

PERTH AND KINROSS COUNCIL

Strategic Policy and Resources Committee – 19 September 2012

REVENUE BUDGET 2012/13 – MONITORING REPORT NUMBER 1

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 June 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 first 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 June 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 are shown in Appendix 1 (Column 2) to this report (Report No. 12/136 refers).

2.1.3 The total net projected under spend on Service budgets as set out in Appendix 1 to this report is £2,653,000 which represents 0.89% of the total net Service budget.

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 £510,000 less than budget.
- 2.1.6 Within staff costs there is a projected under spend (£976,000) due to slippage in excess of budgeted levels. This is being achieved through proactive workforce planning measures and the delivery of savings ahead of schedule (e.g. review of IST). There is also a projected increase in income across the Service (£131,000) including recovery of income from other local authorities and school lets.
- 2.1.7 These factors are partially offset by a projected over spend on third party payments in relation to young people with additional support needs (£55,000); young people with severe behavioural problems (£229,000) and foster care (£292,000). All these over spends are due to continued high demands for this type of service provision. In addition there is also a projected over spend on free school meals (£21,000) due to an increase in uptake levels.
- 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 £1,592,000 less than budget.
- 2.1.11 Within Finance and Support (£650,000) there is a projected under spend due to the accelerated delivery of approved savings across all functions within the Division and staff slippage in excess of budget. In addition, provision has been made in previous financial years for the potential claw back of grant from the Department of Work and Pensions arising from the extrapolation of errors identified in the audit process. The latest information suggests that the full provision will not be required which releases resources to the Revenue Budget (£350,000). There is also a projected net under spend (£333,000) on Housing Benefits due to projected savings on rent allowances and bed and breakfast accommodation. Within Housing (£71,000) there is a projected under spend due to staff slippage and the generation of additional income. Within Strategy, Support and Commissioning there is a projected under spend (£140,000) following a review of Service Level Agreements and the delivery of further staff slippage. Within Learning Disabilities there is a projected under spend (£113,000) 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 Community Safety there is a projected under spend (£130,000) due to the accelerated delivery of approved savings and staff slippage in excess of budgeted levels. Within Other Community Care Services there is a projected under spend (£178,000) due to 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 projected over spend on Older People Services (£373,000) due to both an increase in demand for residential placements and due to the increasing complexity of client needs.

2.1.13 **The Environment Service** – The projected out-turn is currently anticipated to be £550,000 less than budget.

2.1.14 This projected under spend is made up as follows. There is a projected under spend on staff costs (£160,000) due to slippage in excess of budgeted levels. In addition approved savings delivered ahead of schedule have delivered further staff cost savings (£340,000). There is also a projected under spend on prudential borrowing charges (£300,000) due to a rephasing of the replacement vehicle programme.

2.1.15 This projected under spend is partially offset by a proposed contribution to the Super Connected Perth City Plan (£250,000) which will bid to the UK Government's Urban Broadband Fund for increased, faster broadband connectivity.

2.1.16 **Chief Executive's Service:** The projected out-turn is currently anticipated to be £1,000 less than budget.

2.2 Issues Arising from the Completion of the Council's 2011/12 Statement of Accounts (Unaudited)

2.2.1 In completing the Annual Statement of Accounts for 2011/12, issues have been identified which require adjustments to be made to the 2012/13 Management Budget. These are set out below although it should be noted that the accounts remain subject to audit.

2.2.2 Devolved School Management (DSM) Scheme

2.2.3 In setting the 2012/13 Final Revenue Budget on 9 February 2012 (Report No. 12/52 refers) the Council approved the DSM carry forward of £950,000. However, the final under spend on the DSM scheme was £1,281,000 due to the generation of further slippage, therefore the revenue budget for Education and Children's Services requires to be uplifted for the additional under spend of £331,000.

2.2.4 **ACTION:** The Committee is requested to approve an increase in the Education and Children's Services Revenue Budget of £331,000 to reflect the additional Devolved School Management scheme balances brought forward from 2011/12. This adjustment, which is funded from Reserves, is reflected in Appendix 1 (Column 3) to this report.

2.2.5 Revenue Grants

2.2.6 Following the introduction of the revised accounting arrangements under International Accounting Standards there were a number of revenue grants

received by the Council which were not utilised in 2011/12 and were required to be accounted for in Reserves at the end of the financial year. These funds will be utilised in 2012/13 and therefore approval is sought to increase the Education and Children's Services Revenue Budget by £220,000 and The Environment Service Revenue Budget by £157,000. This adjustment is funded from Reserves carried forward in the 2011/12 Statement of Accounts (unaudited).

2.2.7 **ACTION:** The Committee is requested to approve adjustments totalling £377,000 to the above Service budgets to reflect transfers from Reserves. These adjustments are reflected in Appendix 1 (Column 3) to this report.

2.2.8 TACTRAN – Capital Grant

2.2.9 During financial year 2011/12, expenditure on TACTRAN projects in The Environment Service was less than budget by £1,636,000 as a result of delays on a number of projects. The Final Revenue Budget for The Environment Service approved at the Special Meeting of the Council on 9 February 2012 (Report No. 12/52 refers) identified £1,183,000 of this under spend as being carried forward to 2012/13. There is, in 2012/13 therefore, a requirement to update the revenue budget for The Environment Service with the additional resources of £453,000. Approval is now sought to reinstate £453,000 to The Environment Service Revenue Budget to allow these projects to be completed.

2.2.10 **ACTION:** The Committee is requested to approve the adjustment to The Environment Service of £453,000 from Reserves to reflect the additional resources required for TACTRAN projects. This adjustment is reflected in Appendix 1 (Column 3) to this report.

2.3 **Movements in Funding**

2.3.1 Since setting the 2012/13 Revenue Budget, notification has been received of additional resources in the current financial year.

2.3.2 Scottish Government: Revenue Support Grant

Teacher Induction Scheme: £436,246 (Education & Children's Services - ECS)
Funding to Support Secondary Schools and Preparation for the New National Qualifications: £92,000 (ECS)
Gaelic Education: £35,000 (ECS)
Early Years Change Fund – Looked After 2 Year Olds: £26,043 (ECS)

2.3.3 Scottish Government: Other Grants

Opportunities for All: £146,711 (ECS)
English for Speakers of Other Languages: £25,924 (ECS)
Looked After Children: £1,989 (ECS)
Self Directed Support: £186,840 (Housing & Community Care - HCC)
Payback Sport Facilities Fund: £99,000 (HCC)

Air Quality Action Plan: £160,000 (The Environment Service - TES)
Local Air Quality Management: £50,000 (TES)

2.3.4 Other Funding Sources

Creative Scotland – Dance Development Worker: £25,000 (ECS)
NHS Tayside – Toothbrushing Programme: £23,647 (ECS)
Museums Galleries Scotland – Living Communities Exhibition: £20,000 (ECS)
NHS Tayside – Health Promotion in Schools: £9,000 (ECS)
Education Scotland – Creative Learning Networks Fund: £7,575 (ECS)
Bank of Scotland – National School Sport Week: £6,600 (ECS)
Creative Scotland – Olympic Torch Relay (Summer of Song): £6,000 (ECS)
Other Miscellaneous Educational Grants: £9,050 (ECS)
DWP – Housing Benefit Reforms Transitional Funding: £13,031 (HCC)
Zero Waste Scotland – AHP Project: £88,798 (TES)
Zero Waste Scotland – Volunteer Programme: £31,631 (TES)

2.3.5 The Scottish Government has advised that the funding identified at 2.3.2 (£589,289) 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.

2.3.6 The balance of these additional resources (non Revenue Support Grant) identified at 2.3.3 and 2.3.4, amounting to £910,796 will be paid outwith the Revenue Support Grant mechanism as Other Grant income and are therefore cost neutral in terms of the budget summary.

2.3.7 **ACTION:** The Committee is asked to approve an adjustment of £589,289 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 4) to this report.

2.3.8 The Committee is also asked to note the receipt of £910,796 of additional resources, with this funding being reflected within Education & Children's Services, Housing & Community Care 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.

2.4 **Virements**

2.4.1 Contribution to Capital Fund

2.4.2 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 £1,505,000 (projected under spend of

£1,545,000 on Capital Financing Costs and projected reduction in income of £40,000 from Interest on Revenue Balances).

- 2.4.3 The main reasons for the projected under spend on Capital Financing Costs are slippage on the approved capital programme; updated assumptions on long term borrowing; and increased investment returns.
- 2.4.4 **ACTION:** The Committee is requested to approve the virement of £1,545,000 from the Capital Financing Costs budget and £30,000 to the Interest on Revenue Balances budget with a corresponding increase in the Contribution to the Capital Fund of £1,505,000. This adjustment has been reflected in Appendix 1 (Column 5) to this report.
- 2.4.5 Organisational Development – Virement from Education and Children’s Services to Housing and Community Care
- 2.4.6 The meeting of the Executive Sub-Committee of the Strategic Policy and Resources Committee that took place on 11 July 2012 approved the transfer of the Organisational Development function from Education and Children’s Services to Housing and Community Care. Approval is now sought for the virement of the Organisational Development budget of £399,000 to reflect the new reporting structure.
- 2.4.7 **ACTION:** The Committee is asked to approve the virement of £399,000 from Education and Children’s Services to Housing and Community Care to reflect the new management arrangements for the Organisational Development function. This adjustment is reflected in Appendix 1 (Column 5) to this report.
- 2.4.8 Perth Sports and Leisure Facilities
- 2.4.9 The 2012/13 Approved Capital Budget contains provision for a contribution to Live Active Leisure for the upgrading of Perth Leisure Pool and Dewar’s Rinks. As this is not capital expenditure for the Council it is proposed that this is funded by General Capital Grant with the funding and expenditure recognised in the Revenue Budget. The amount in 2012/13 is £275,000.
- 2.4.10 **ACTION:** The Committee is asked to approve the virement of £275,000 from General Capital Grant to Education and Children’s Services to support the development of Perth Sports and Leisure facilities. This adjustment is reflected in Appendix 1 (Column 5) to the report.
- 2.4.11 Transfer of Property Help Desk to Customer Service Centre – Virement from The Environment Service to Housing and Community Care
- 2.4.12 The Customer Service Centre has taken on the workload of the former Property Help Desk. In order to deal with this additional workload it is necessary to transfer £12,000 from The Environment Service to Housing and Community Care.

2.4.13 **ACTION:** The Committee is asked to approve the virement of £12,000 from The Environment Service to Housing and Community Care following the transfer of the Property Help Desk function to the Customer Service Centre. This adjustment is reflected in Appendix 1 (Column 5) to the report.

2.4.14 Early Years, Early Intervention – The Best Start in Life for Children in Perth and Kinross – Virement from the Change Fund to Education and Children's Services

2.4.15 The Strategic Policy and Resources Executive Sub Committee of 16 August 2012 agreed to commission the Dartington Social Research Unit to work collaboratively with the Council and Community Planning Partners (Report No.12/341 refers). The estimated cost of this work in 2012/13 is £60,000 and approval is sought to vire this amount from the Change Fund Budget to Education and Children's Services.

2.4.16 **ACTION:** The Committee is asked to approve the virement of £60,000 from the Change Fund Budget to Education and Children's Services to fund the work of the Dartington Social Research Unit. This adjustment is reflected in Appendix 1 (Column 5) to this report.

2.4.17 IP Telephony – Virement to Education and Children's Services

2.4.18 As part of the roll out of IT Telephony, Education and Children's Services (IST) are now responsible for the maintenance of new systems. This requires the virement of telephony system maintenance budgets from Services to allow efficiencies to be reinvested in the Council's communication infrastructure. It is proposed that £43,000 and £5,000 is vired from Housing and Community Care and The Environment Service respectively.

2.4.19 **ACTION:** The Committee is asked to approve the virement of £43,000 and £5,000 from Housing and Community Care and The Environment Service respectively to Education and Children's Services as part of the roll out of IT Telephony. This adjustment is reflected in Appendix 1 (Column 5) to this report.

2.5 Movements in Reserves

2.5.1 Council Tax 2nd Home and Long term Empty Property Discount – Transfer to Reserves

2.5.2 Under the terms of the Council Tax (Discount for Unoccupied Dwellings)(Scotland) Regulations 2005, the Council has exercised its discretionary powers to raise additional local tax income through reducing the Council Tax discount on second homes and long term empty properties. In line with guidance from the Scottish Government, these monies are held by the Council in an earmarked reserve for the provision of affordable housing in partnership with approved Registered Social Landlords. It is estimated that £1,100,000 will be collected in the current financial year and transferred to Reserves. Approval is sought to increase the Council Tax Income budget by

£1,100,000 with this amount being earmarked in Reserves for the provision of affordable housing.

- 2.5.3 **ACTION:** The Committee is asked to approve the adjustment to the Council Tax Income Budget for £1,100,000 which will be earmarked within Reserves for the provision of affordable housing. This adjustment is reflected in Appendix 1 (Column 6) to this report.

2.5.4 Provision of Affordable Housing – Council Tax 2nd Home and Long term Empty Property Discount – Transfer from Reserves

- 2.5.5 The Housing & Health Committee of 15 August 2012 approved the use of the Council Tax Income on Second Homes Earmarked Reserve to further facilitate the delivery of affordable housing (Report No. 12/338 refers). The expenditure anticipated in financial year 2012/13 is as follows:

	£000	£000
Housing Association Funding		
Kenmore	110	
Maxton Road, Crieff	40	
Muirmont Crescent, Bridge of Earn	200	
Kirkton Farm, Auchterarder	117	
		467
Council New Build - Phase 3		
Various locations		896
Council New Build - Phase 4		
Various locations		390
		<u>1,753</u>

- 2.5.6 The delivery of the above projects is also, in some instances, predicated upon the application of developer contributions which is currently subject to discussion with The Environment Service. The monitoring and subsequent reporting of progress with these projects will be undertaken by the Head of Housing in accordance with the arrangements approved under the Strategic Housing Investment Plan.

- 2.5.7 **ACTION:** The Committee is requested to approve the transfer of £1,753,000 from the ear-marked reserve for Council Tax Income on Second Homes to Housing and Community Care to progress the above affordable housing projects. This adjustment is reflected in Appendix 1 (Column 6) 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 a national police and fire services, further discussions are on going in relation to the return of uncommitted Reserves from Tayside Joint Police Board and Tayside Fire and Rescue Joint Board to constituent Councils.

3.2 Unfunded Pension Costs

- 3.2.1 The budget for unfunded pension payments is projected to over spend by £60,000 following a 5.2% increase in payments to the Tayside Superannuation Fund.

3.3 Contribution to Change Funds

- 3.3.1 The budgeted Contribution to Change Funds is projected to under spend by £174,000 as no further Change Fund projects have been identified to date.

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 (£101,000); and in Neighbourhood Services (£249,000) due to a projected under spend on staff costs and the Muirton Regeneration Project where budget provision is no longer required. There are other projected under spends (£37,000) across Housing Needs, Administration and Income.
- 4.3 These projected under spends are partially offset by a small projected over spend in the Housing Repairs and Improvement Service due to the non achievement of staff slippage targets to date.
- 4.4 The net projected under spends described above will result in an increased contribution to Capital Financed from Current Revenue (CFCR) (£377,000) 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 £2,767,000 (see Appendix 1). The total variance represents 0.81% 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)	(10)
	2012/13 Council Approved Budget	Previously Approved Adjustments (Net)	Issues Arising from 2011/12 Accounts	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	2.5				
SERVICE	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%
Education & Children's Services	160,859	186	551	589	(16)		162,169	161,659	(510)	(0.31%)
Housing and Community Care	64,552	580			368	1,753	67,253	65,661	(1,592)	(2.37%)
The Environment Service	57,366		610		(17)		57,959	57,409	(550)	(0.95%)
Chief Executive's Services	9,208						9,208	9,207	(1)	(0.01%)
Sub - Total: Service Budgets	291,985	766	1,161	589	335	1,753	296,589	293,936	(2,653)	(0.89%)
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)		13,140	13,140	0	0.00%
Interest on Revenue Balances	(110)				40		(70)	(70)	0	0.00%
Contribution to/(from) Capital Fund	876				1,505		2,381	2,381	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	(766)			(60)		174	0	(174)	(100.00%)
Contingency Budget	250						250	250	0	0.00%
Net Expenditure (General Fund)	338,474	0	1,161	589	275	1,753	342,252	339,485	(2,767)	(0.81%)
Financed By:										
Revenue Support Grant	(214,738)			(589)			(215,327)	(215,327)	0	0.00%
Non Domestic Rate Income	(47,331)						(47,331)	(47,331)	0	0.00%
Council Tax Income	(70,524)					(1,100)	(71,624)	(71,624)	0	0.00%
Capital Grant	(4,045)				(275)		(4,320)	(4,320)	0	0.00%
Total Financing	(336,638)	0	0	(589)	(275)	(1,100)	(338,602)	(338,602)	0	0.00%
Financed from/(returned to) Reserves including use of Budget Flexibility b/fwd	1,836	0	1,161	0	0	653	3,650	883	(2,767)	(0.81%)

APPENDIX 1

GENERAL FUND 2012/13 PROJECTED OUTTURN
(Based on Expenditure to 30 June 2012)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
<u>Education & Children's Services (ECS)</u>			
Total	(510)		
			<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)	Projected under spend of £150,000 in schools to be carried forward under the DSM Scheme.
		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>
		(976)	There is currently a projected under spend on staff costs of £976,000. 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 ongoing reviews. The IST review has also been completed ahead of target and will deliver a projected saving of £306,000 in the current year.
			<u>Supplies and Services</u>
		21	Projected over spend of £21,000 on Free School Meals due a 5% increase in uptake.
			<u>Third Party Payments</u>
			Residential Schools/Foster Care and Kinship Care:
			Expenditure on Residential Schools is monitored in terms of 2 separate budgets:
		55	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 £55,000 due to increased placements and continued high levels of demand.
		229	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 £229,000 due to additional and extended placements.
		292	The Foster care budget is projecting an over spend of £292,000 due to seven new external placements since April 2012.
			<u>Income</u>
		(131)	Projected increase in income as follows; school lets £4,000; recharging other local authorities for use of Woodlea Cottage £20,000; recharging other authorities for young people in Foster care within PKC £86,000; additional income for Wellbank House £18,000; and sales of the ASN Manual £3,000.
<u>Housing and Community Care</u>			
Total	(1,592)		
			<u>Finance and Support</u>
		(650)	The projected under spend is being achieved by the acceleration of approved savings from 2013/14 from a range of service areas across the function. In addition there is further non recurring slippage being generated as new structures are implemented.
		(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.
		(408)	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.
		75	Proposed virement to Private Sector Leasing for a projected under recovery of income from service charges.
			<u>Housing</u>
		(71)	There is a projected under spend due to the staff slippage in excess of budget and the generation of additional income

GENERAL FUND 2012/13 PROJECTED OUTTURN
(Based on Expenditure to 30 June 2012)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
		(140)	<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.
		373	<u>Older People</u> There is a projected over spend on residential placements due to both the number of clients being placed in residential care and as due slippage targets within this area not being achieved.
		(113)	<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.
		(130)	<u>Community Safety</u> There is a projected under spend due to savings by the acceleration of approved savings and staff slippage in excess of budget.
		(178)	<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	(550)		
		(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
		(100)	<u>Operations</u> Projected staff slippage across all Operations activities
		(300)	<u>Fleet Management</u> Projected saving on loan charges due to delays in procuring replacement vehicles
<u>Chief Executive's Service</u>			
Total	(1)		
		(11)	<u>Core Costs</u> Projected saving on staff costs following a reduction in hours and consultancy costs
		(53)	<u>Legal Services</u> Projected savings on staff costs due to vacancies and maternity leave
		36	Projected over spend on supplies and services and travel costs
		17	Projected shortfall on income due to the cyclical nature of a number of the income streams
		(28)	<u>Finance</u> Staff slippage in excess of budgeted levels
		13	<u>Democratic Services</u> Based on trends there is a projected over spend on safeguarder expenditure as demand continues to rise
		(19)	Income from the Registration Service is projected to exceed budgeted levels
		44	<u>Human Resources</u> Projected shortfall in income on the Modern Apprentice Scheme
TOTAL	(2,653)		

PERTH & KINROSS COUNCIL
HOUSING REVENUE ACCOUNT 2012/13 PROJECTED OUTTURN
(Based on Expenditure to 30 June 2012)

£'000	Summary of Service Variances
10	<p>Housing Repairs & Improvement Service</p> <p>There is a projected over spend on staff costs mainly due to slippage targets not being achieved. This is partially offset by a projected under spend on supplies & services (principally on small contracts works).</p>
(3)	<p>Housing Needs</p> <p>There is a projected under spend on staff costs due to slippage in excess of budgeted levels.</p>
(101)	<p>Sheltered Housing</p> <p>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.</p>
(249)	<p>Neighbourhood Services</p> <p>The main areas of this projected under spend are in staff costs due to the level of vacancies across most of the teams, and the Muirton regeneration programme where further budget provision is no longer necessary. This will be adjusted in the forthcoming budget setting process.</p>
(26)	<p>Administration</p> <p>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.</p>
(8)	<p>Income</p> <p>There is projected additional income from charges and commercial rents partially offset by reduced income from interest on balances (due to lower interest rates), and an increased provision for bad/doubtful debts.</p>
377	<p>CFCR</p> <p>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. This has increased the level of CFCR in the current financial year to £3.869m.</p>
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