 refers) required transitional funding from Reserves prior to the delivery of recurring savings into the future. Specifically £30,000 of funding is required in the Environment Service and £30,000 in Education and Children's Services in 2015/16 to fund the approved structure.
- 2.4.3 **ACTION:** The Committee is requested to approve the transfer of £30,000 to the Environment Service and £30,000 to Education and Children's Services from Reserves to fund the initial costs of the new Council structure. This adjustment has been reflected in Appendix 1 (Column 5) to this report.

Investment in Improvement Fund

- 2.4.4 The following adjustments to Service budgets are proposed to recognise the latest projected outturns on projects funded from Investment in Improvement Fund 4.
- Education and Children's Services – reduction of £100,000 to reflect the timing of expenditure on the Remodelling the School Estate project.
 - Housing and Community Care – increase of £15,000 in relation to Organisational Development.
- 2.4.5 **ACTION:** The Committee is requested to approve adjustments to Service Budgets listed at 2.4.4. These adjustments have been reflected in Appendix 1 (Column 5) to this report.

UK City of Culture 2021

- 2.4.6 The Council has previously approved that £250,000 be earmarked in Reserves to support a bid for the UK City of Culture in 2021 (Report No. 15/417 refers). It is anticipated that £40,000 will be required in the current financial year and therefore approval is sought to transfer this amount to Education and Children's Services.
- 2.4.7 **ACTION:** The Committee is requested to approve the transfer of £40,000 from Reserves to Education and Children's Services to fund work in 2015/16

to support the UK City of Culture 2021 bid. This adjustment has been reflected in Appendix 1 (Column 5) to this report.

3. CORPORATE BUDGETS

Contributions to Tayside Valuation Joint Board

- 3.1 The Treasurer of the Tayside Valuation Joint Board is currently projecting an under spend of £93,000 primarily due to staff costs. Perth and Kinross Council's share of this projected under spend is approximately £36,000 and this has been reflected in Appendix 1.

Council Tax Income

- 3.2 The latest monitoring of Council Tax Income indicates that additional income in excess of budget will be generated in the current year in the order of £873,000. The primary reasons for this additional income are favourable movements in the provision for bad debts for old years (£441,000) and an increase in the Council Tax base in excess of budget assumptions (£681,000), although this has been partially offset by an increase in Council Tax Discounts and Exemptions (£249,000).
- 3.3 The projected increase is indicative at this stage and is subject to further changes in a number of variables including further movement in the tax base; movements in the level of provisions; effects of exemption and discount reviews and in year collection levels.
- 3.4 In addition there is a projected under spend on the Council Tax Reduction Scheme of £170,000 due to reduced activity in this area. The Council is currently embarking on raising awareness of this scheme and this has been reflected within this projection.

4. HOUSING REVENUE ACCOUNT (HRA)

- 4.1 The Director (Housing and Community Care) is currently projecting a break even position on the Housing Revenue Account (HRA).
- 4.2 The projected under spend in Administration has reduced based on the latest loan charge projections (£37,000). In addition, the projected over spend on the Housing Repairs & Improvement Service has increased (£69,000) due to increased payments to external contractors and for materials.
- 4.3 This is partially offset by projected improvements in rent collection (£22,000) and reduced projected over spends in Housing Needs (£6,000) and Sheltered Housing (£6,000).
- 4.4 The net projected movements described above result in a further reduction in the projected contribution to Capital Financed from Current Revenue (CFCR) (£72,000) available for the HRA Capital Programme.

4.5 Full details of the movement against the HRA Revenue Budget are set out in Appendix 3.

5. CONCLUSION AND RECOMMENDATIONS

5.1. The total net projected under spend on the General Fund net expenditure, as set out in Appendix 1 to this report, is £4,894,000.

5.2. Additionally the projected planned under spend on Devolved School Management Budgets currently stands at £984,000.

5.3. The Director (Housing and Community Care) is currently projecting a break even position for the Housing Revenue Account for 2015/16.

5.4. The Committee is requested to:

- Note the contents of the report;
- Approve the adjustments to the 2015/16 Management Revenue Budget detailed in Appendix 1 and Section 2 above;
- Approve Service virements summarised in Appendices 2 and 3.

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Approved

Name	Designation	Date
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ANNEX

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

1. Strategic Implications

1.1. Corporate Plan

1.1.1. The Council's Corporate Plan 2013 – 2018 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.

1.1.2 This report relates to all of these objectives.

2. Resource Implications

2.1. Financial

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

2.2. Workforce

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

2.3. Asset Management (land, property, IT)

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

3. **Assessments**

3.1. Equality Impact Assessment

- 3.1.1. 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.
- 3.1.2. 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.

3.2 Strategic Environmental Assessment

- 3.2.1 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.2.2 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.

3.3 Sustainability

- 3.3.1 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.
- 3.3.2 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

4.1 Internal

- 4.1.1 The Chief Executive, Depute Chief Executives and Directors 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 2015/16 Projected Outturn - Summary

Appendix 2 – General Fund 2015/16 Projected Outturn – Service Analysis

Appendix 3 – Housing Revenue Account 2015/16 Projected Outturn

PERTH & KINROSS COUNCIL - GENERAL FUND 2015/16 PROJECTED OUTTURN - SUMMARY

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	2015/16 Council Approved Budget Feb-15	Previously Approved Adjustments (Net)	Movements in Funding	Virements	Movements in Reserves	2015/16 Revised Mgt Budget	Projected Outturn	Variance to Revised Mgt Budget	Variance to Revised Mgt Budget
<i>Reference: Section in Report</i>		1.2	2.2	2.3	2.4				
SERVICE	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%
Education & Children's Services	176,586	(6,129)	613	(58)	(30)	170,982	169,657	(1,325)	(0.77%)
Housing and Community Care	69,160	2,123		58	15	71,356	70,002	(1,354)	(1.90%)
The Environment Service	61,428	(276)			30	61,182	60,227	(955)	(1.56%)
Corporate and Democratic Services	9,849	205				10,054	9,873	(181)	(1.80%)
Sub - Total: Service Budgets	317,023	(4,077)	613	0	15	313,574	309,759	(3,815)	(1.22%)
Corporate Budgets									
Contribution to Valuation Joint Board	1,166					1,166	1,130	(36)	(3.09%)
Capital Financing Costs	14,200	(45)		(39)		14,116	14,116	0	0.00%
Interest on Revenue Balances	(70)	(22)		2		(90)	(90)	0	0.00%
Net Contribution to/(from) Capital Fund	1,552	2,124		37		3,713	3,713	0	0.00%
Contribution to/(from) Insurance Fund	200					200	200	0	0.00%
Contribution to/(from) Renewal and Repair Fund	(1,050)	450				(600)	(600)	0	0.00%
Trading Operations Surplus	(190)					(190)	(190)	0	0.00%
Support Service External Income	(1,888)					(1,888)	(1,888)	0	0.00%
Un-Funded Pension Costs	1,516					1,516	1,516	0	0.00%
Discretionary Relief	150					150	150	0	0.00%
Contingency Budget	210	(36)				174	174	0	0.00%
Net Expenditure (General Fund)	332,819	(1,606)	613	0	15	331,841	327,990	(3,851)	(1.16%)
Financed By:									
Revenue Support Grant	(182,069)	(7,070)	(613)			(189,752)	(189,752)	0	0.00%
Ring Fenced Grant	(80)	(33)				(113)	(113)	0	0.00%
Non Domestic Rate Income	(61,348)					(61,348)	(61,348)	0	0.00%
Council Tax Income	(72,251)	(1,360)				(73,611)	(74,484)	(873)	(1.19%)
Council Tax Reduction Scheme	0	6,628				6,628	6,458	(170)	(2.56%)
Capital Grant	(7,240)	4,725				(2,515)	(2,515)	0	0.00%
Total Financing	(322,988)	2,890	(613)	0	0	(320,711)	(321,754)	(1,043)	(0.33%)
Financed from/(returned to) Reserves including use of Budget Flexibility b/fwd	9,831	1,284	0	0	15	11,130	6,236	(4,894)	

APPENDIX 1

PERTH AND KINROSS COUNCIL - GENERAL FUND 2015/16 PROJECTED OUTTURN - SERVICE ANALYSIS
(Based on Expenditure to 30 September 2015)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
<u>Education & Children's Services (ECS)</u>			
Total	(1,325)		
			<u>Devolved School Management (DSM)</u>
		(434)	<u>Staff Costs</u> There is a projected under spend on teachers' salaries of £1,572,000 as a result of proactive workforce planning measures which ensure that teacher numbers are maintained. The budget for Single Status staff groups is projected to under spend by £353,000. These projected under spends exceed the overall slippage target of £1,491,000.
		(150)	<u>Property Costs</u> Projected under spend on repairs and maintenance due to slippage on a number of projects.
		(150)	<u>Supplies and Services</u> Projected net under spend on supplies and services across all schools.
		(250)	<u>Income</u> Additional income for secondments and SQA work.
		984	The projected DSM carry forward for 2015/16 is £984,000 which is a reduction of £300,000 on the balance brought forward from 2014/15. This level of carry forward represents approximately 1.20% of the overall DSM budget.
			<u>Other Education & Children's Services Sectors:</u>
		(1,406)	<u>Staff Costs</u> This projected under spend is made up of movements across all sectors and cost centres and is after recognising a slippage target of £755,000.
		(104)	<u>Property Costs</u> Projected under spend of £104,000 due to the actual Retail Price Index inflation rate being lower than the estimate used in setting the IIL Unitary Charge budget.
		(75)	<u>Supplies and Services</u> Main projected under spend is in the provision of early learning and childcare provision (£101,000) which is partially offset by over spends on postages and photocopying (£26,000).
		(29)	<u>Transport Costs</u> Projected under spend on car allowances, travel and subsistence payments.
		125	<u>Pupil Transport</u> Based on the latest estimate from the Public Transport Unit there is a projected over spend on School Transport following a recent retendering exercise that took place over the summer.
		(39)	<u>Third Party Payments</u> There are projected under spends on partner provider payments (£69,000) based on the latest forecasts on uptake partially offset by over spends on copyright licences (£16,000) and Direct Payments within the Child Health Team (£14,000).
		(187)	<u>Residential Schools/Foster Care and Kinship Care:</u> The budget for young people with Additional Support Needs (ASN) who are educated out with the Council's mainstream school provision is projected to under spend in the current financial year due to a lower level of placements than that assumed in setting the original revenue budget.
		615	The budget for young people with complex behavioural issues which includes a number of pupils placed within secure schools is projected to over spend due to additional and extended placements.
		(196)	There are projected under spends on Kinship Care and Foster Care.
		28	<u>Loan Charges</u> Projected overspend on prudential borrowing loan charges due to revised projections for land disposals.

PERTH AND KINROSS COUNCIL - GENERAL FUND 2015/16 PROJECTED OUTTURN - SERVICE ANALYSIS
(Based on Expenditure to 30 September 2015)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
		(57)	<u>Income</u> Projected additional income from recharges to other Councils for pupil support assistants (£40,000), secondments within learning support (£20,000), kids clubs (£30,000), evidence to success (£34,000) and a contribution towards a residential placement (£36,000). This is partially offset by a shortfall in income from libraries (£14,000), outdoor centres (£8,000) and a delay in approval of the Renewable Heat Incentive grant (£81,000).
Housing and Community Care			
Total	(1,354)	250	<u>Housing</u> There is a projected increase in the number of voids and reduced recovery of income.
		(236)	<u>Finance and Support</u> Accelerated delivery of savings, increased staff slippage and increased recovery of Housing Benefit overpayments.
		(94)	<u>Strategic Support and Commissioning</u> Projected under spend on payments to housing support providers, the receipt of additional non-recurring income and additional staff slippage.
		(1)	<u>Older People</u> There is a net projected under spend across Older People Services. However, within this projection there are projected over spends on residential placements due to increased demand (£400,000), on homecare services due to increased additional demand and as a consequence of the frailer ageing population (£700,000) and reduced staff turnover in Home Care (£236,000). In the current year these projected over spends are partially offset by the budget flexibility funding that was carried forward from 2014/15 on a non-recurring basis (£525,000). In addition there are further projected under spends on staff slippage (£230,000), additional income from the Councils residential homes (£112,000), further non-recurring income (£65,000), a projected under spend on occupational therapy maintenance costs (£103,000) and savings from uncommitted budgets that will contribute to the 2016/17 Provisional Revenue Budget submission (£302,000).
		(141)	<u>Learning Disabilities</u> Projected under spend due to staff slippage and revised projections for Day Opportunity costs.
		(588)	<u>Other Community Care Services</u> This projected under spend is made up additional income from the Contributions Policy (£400,000), the delivery of accelerated savings (£200,000) and one-off clawbacks from external organisations (£112,000). This is partially offset by additional temporary staff costs (£85,000) and integration costs (£39,000).
		(450)	Funding from the Scottish Government to support the Council's response to delayed discharges.
		(142)	Use of Council Tax 2nd Home Discount earmarked reserve to fund enabling activities in this area of activity.
		48	<u>Community Safety</u> Projected overspend due to not meeting staff slippage targets and additional property costs at the OWLS project and St Martins House.

PERTH AND KINROSS COUNCIL - GENERAL FUND 2015/16 PROJECTED OUTTURN - SERVICE ANALYSIS
(Based on Expenditure to 30 September 2015)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
<u>The Environment Service</u>			
Total	(955)		
		(25)	<u>Roads & Street Lighting</u> Projected saving on street lighting power costs based on current price and consumption estimates.
		(200)	<u>Operations & Waste Strategy</u> Projected saving on fuel costs based on current price and consumption estimates.
		(300)	Projected saving on waste disposal contract costs based on year to date tonnage and price.
		(25)	Projected saving on depot rates charges.
		200	Short term unbudgeted loan charges for historical waste services capital expenditure.
		200	<u>Fleet</u> Projected increase in loan charges based on current vehicle replacement programme and cost of borrowing.
		(60)	Projected saving on contract vehicle hire costs based on current profile of fleet on full contract maintenance agreements
		(200)	<u>Planning and Regeneration</u> Projected additional income from building warrants and planning applications
		(100)	Projected additional rental income from commercial property investment programme
		1,110	<u>Parking</u> Provision for car park investment projects in Perth City (including Canal Street) and Ben Vrackie.
		(1,110)	Drawdown from car parking reserve to meet cost of car park investment.
		375	<u>Flooding</u> Projected revenue costs associated with response to Alyth flood event.
		(300)	<u>Property</u> Projected saving on energy costs due to lower than anticipated price increases.
		(70)	Projected saving on water costs.
		(20)	Projected saving on Carbon Reduction Commitment (CRC) scheme payments due to reduced price and conversion factor.
		(30)	Projected income from Renewable Heat Incentive (RHI) for 2 approved school projects.
		(70)	Projected saving from Pullar House facilities management contract renewal.
		30	Unbudgeted rates associated with mothballed buildings.
		(360)	Projected savings on rates and cleaning costs for 2 High Street
<u>Corporate and Democratic Services</u>			
Total	(181)		
		(6)	<u>Core Costs</u> Projected net under spend on staff costs due to slippage.
		(21)	<u>Legal Services</u> Projected additional income due to the cyclical nature of a number of the income streams.
		(31)	Projected under spend on staff costs due to vacancies.
		35	Projected over spend on other costs across the Division, primarily publications and photocopying.
		(64)	<u>Finance</u> Projected net under spend on staff costs due, in the main, to slippage in excess of budgeted levels.
		(39)	<u>Human Resources</u> Various net projected under spends across staff costs, supplies and services, third party payments and transport costs
		(30)	<u>Democratic Services</u> Projected under spend on staff costs due to slippage in excess of budgeted levels.
		(20)	Additional income from elections and outside bodies.
		(5)	Projected under spends across the Division, including courier recharges and communications.
TOTAL	(3,815)		

PERTH AND KINROSS COUNCIL - HOUSING REVENUE ACCOUNT 2015/16 PROJECTED OUTTURN
(Based on Expenditure to 30 September 2015)

£'000	Summary of Service Variances
74	Housing Repairs & Improvement Service This projected over spend has arisen due to payments to external contractors and materials due to increased activity in this area.
16	Housing Needs This projected over spend is made up of rates, service charges and cleaning costs for York Place.
1	Sheltered Housing There is a projected over spend on rental costs partially offset by savings in supplies & services and transport costs.
(57)	Administration A projected under spend on loan charges based on the latest projections which is partially offset by projected over spends on agency and IT consultancy fees.
118	Income There is projected under recovery of income from reduced Interest On Revenue Balances due to low interest rates (£45,000), rents (£12,000) and an increased provision for bad debts (£62,000).
(152)	Capital Financed from Current Revenue As a result of the projected net over spends highlighted above, this is the reduction in the amount available to invest in the HRA capital programme.
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