

PERTH AND KINROSS COUNCIL

Strategic Policy and Resources Committee – 21 November 2012

REVENUE BUDGET 2012/13 – MONITORING REPORT NUMBER 2

Report by the Head of Finance

ABSTRACT

This report provides an update on progress with the 2012/13 General Fund Revenue Budget based upon the August 2012 ledger, updated for any subsequent known material movements. The report also provides an update on the projected financial position of the Housing Revenue Account.

1. RECOMMENDATIONS

1.1 The Committee is requested to:

1.1.1 Note the contents of the report.

1.1.2 Approve the adjustments to the 2012/13 Management Revenue Budget detailed in Appendix 1 and Sections 2 and 3 below.

1.1.3 Approve individual Service virements summarised at Appendices 2 and 3.

2. REVENUE MONITORING**2.1 Service Budgets**

2.1.1 This is the second report updating the Committee on progress with the 2012/13 Revenue Budget. Appendix 1 to this report summarises the current projected year-end (out-turn) position for each Service based upon the August 2012 ledger, updated for any subsequent known material movements.

2.1.2 The budget total reflected in column 1 of Appendix 1 to this report is that approved by the Council in setting the Final 2012/13 Revenue Budget on 9 February 2012 (Report No. 12/52 refers). In addition, adjustments subsequent to 9 February 2012 approved by the Strategic Policy and Resources Committee on 28 March 2012 and 19 September 2012 are shown in Appendix 1 (Column 2) to this report (Report No's. 12/136 and 12/390 refer).

2.1.3 The total net projected under spend on Service budgets, as set out in Appendix 1 to this report, is £3,222,000 (a favourable movement of £569,000 from the position last reported to Committee) which represents 1.08% of total net Service budgets.

2.1.4 Details of variances against Service budgets are shown in Appendix 2 to this report with the most significant variances summarised below.

- 2.1.5 **Education & Children's Services:** The projected out-turn (excluding Devolved School Management (DSM)) is currently anticipated to be £1,429,000 less than budget – a favourable movement of £919,000 from the position last reported to this Committee.
- 2.1.6 This favourable movement is made up of an increase in the projected under spend on staff costs (£183,000) due to further slippage; there is a projected under spend on property costs (£153,000) due to savings on rates and cleaning costs and a reduced projected over spend on young people with severe anti-social behaviour problems (£102,000) due to changes in placements. There is also a projected under spend on pupil transport costs (£345,000) primarily as a result of letting new contracts and planned savings on supplies and services (£380,000) through proactive measures across the Service.
- 2.1.7 These projected under spends are partially offset by a projected over spend on third party payments in relation to young people with additional support needs (£48,000) and foster care (£55,000) - these over spends are due to continued high demand for this type of service provision. In addition there are also projected over spends on client travel within Children and Families (£62,000); payments to nursery partner providers (£61,000) due to an increase in the number of placements and a projected reduction in the additional income previously reported (£18,000).
- 2.1.8 There is also a projected under spend of £1,100,000 on Devolved School Management budgets (DSM) due to projected staff slippage in excess of budgeted levels and anticipated under spends on supplies and services.
- 2.1.9 It is anticipated that in line with the approved DSM scheme the eventual under spend will be carried forward into 2013/14.
- 2.1.10 **Housing & Community Care:** The projected out-turn is currently anticipated to be £1,615,000 less than budget – a favourable movement of £23,000 from the position previously reported to Committee.
- 2.1.11 This favourable movement is made up of a projected increase in savings within Finance and Support (£311,000) due to the further delivery of savings across all functions and staff slippage in excess of budget. Within Housing (£39,000) there is a projected under spend due to further staff slippage and the generation of additional income. Within Learning Disabilities there is a further projected under spend (£106,000) due to the negotiation of two care packages, shifting the balance of care from institutional care to supported living and accelerated savings as part of the re-design of day services. Within Other Community Care Services there is a further projected under spend (£97,000) due to further staff slippage in excess of budgeted levels and reduced grant payments to external organisations.
- 2.1.12 These projected under spends are partially offset by a further projected over spend on Older People Services (£500,000) as projections are updated to reflect anticipated additional placement activity during winter months and

small projected movements in Strategy, Support and Commissioning (£19,000) and Community Safety (£11,000).

2.1.13 The Environment Service – The projected out-turn is currently anticipated to be £138,000 less than budget – a movement of £412,000 from the position last reported to Committee.

2.1.14 This movement is comprised of a projected reduction in building warrant and planning fee income (£200,000) and a projected reduction in commercial rental income (£120,000) due to rent reviews. Both of these projected reductions in income are due to the current economic conditions particularly within the construction and retail sectors. There is also an additional provision for land compensation claims (£300,000) and a projected over spend on verge maintenance (£32,000).

2.1.15 These projected over spends are partially offset by projected additional income from public transport in relation to third party contributions towards the cost of running local services (£120,000); projected savings on public analyst costs (£70,000) and additional slippage within Operations (£50,000).

2.1.16 Chief Executive's Service: The projected out-turn is currently anticipated to be £40,000 less than budget – a favourable movement of £39,000 from the position last reported to Committee.

2.1.17 This favourable movement is, in the main, made up of additional slippage generated across all Divisions within the Chief Executive Service as a result of the continued application of stringent workforce planning measures.

2.2 Movements in Funding

2.2.1 Since Revenue Monitoring Report Number 1 was approved by this Committee (Report No 12/390 refers) notification has been received of the following additional resources in the current financial year.

2.2.2 Scottish Government: Revenue Support Grant

Teacher Induction Scheme: £307,000 (Education & Children's Services) (ECS)

2.2.3 Other Funding Sources

Creative Scotland – Place Partnership: £120,000 (ECS)

Sport Scotland – PE Support Programme: £47,500 (ECS)

Bord Na Gaidhlig – Gaelic Initiative Adult Learning: £24,000 (ECS)

Bord Na Gaidhlig – Gaelic Initiative Early Years: £15,000 (ECS)

Event Scotland – Get Involved Youth Games & Dance Camps: £10,000 (ECS)

Sport Scotland – Top Up Swimming Programme: £7,890 (ECS)

Other Miscellaneous Educational Grants: £2,780 (ECS)

Transport Scotland – Plugged in Places Electric Vehicles Charging Infrastructure: £160,000 (The Environment Service) (TES)

Sustrans Scotland: £61,000 – Loch Leven Heritage Trail (TES)

- 2.2.4 The Scottish Government has advised that the funding identified at 2.2.2 (£307,000) will be paid through a redetermination of the Council's Revenue Support Grant. With this funding being made available through a redetermination of Revenue Support Grant, it is necessary to adjust the net budgets for Education & Children's Services and Revenue Support Grant.
- 2.2.5 The balance of these additional resources (non Revenue Support Grant) identified at 2.2.3 amounting to £448,170 will be paid outwith the Revenue Support Grant mechanism as Other Grant income and is therefore cost neutral in terms of the budget summary.
- 2.2.6 **ACTION:** The Committee is asked to approve an adjustment of £307,000 to the Education & Children's Services budget to reflect the additional resources being made available through Revenue Support Grant. This adjustment has been reflected in appendix 1 (Column 3) to this report.
- 2.2.7 The Committee is also asked to note the receipt of £448,170 of additional resources, with this funding being reflected within Education & Children's Services and The Environment Service as additional grant income. The current projected outturns assume that all of these additional resources will be fully expended in 2012/13.

2.3 Virements

2.3.1 Contribution to Capital Fund

- 2.3.2 In line with the strategy for managing the Council's Capital Programme over the medium term (as reported to Council on the 9 February 2012 – Report No. 12/53 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. The latest monitoring indicates an increased contribution to the Capital Fund of £16,000 (projected additional under spend of £5,000 on Capital Financing Costs and projected increase in income of £11,000 from Interest on Revenue Balances).

- 2.3.3 **ACTION:** The Committee is requested to approve the virement of £5,000 from the Capital Financing Costs budget and £11,000 from the Interest on Revenue Balances budget with a corresponding increase in the Contribution to the Capital Fund of £16,000. This adjustment has been reflected in Appendix 1 (Column 4) to this report.

2.3.4 Private Sector Housing Grant

- 2.3.5 As a result of delays in completing a number of projects, the Council was unable to make £547,000 of the budgeted revenue contribution to private sector housing grants in 2011/12. It is proposed to augment the 2012/13 Revenue Budget by this amount.
- 2.3.6 **ACTION:** The Committee is asked to approve an increase in the Housing and Community Care Revenue Budget of £547,000 for the carry forward of Private

Sector Housing Grant from 2011/12 with a corresponding adjustment to Capital Grants. This adjustment is reflected in Appendix 1 (Column 4) to the report.

2.4 Movements in Reserves

2.4.1 Community Safety / Wellbeing Initiatives

2.4.2 The special meeting of the Council on 9 February 2012 approved the Reserves Strategy (Report No 12/54 refers) which included proposals to earmark resources from reduced requisition payments to Tayside Police and Tayside Fire and Rescue to support preventative initiatives linked to community wellbeing and safety.

2.4.3 Approval is now sought to release an element of this funding to support a number of projects in the current financial year.

- Woman at Risk of Offending (£180,000 over 3 years)
- Vulnerable City Centre Residents (£90,000 over 3 years)
- Child Exploitation and Online Protection (£60,000 over 2 years)
- Supporting an Evidence Based Approach to the Early Years Strategy (£50,000 over 2 years)

2.4.4 **ACTION:** The Committee is asked to approve the transfer of resources from the Community Safety / Wellbeing Earmarked Reserve to Housing and Community Care (£23,000) and Education and Children's Services (£20,000) to support the projects listed at 2.4.3 above. This adjustment is reflected in Appendix 1 (Column 5) to the report.

3. CORPORATE BUDGETS

3.1 Contributions to Joint Boards

3.1.1 The Treasurers of the Tayside Joint Police Board, Tayside Fire and Rescue Joint Board and Tayside Valuation Joint Board have intimated that the Council's projected requisitions are currently in line with budget.

3.1.2 With the move to national police and fire services, it has recently been agreed that the Council will receive its share of uncommitted Reserves as at 31 March 2013 from Tayside Joint Police Board and Tayside Fire and Rescue Joint Board.

3.2 Council Tax Income

3.2.1 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 £500,000. The primary reasons for this additional income are favourable movements in the provision for bad debts for old year debts and an increase in the Council Tax base in excess of budget assumptions, although this has been partially offset by an increase in Council Tax Discounts.

3.2.2 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.

3.2.3 The position will continue to be monitored and options for utilising additional income will be considered as part of the Revenue Budget Strategy.

3.3 Non Domestic Rates Income

3.3.1 The Business Rates Incentivisation Scheme (BRIS), which was introduced by the Scottish Government from 1 April 2012, set an annual target for non domestic rates income for individual councils. Where Council's exceed this target they will be permitted to retain 50% of the excess.

3.3.2 Based on calculations carried out at the mid point of the year, the Council is set to exceed its target by around £2,000,000. The main reasons for this positive movement are a number of large scale developments that have been included on the non domestic rates valuation roll for the first time including two wind farm developments and the new facilities at Murray Royal Hospital.

3.3.3 With the latest projections suggesting that the Council will exceed its target Appendix A has been updated to include an additional £1 million of income from non domestic rates - the position will continue to be monitored.

3.3.4 This additional income remains indicative and is dependent upon collection levels and reliefs offered to non domestic rates payers.

4. HOUSING REVENUE ACCOUNT (HRA)

4.1 The Executive Director (Housing and Community Care) is currently projecting a break even position on the Housing Revenue Account (HRA).

4.2 There are projected under spends in Sheltered Housing due to reduced staff costs and supplies and services across a number of complexes (£88,000); and in Neighbourhood Services (£120,000) due to a projected under spend on staff costs. There are other projected under spends in Administration (£159,000) due to projected savings on loan charges and within Housing Repairs (£23,000) due to projected savings on property costs.

4.3 These projected under spends are partially offset by a projected under recovery of income due to an increased provision for bad debts and reduced interest on revenue balances.

4.4 The net projected under spends described above will result in an increased contribution to Capital Financed from Current Revenue (CFCR) (£365,000) in the HRA Capital Programme.

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

5. CONSULTATION

- 5.1 The Chief Executive and all Executive Directors have been consulted in the preparation of this report.

6. COUNCIL CORPORATE PLAN OBJECTIVES 2009-2012

- 6.1 The Council's Corporate Plan 2009-2012 lays out five Objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:-

- (i) A Safe, Secure and Welcoming Environment
- (ii) Healthy, Caring Communities
- (iii) A Prosperous, Sustainable and Inclusive Economy
- (iv) Educated, Responsible and Informed Citizens
- (v) Confident, Active and Inclusive Communities

- 6.2 The revenue monitoring process supports the Council in managing the delivery of all of the Corporate Plan objectives and is consistent with the Council's principles of accountability and transparency; ensuring that we are accountable and transparent to the community; the Community Planning Partners and the Scottish Government in our decision making, planning and delivery of services.

7. EQUALITIES ASSESSMENT

- 7.1 The Council's Corporate Equalities Assessment Framework requires an assessment of functions, policies, procedures or strategies in relation to race, gender and disability and other relevant equality categories. This supports the Council's legal requirement to comply with the duty to assess and consult on relevant new policies to ensure there is no adverse impact on any community group or employees.
- 7.2 The information presented in this report was considered under the Corporate Equalities Assessment Framework and the determination was made that the items summarised in this report do not require further assessment as they do not have an impact on people's wellbeing.

8. STRATEGIC ENVIRONMENTAL ASSESSMENT

- 8.1 Strategic Environmental Assessment (SEA) is a legal requirement under the Environmental Assessment (Scotland) Act 2005 that applies to all plans, programmes and strategies, including policies (PPS).
- 8.2 The plan, programme or strategy presented in this report was considered under the Environmental Assessment (Scotland) Act 2005 and the determination was made that the items summarised in this report do not require further action as they do not qualify as a plan, programme or strategy as defined by the Act.

9. CONCLUSION

- 9.1 The total net projected under spend on the 2012/13 General Fund Management Budget based upon expenditure to June 2012, updated for known material movements is £4,836,000 (see Appendix 1). The total variance represents 1.41% of the Council's Revised Net Management Revenue Budget for 2012/13. Additionally the projected under spend on Devolved School Management Budgets currently stands at £1,100,000.
- 9.2 The Executive Director (Housing and Community Care) is currently projecting a break even position for the Housing Revenue Account for 2012/13.

J Symon
Head of Finance

Note: 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.

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PERTH & KINROSS COUNCIL - GENERAL FUND 2012/13

	(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)
	2012/13 Council Approved Budget	Previously Approved Adjustments (Net)	Movements in Funding	Virements	Movements in Reserves		2011/12 Revised Mgt Budget	Projected Outturn	Variance to Revised Mgt Budget	Variance to Revised Mgt Budget
<i>Reference: Section in Report</i>		2.1.2	2.2	2.3	2.4					
SERVICE	£'000	£'000	£'000	£'000	£'000		£'000	£'000	£'000	%
Education & Children's Services	160,859	1,310	307		20		162,496	161,067	(1,429)	(0.88%)
Housing and Community Care	64,552	2,701		547	23		67,823	66,208	(1,615)	(2.38%)
The Environment Service	57,366	593					57,959	57,821	(138)	(0.24%)
Chief Executive's Services	9,208						9,208	9,168	(40)	(0.43%)
Sub - Total: Service Budgets	291,985	4,604	307	547	43		297,486	294,264	(3,222)	(1.08%)
Corporate Budgets										
Contribution to Joint Boards: Police	22,340						22,340	22,340	0	0.00%
(inc. Capital Financing Costs) Fire	6,840						6,840	6,840	0	0.00%
Valuation	1,196						1,196	1,196	0	0.00%
Capital Financing Costs	14,685	(1,545)		(5)			13,135	13,135	0	0.00%
Interest on Revenue Balances	(110)	40		(11)			(81)	(81)	0	0.00%
Contribution to/(from) Capital Fund	876	1,505		16			2,397	2,397	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	1,340						1,340	1,400	60	4.48%
Discretionary Relief	150						150	150	0	0.00%
Contribution to Change Funds	1,000	(826)					174	0	(174)	(100.00%)
Contingency Budget	250						250	250	0	0.00%
Net Expenditure (General Fund)	338,474	3,778	307	547	43		343,149	339,813	(3,336)	(0.97%)
Financed By:										
Revenue Support Grant	(214,738)	(589)	(307)				(215,634)	(215,634)	0	0.00%
Non Domestic Rate Income	(47,331)						(47,331)	(48,331)	(1,000)	(2.11%)
Council Tax Income	(70,524)	(1,100)					(71,624)	(72,124)	(500)	(0.70%)
Capital Grant	(4,045)	(275)		(547)			(4,867)	(4,867)	0	0.00%
Total Financing	(336,638)	(1,964)	(307)	(547)	0		(339,456)	(340,956)	(1,500)	(0.44%)
Financed from/(returned to) Reserves including use of Budget Flexibility b/fwd	1,836	1,814	0	0	43		3,693	(1,143)	(4,836)	(1.41%)

APPENDIX 1

GENERAL FUND 2012/13 PROJECTED OUTTURN
(Based on Expenditure to 31 August 2012)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
Education & Children's Services (ECS)			
Total	(1,429)		
			<u>Devolved School Management (DSM)</u>
			<u>Staff Costs</u>
		(950)	There is a projected under spend on teachers salaries of £1,562,000 as a result of proactive workforce planning measures to ensure that the budgeted slippage target of £1,193,000 is delivered. The budget for Single Status staff groups is projected to under spend by £581,000.
			<u>Supplies and Services</u>
		(150)	Planned projected under spend of £150,000 in schools.
		1,100	The projected DSM carry forward for 2011/12 is £1,100,000 which is a reduction of £181,000 on the balance brought forward from 2011/12. The carry forward of £1,100,000 represents approximately 1.4% of the overall DSM budget. The maximum carry forward allowed under the scheme is 10%.
			<u>Other Education & Children's Services Sectors:</u>
			<u>Staff Costs</u>
		(1,159)	There is currently a projected under spend on staff costs of £1,159,000. This is comprised of over and under spends in various sectors and cost centres and after recognising a slippage target of £328,000. This projected under spend reflects actions taken by the ECS senior management team regarding workforce planning measures and on going reviews. The IST review has also been completed ahead of target and will deliver a projected saving of £306,000 in the current year.
		150	Virement from staff slippage to fund additional support for learning assistants
		(150)	Virement to direct staff costs to fund additional support for learning assistants
			<u>Property Costs</u>
		(153)	Projected under spend in relation to rates and cleaning costs
			<u>Supplies and Services</u>
		(359)	Projected underspend as a result of action taken by the ECS Senior Management Team to identify resources required for future spending plans partially offset by a projected over spend on school meals due to an increase in uptake.
			<u>Transport Costs</u>
		62	Projected over spend on client travel costs within Children and Families.
		(345)	Based on the latest information there is a projected under spend on pupil transport costs.
			<u>Third Party Payments</u>
			Residential Schools/Foster Care and Kinship Care:
			Expenditure on Residential Schools is monitored in terms of 2 separate budgets:
		103	This budget is for young people with Additional Support Needs (ASN) who are educated out with the Council's mainstream school provision. The projected over spend for this budget is £103,000 due to increased placements and continued high levels of demand.
		127	This budget is for young people with severe behavioural problems and includes a number of pupils placed within secure schools. This budget is projected to over spend by £127,000 due to additional and extended placements.
		347	The Foster care budget is projecting an over spend of £347,000 due to new external placements since April 2012.
		61	Projected over spend on payments to nursery partner providers due to the number of registered places being higher than anticipated.
			<u>Income</u>
		(113)	Projected increase in income as follows; school lets £2,000; recharging other local authorities for use of Woodlea Cottage £20,000; recharging other authorities for young people in Foster care within PKC £87,000; additional income for Wellbank House £1,000; and sales of the ASN Manual £3,000.

GENERAL FUND 2012/13 PROJECTED OUTTURN
(Based on Expenditure to 31 August 2012)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
<u>Housing and Community Care</u>			
Total	(1,615)		
		(998)	<u>Finance and Support</u> The projected under spend is due to the acceleration of approved savings from a range of service areas. In addition, there are projected under spends on staff costs due to vacancies and the implementation of new structures within Welfare Rights and Finance & Resources Teams.
		(350)	In previous financial years the Council has provided for an amount that would be clawed back by the Department of Work and Pensions (DWP). The latest information from the DWP suggests that the full provision will not be required releasing £350,000 to the revenue budget.
		(296)	Projected savings on rent allowances (subsidy loss) following a reduction in rent payments to external providers (including service charges) and projected under spend on bed and breakfast accommodation.
		(110)	<u>Housing</u> There is a projected under spend due to the staff slippage in excess of budget and the generation of additional income
		30	Virement from Housing income to Learning Disabilities income
		(121)	<u>Strategy Support and Commissioning</u> There is a projected under spend on Service Level Agreements following a review of surpluses held by external providers and through the generation of slippage in excess of budget.
		873	<u>Older People</u> There is an overspend on residential placements due to the number of people being placed in permanent care. This projection has been updated to reflect the anticipated additional costs as a result of increased placement activity during the winter months. In addition, there are also overspends on care at home services due to the rate of staff turnover being lower than anticipated, and OT services due to increased demand and lower than anticipated recovery of income. These are partially offset by underspends on Day Care, Direct Payments, Local Authority Care Homes, and Self Directed Support services.
		(219)	<u>Learning Disabilities</u> The projected under spend relates to savings realised through the negotiation of 2 care packages, shifting the balance of care from institutional care to supported living and accelerated savings as part of the re-design of day services.
		(30)	Virement to Housing income from Learning Disabilities income
		(119)	<u>Community Safety</u> There is a projected under spend due to the acceleration of approved savings and staff slippage in excess of budget.
		(275)	<u>Other Community Care Services</u> There is a projected under spend due to staff slippage in excess of budget and the reduced grant payments to external organisations with high levels of Reserves.
<u>The Environment Service</u>			
Total	(138)		
		(60)	<u>Service-wide Staffing Budgets</u> Projected slippage in excess of Service target (excluding Operations)
		(340)	Accelerated approved staff savings (2013/14) arising from voluntary severance scheme - the removal of these posts has already been agreed in setting future years budgets in February 2011.
		250	<u>Regeneration</u> Contribution to Super Connected Perth City Plan broadband bid to the UK Government Urban Broadband Fund
		200	Projected shortfall in planning and building warrant fee income
		(1,050)	Projected slippage on Tactran projects
		1,050	Use capital grant to fund other projects
		120	Projected shortfall in commercial rental income due to rent reviews

GENERAL FUND 2012/13 PROJECTED OUTTURN
(Based on Expenditure to 31 August 2012)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
			<p><u>Roads</u></p> <p>200 Anticipated deficit on the Parking Account due to a projected shortfall in pay and display income and as a result of implementing the "free after 2" promotion</p> <p>(200) Transfer of CFCR to the Car Parking Reserve</p> <p>(120) Projected additional income towards tendered services within Public Transport</p> <p>300 Provision for potential costs arising from land compensation claims</p> <p><u>Regulation</u></p> <p>(70) Projected saving on public analyst costs</p> <p><u>Operations</u></p> <p>(150) Projected staff slippage across all Operations activities</p> <p>260 Projected shortfall in commercial waste income due to increased competition from private sector contractors</p> <p>(160) Projected saving on waste disposal costs due to a reduction in waste arisings</p> <p>(100) Additional income from the sale of recyclates</p> <p>32 Projected over spend on verge maintenance due to a higher than anticipated cost of the first cut</p> <p><u>Fleet Management</u></p> <p>(300) Projected saving on loan charges due to delays in procuring replacement vehicles</p>
Chief Executive's Service			
Total	(40)		<p><u>Core Costs</u></p> <p>(12) Projected saving on staff costs following a reduction in hours and consultancy costs</p> <p><u>Legal Services</u></p> <p>(28) Projected savings on staff costs due to vacancies and maternity leave</p> <p>36 Projected over spend on supplies and services and travel costs</p> <p>(22) Projected shortfall on income due to the cyclical nature of a number of the income streams</p> <p><u>Finance</u></p> <p>(65) Net staff slippage in excess of budgeted levels</p> <p><u>Democratic Services</u></p> <p>13 Based on trends there is a projected over spend on safeguarder expenditure as demand continues to rise</p> <p>4 Net projected over spends across the division</p> <p><u>Human Resources</u></p> <p>(24) Net staff slippage in excess of budgeted levels</p> <p>58 Projected shortfall in income on the Modern Apprentice Scheme</p>
TOTAL	(3,222)		

PERTH & KINROSS COUNCIL
HOUSING REVENUE ACCOUNT 2012/13 PROJECTED OUTTURN
(Based on Expenditure to 31 August 2012)

£'000	Summary of Service Variances
(23)	Housing Repairs & Improvement Service Projected savings on property costs following the transfer of Coll Place to mainstream accommodation.
(88)	Sheltered Housing There are projected under spends on staff costs due to slippage in excess of budgeted levels as well as some small projected under spends on property costs and supplies & services across most complexes.
(120)	Neighbourhood Services The main areas of this projected under spend are in staff costs due to the level of vacancies across most of the teams.
(159)	Administration Finance charges are less than the amount budgeted as a reduced amount of prudential borrowing was required for the HRA's capital programme in 2011/12. This is partially offset by a projected over spend on property costs in relation to insurance charges and the carbon reduction tax.
25	Income There is a projected increase in the level of bad debts and voids based on the latest extrapolations of rental income and reduced income from interest on balances (due to lower interest rates).
365	CFCR As a result of the projected under spends and efficiencies highlighted above, this is the additional sum available to invest in the HRA capital programme.
0	

