

## PERTH AND KINROSS COUNCIL

## Strategic Policy and Resources Committee – 27 November 2013

## REVENUE BUDGET 2013/14 – MONITORING REPORT NUMBER 2

## Report by the Head of Finance

**PURPOSE OF REPORT**

This report provides an update on progress with the 2013/14 General Fund Revenue Budget based upon the August 2013 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. BACKGROUND / MAIN ISSUES**

- 1.1. This is the second report updating the Committee on progress with the 2013/14 Revenue Budget. Appendix 1 to this report summarises the current projected year end (out-turn) position for each Service based upon the August 2013 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 2013/14 Revenue Budget on 14 February 2013 (Report No. 13/53 refers). In addition, adjustments subsequent to 14 February 2013 that were approved by the Strategic Policy and Resources Committee on 17 April 2013 and 18 September 2013 are reflected in Appendix 1 (Column 2) to this report (Report No's 13/150 and 13/445 refer).
- 1.3. This report details the latest projected outturns and proposed adjustments to the 2013/14 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.
- 2.1.2 **Education & Children's Services:** The projected out-turn (excluding Devolved School Management (DSM)) is currently anticipated to be £375,000 less than budget – a movement of £237,000 from the position last reported to Committee.
- 2.1.3 Within Residential Schools/Foster and Kinship Care there has been an increase in projected expenditure since the previous report (£279,000) due to continued demands on this type of service provision including 14 additional foster placements. The projected under spend on staff costs (£46,000) and over spend on supplies and services (£30,000) have also been updated.

- 2.1.4 These projected increases in expenditure are partially offset with the projected receipt of additional income (£118,000) due primarily to the receipt of grants in the current financial year that will be utilised in line with the academic year between April and June 2014.
- 2.1.5 There is also a projected under spend of £950,000 on Devolved School Management budgets (DSM) due to projected staff slippage in excess of budgeted levels, projected under spends on supplies and services and property costs 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 2014/15.
- 2.1.6 **Housing & Community Care:** The projected out-turn is currently anticipated to be £967,000 less than budget – a favourable movement of £387,000 from the position last reported to Committee.
- 2.1.7 Within Strategic Support and Commissioning there is a projected further net under spend (£128,000) due primarily to a non-recurring under spend on housing support costs associated with care packages. Within Older People there is a projected additional net under spend (£192,000) due in the main to the delivery of further approved 2014/15 savings as part of the development of new service delivery models. Within Learning Disabilities there is a projected further net under spend (£97,000) due to further accelerated savings and additional slippage as well as a reduction in the projected over spend on residential placements. Within Community Safety there is a projected further under spend (£39,000) due in the main to additional slippage.
- 2.1.8 The projected under spends above are partially offset by a reduction in the projected under spends within Finance and Support Services (£27,000) due to reduced staff slippage and within Other Community Care Services (£42,000) due to additional mental health residential placements.
- 2.1.9 **The Environment Service:** The projected out-turn is currently anticipated to be £500,000 less than budget – a movement of £430,000 from the position last reported to Committee.
- 2.1.10 This movement is made up of the transfer of the projected under spend on energy costs (£300,000) to Winter Maintenance in Revenue Monitoring Report no.1 which reduces the Service under spend. In addition there is an anticipated short fall in income from depot charges (£250,000) and over spend on property costs due to delays in disposing of surplus properties (£80,000).
- 2.1.11 This movement is partially offset by a further movement in the projected under spend on loans charges within Fleet (£100,000) and within Property there are projected further under spends on energy performance certificates (£50,000), water (£20,000) and slippage (£30,000).

2.1.12 **Chief Executive's Service:** The projected out-turn is currently anticipated to be £145,000 less than budget – a favourable movement of £4,000 from the position last reported to Committee.

## **2.2 Movements in Funding**

2.2.1 Since Revenue Monitoring Report Number 1 was approved by this Committee (Report No 13/445 refers) notification has been received of additional resources in the current financial year.

### **2.2.2 Scottish Government: Revenue Support Grant (£1,172,767)**

Teacher Induction Scheme: £370,242 (Education & Children's Services - ECS)

Funding to support schools in updating resource materials for the new National Qualifications Course: £25,000 (ECS)

Discretionary Housing Payments: £777,525 (Housing & Community Care – HCC)

### **2.2.3 Scottish Government: Other Grants (£253,815)**

Youth Employment Scotland (Employer Recruitment Incentive): £173,815 (The Environment Service - TES)

Transport Scotland - Rollout of Electric Vehicle Charging Infrastructure: £80,000 (TES)

### **2.2.4 Other Funding Sources (£417,371)**

Creative Scotland Public Engagement Fund – Water & Glass: £30,000: (ECS)

Royal Conservatoire – Purchase of Musical Instruments: £17,055 (ECS)

Event Scotland – Games for Scotland Programme: £10,000 (ECS)

Education Scotland – Creative Learning Network: £9,088 (ECS) Note: This sum covers years 2013/14 & 2014/15

Department for Culture Media & Sport – Super Connected City Plan:

£340,000 (TES) Note: This sum covers years 2013/14 & 2014/15

Zero Waste Scotland – Tenement Inventory Fund: £10,000 (TES)

Other Miscellaneous Grants: £1,228 (ECS)

2.2.5 The Scottish Government has advised that the funding identified at 2.2.2 (£1,172,767) 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; Housing & Community Care and Revenue Support Grant.

2.2.6 The balance of these additional resources (non-Revenue Support Grant) identified at 2.2.3 and 2.2.4, amounting to £671,186 will be paid outwith the Revenue Support Grant mechanism as Other Grant income and is therefore cost neutral in terms of the budget summary.

- 2.2.7 **ACTION:** The Committee is asked to approve an adjustment of £395,242 to the Education & Children's Services Revenue Budget and £777,525 to the Housing & Community Care Revenue 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.
- 2.2.8 The Committee is also asked to note the receipt of £671,186 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.

## 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 14 February 2013 – Report No. 13/54 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.
- 2.3.3 The latest monitoring indicates a small increase in the projected outturn for income from Interest on Revenue Balances partly primarily due to an increase in the interest rate (£4,000).
- 2.3.4 **ACTION:** The Committee is requested to approve the virement of £4,000 from the Interest on Revenue Balances budget to the Contribution to the Capital Fund budget. This adjustment has been reflected in Appendix 1 (Column 4) to this report.

### 2.3.5 Service Virements

- 2.3.6 In order to ensure that the revenue budget continues to reflect current service needs the following virements between Services are required:
- Education and Children's Services to Housing and Community Care - £227,951 – transfer of New Media, Modernisation and Efficiency functions.
  - Education and Children's Service to The Environment Service - £110,000 – transfer of document imaging budget to Perth Office Project
- 2.3.7 **ACTION:** The Committee is asked to approve the individual virements listed in section 2.3.6 above. These adjustments are reflected in Appendix 1 (Column 4) to the report.

## 2.4 Movements in Reserves

### 2.4.1 Perth Office Project

2.4.2 The 2013/14 Revenue Budget for The Environment Service contains funding for the Perth Office Project that will be utilised through to financial year 2017/18. It is proposed that the funding of £760,000 that is not required in the current financial year is transferred to Reserves to be drawn down as the project progresses.

2.4.3 **ACTION:** The Committee is asked to transfer £760,000 from The Environment Service to Reserves to fund revenue expenditure on the Perth Office Project through to financial year 2017/18. This adjustment has been reflected in Appendix 1 (Column 5) to this report.

### 2.4.4 Redevelopment of Perth Theatre

2.4.5 Education and Children's Services will incur costs of approximately £200,000 in the current year towards the redevelopment of Perth Theatre. The Reserves Strategy that was approved by Council on 14 February 2013 (Report No. 13/55 refers) includes £3,600,000 and approval is sought to draw down the first tranche of funding to meet the 2013/14 commitments.

2.4.6 **ACTION:** The Committee is asked to approve the transfer of £200,000 to Education and Children's Services from Reserves to fund expenditure on the redevelopment of Perth Theatre. This adjustment is reflected in Appendix 1 (Column 5) to this report.

### 2.4.7 Horsecross Arts Limited – Additional Funding

2.4.8 The Executive Sub-Committee of the Strategic Policy and Resources Committee of 13 November 2013 approved additional funding of up to £525,000 to support Horsecross Arts Limited over the short to medium term (Report No. 13/535 refers).

2.4.9 **ACTION:** The Committee is asked to note this adjustment to the Education and Children's Services Revenue Budget which is reflected in Appendix 1 (Column 5) to this report.

### 2.4.10 Modern Apprentice Scheme

2.4.11 The Council operates a successful Modern Apprenticeship (MA) Programme, with MAs achieving SVQs and securing employment. As well as offering good quality training, experiences and opportunities, it is also important to offer fair pay while young people are undertaking their training. The rate of pay currently offered to MAs is no longer competitive, nor is it aligned to the minimum rate which we pay other employees. Linking MA salaries to the minimum scale point used in Perth & Kinross Council will establish a mechanism for uprating MA rates in future in line with pay changes for the

workforce. It is proposed that with effect from 1 January 2014 MAs receive 50% of the minimum spinal column point in Year 1 and 60% in Year 2, except where MAs are covered by minimum wage rates related to their age i.e. Year 2 MAs aged 19, 20 and 21. The additional cost of this increase is £32,000 in 2013-14. In 2013/14 it is proposed that the additional costs be funded from Reserves with the full year costs being incorporated in the Revenue Budget for 2014/15 that will be considered by the Council in February 2014.

**2.4.12 ACTION:** The Committee is asked to approve the transfer from Reserves of £32,000 to Service Revenue Budgets to fund the increased costs of the Modern Apprentice Programme. The adjustments are reflected in Appendix 1 (Column 5) to this report.

**2.4.13 ACTION:** The Committee is also asked to approve the increased pay rates for Modern Apprentices with effect from 1 January 2014 as set out in Section 2.4.11

### **3. CORPORATE BUDGETS**

#### **3.1 Contributions to Tayside Valuation Joint Board**

**3.1.1** The Treasurer of the Tayside Valuation Joint Board has advised that the Council's projected requisition level is currently in line with the approved budget.

### **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 is a projected reduction in the level of income being collected due to void rent loss from garages, garage sites, and lock ups (£121,000) and a small projected loss of void rents from mainstream houses (£39,000). The Housing & Health Committee agreed on 13 August 2013 to consult with interested parties on the future of garages, garage sites, and lock up facilities (Report No. 13/380 refers). There is also a projected increase in the provision for bad debts required for uncollected rents based on the 2012/13 rent collection performance (£124,000) and a projected reduction in interest on revenue balances (£42,000) due to lower interest rates.

**4.3** There are also projected over spends within Housing Repairs (£75,000), Administration (£25,000) and Housing Needs (£13,000).

**4.4** The projected over spends are partially offset by projected under spends in Sheltered Housing (£38,000) as the Service is transformed and within Neighbourhood Services (£33,000) due to savings on supplies and services.

- 4.5 The net projected over spends described above result in a reduced projected contribution to Capital Financed from Current Revenue (CFCR) (£368,000) to the HRA Capital Programme from the budget approved on 6 February 2013 (Report No. 13/56 refers).
- 4.6 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 Service budgets, as set out in Appendix 1 to this report, is £1,987,000 which represents 0.65% of total net Service budgets.
- 5.2. The total net projected under spend on the 2013/14 General Fund Management Budget based upon expenditure to June 2013, updated for known material movements is £1,987,000 (see Appendix 1). The total variance represents 0.61% of the Council's Revised Net Management Revenue Budget for 2013/14. Additionally the projected under spend on Devolved School Management Budgets currently stands at £950,000.
- 5.3. The Executive Director (Housing and Community Care) is currently projecting a break even position for the Housing Revenue Account for 2013/14.
- 5.4. The Committee is requested to:
- 5.4.1. Note the contents of the report;
- 5.4.2. Approve the increased pay rates for Modern Apprentices as set out in Section 2.4.11
- 5.4.3. Approve the adjustments to the 2013/14 Management Revenue Budget detailed in Appendix 1 and Sections 2, 3 and 4 above;
- 5.4.4. Approve Service virements summarised in Appendices 2 and 3.

### **Author(s)**

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### **Approved**

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## ANNEX

### 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

#### 1. Strategic Implications

##### 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 and all Executive 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 2013/14 Projected Outturn - Summary

Appendix 2 – General Fund 2013/14 Projected Outturn – Service Analysis

Appendix 3 – Housing Revenue Account 2013/14 Projected Outturn



**PERTH & KINROSS COUNCIL - GENERAL FUND 2013/14 PROJECTED OUTTURN - SUMMARY**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	2013/14 Council Approved Budget	Previously Approved Adjustments (Net)	Movements in Funding	Virements	Movements in Reserves	2013/14 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				
<b>SERVICE</b>	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%
<b>Education &amp; Children's Services</b>	162,481	456	395	(338)	729	163,723	163,348	(375)	(0.23%)
<b>Housing and Community Care</b>	66,815	6,093	778	228	7	73,921	72,954	(967)	(1.31%)
<b>The Environment Service</b>	59,966	434		110	(755)	59,755	59,255	(500)	(0.84%)
<b>Chief Executive's Services</b>	9,298				16	9,314	9,169	(145)	(1.56%)
<b>Sub - Total: Service Budgets</b>	<b>298,560</b>	<b>6,983</b>	<b>1,173</b>	<b>0</b>	<b>(3)</b>	<b>306,713</b>	<b>304,726</b>	<b>(1,987)</b>	<b>(0.65%)</b>
<b>Corporate Budgets</b>									
Contribution to Joint Boards: Valuation	1,155					1,155	1,155	0	0.00%
Capital Financing Costs	12,714	8				12,722	12,722	0	0.00%
Interest on Revenue Balances	(59)	(35)		(4)		(98)	(98)	0	0.00%
Contribution to/(from) Capital Fund	2,996	27		4		3,027	3,027	0	0.00%
Contribution to/(from) Insurance Fund	0	1,000				1,000	1,000	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	1,421					1,421	1,421	0	0.00%
Discretionary Relief	150					150	150	0	0.00%
Contribution to Investment in Improvement Fund 4	380	(380)				0	0	0	0.00%
Contribution to Workforce Planning	4,000					4,000	4,000	0	0.00%
Contingency Budget	250					250	250	0	0.00%
<b>Net Expenditure (General Fund)</b>	<b>319,489</b>	<b>7,603</b>	<b>1,173</b>	<b>0</b>	<b>(3)</b>	<b>328,262</b>	<b>326,275</b>	<b>(1,987)</b>	<b>(0.61%)</b>
<b>Financed By:</b>									
Revenue Support Grant	(185,987)	(4,415)	(1,173)			(191,575)	(191,575)	0	0.00%
Non Domestic Rate Income	(50,928)					(50,928)	(50,928)	0	0.00%
Council Tax Income	(71,269)	(1,100)				(72,369)	(72,369)	0	0.00%
Capital Grant	(4,478)	526				(3,952)	(3,952)	0	0.00%
<b>Total Financing</b>	<b>(312,662)</b>	<b>(4,989)</b>	<b>(1,173)</b>	<b>0</b>	<b>0</b>	<b>(318,824)</b>	<b>(318,824)</b>	<b>0</b>	<b>0.00%</b>
<b>Financed from/(returned to) Reserves including use of Budget Flexibility b/fwd</b>	<b>6,827</b>	<b>2,614</b>	<b>0</b>	<b>0</b>	<b>(3)</b>	<b>9,438</b>	<b>7,451</b>	<b>(1,987)</b>	<b>(0.61%)</b>

APPENDIX 1



**PERTH AND KINROSS COUNCIL - GENERAL FUND 2013/14 PROJECTED OUTTURN - SERVICE ANALYSIS**  
**(Based on Expenditure to 31 August 2013)**

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
<b>Education &amp; Children's Services (ECS)</b>			
Total	(375)		
			<b><u>Devolved School Management (DSM)</u></b>
		(547)	<b><u>Staff Costs</u></b> There is a projected under spend on teachers salaries of £1,326,000 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 £399,000. These projected under spends contribute towards the overall slippage target of £1,178,000.
		(125)	<b><u>Property Costs</u></b> Projected under spend on repairs and maintenance on a number of school building improvement projects.
		(140)	<b><u>Supplies and Services</u></b> Projected under spend on supplies and services due to future expenditure plans within schools.
		(138)	<b><u>Income</u></b> Projected additional income of £138,000. The additional income offsets additional expenditure on staff costs for secondments and SQA work and on supplies and services from pupils for curriculum materials.
		950	The projected DSM carry forward for 2013/14 is £950,000 which is a reduction of £280,000 on the balance brought forward from 2012/13. The carry forward of £950,000 represents approximately 1.2% of the overall DSM budget. The maximum carry forward allowed under the scheme is 10%.
			<b><u>Other Education &amp; Children's Services Sectors:</u></b>
		(742)	<b><u>Staff Costs</u></b> There is currently a projected under spend on staff costs of £742,000. This is made up of over and under spends in various sectors and cost centres and is after recognising a slippage target of £558,000.
		28	<b><u>Property Costs</u></b> Projected over spend in relation to Investment in Learning (IIL) contract cost reflecting the increase in the retail price index figure since the budget was set in February 2013 partially offset by an insurance refund in relation to the IIL contract.
		130	<b><u>Supplies and Services</u></b> Provision for the legal costs involved in defending an on-going case.
			<b><u>Third Party Payments</u></b>
		114	Residential Schools/Foster Care and Kinship Care: 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 due to increased placements and continued high levels of demand.
		(164)	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 under spend due to a reduced number of placements within this type of establishment.
		329	The Foster care budget is projecting an over spend due to additional external placements.
		20	<b><u>Loans Charges</u></b> Projected over spend on prudential borrowing loan charges due to revised projections.
		(90)	<b><u>Income</u></b> Projected increase in income due to £50,000 of grant income which will be utilised post 31/3/14; additional £12,000 received for Child Protection Inter Agency work; £7,000 for placements at Woodlea from other local authorities; £6,000 for Asylum Seekers; £10,000 additional income for Wellbank; £40,000 from NHS to offset costs within Change is a Must; £15,000 rental income from School Houses; £4,000 for the sale of IST vehicles and a further £4,000 of miscellaneous income. This is partially offset by a projected shortfall in library income of £50,000 and school meal income of £8,000.

**PERTH AND KINROSS COUNCIL - GENERAL FUND 2013/14 PROJECTED OUTTURN - SERVICE ANALYSIS**  
**(Based on Expenditure to 31 August 2013)**

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
<b><u>Housing and Community Care</u></b>			
Total	(967)		
		(389)	<b><u>Finance and Support</u></b> Accelerated 2014/15 savings (£290,000), staff slippage (£70,000) and non recurring income from Scottish Water (£29,000).
		(185)	<b><u>Strategy Support and Commissioning</u></b> Accelerated 2014/15 savings (£68,000), an over recovery of income (£7,000), non recurring under spend (£140,000) due to a temporary change in circumstances of a housing support funded placement and other miscellaneous under spends (£14,000). These are partially offset by a projected over spend on property costs (£44,000) due to expenditure associated with relocation from Riverview.
		(203)	<b><u>Older People</u></b> Projected under spends due to accelerated 2014/15 savings (£252,000), LA Care Homes (£58,000) due to vacancies as the new staffing model is implemented and Day Care (£25,000) due to recruitment delays, Self Directed Support (£113,000) as new service delivery models are developed, OT services and Lunch Clubs (£103,000) due to budget realignments to address overspends on equipment and meals subsidies. These are partially offset by a projected over spend on Residential Placements due to the effect of the inflationary increase on the National Care Home Contract (£348,000).
		(78)	<b><u>Learning Disabilities</u></b> There is a projected under spend on staff costs (£44,000) due to recruitment delays and accelerated 2014/15 savings (£81,000). These are partially offset by projected over spends on Residential Placements due to the inflationary increase for the National Care Home Contract (£33,000) and a projected over spend on property costs (£14,000).
		29	<b><u>Other Community Care Services</u></b> There are projected over spends on residential placements for Mental Health clients due to the inflationary increase for National Care Home Contract (£12,000), 2 new placements (£64,000), and backfill for staff undertaking Mental Health Officer training (£25,000). These are partially offset by accelerated 2014/15 savings (£48,000) plus non recurring income (£24,000).
		(141)	<b><u>Community Safety</u></b> Accelerated 2014/15 savings (£35,000), staff slippage (£95,000) due to recruitment delays, and supplies & services (£11,000).
<b><u>The Environment Service</u></b>			
Total	(500)		
		(100)	<b><u>Service-wide Budgets</u></b> Projected slippage in excess of Service target
		60	<b><u>Roads</u></b> Anticipated reduction in income to the Parking Account as a result of implementing the "free from 2" promotion
		100	Planned improvement works at South Inch Car Park.
		(160)	Projected transfer from the Car Parking Ear-Marked Reserve
		250	Deferral of depot charge to Tayside Contracts pending review of Minute of Agreement.
		70	<b><u>Operations</u></b> Projected shortfall in commercial waste income due to increased competition from private sector contractors.
		(200)	Additional income from the sale of recyclates due to current commodity prices.
		(100)	Projected saving on fuel costs based on current price and consumption estimates.
		(300)	<b><u>Fleet</u></b> Projected net saving on loan charges due to reprofiling of the vehicle replacement programme.
		(120)	<b><u>Property</u></b> Projected saving on water costs based on current consumption estimates.
		(50)	Rephased implementation of Energy Performance Certificate programme to meet statutory target of January 2015.
		80	Mothballed property costs associated with the delay in disposal of schools replaced as part of IIL schools programme.
		(30)	Projected slippage in excess of target across the Division.



**PERTH AND KINROSS COUNCIL - GENERAL FUND 2013/14 PROJECTED OUTTURN - SERVICE ANALYSIS**  
**(Based on Expenditure to 31 August 2013)**

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
<b>Chief Executive's Service</b>			
Total	(145)		
		(24)	<b><u>Legal Services</u></b> Projected under spend on staff costs due to vacancies and staff training
		74	Net projected over spend on supplies and services and travel costs primarily due to potential legal costs
		(40)	Projected additional income due to the cyclical nature of a number of the income streams
		(169)	<b><u>Finance</u></b> Projected under spend on staff costs due to vacancies
		81	Projected over spend on supplies and services to fund a number of system and software upgrades
		(81)	<b><u>Democratic Services</u></b> Projected under spend on staff costs due to delays in filling vacancies
		13	Projected net over spend on supplies and services, third party payments and transport costs
		2	<b><u>Human Resources</u></b> Projected over spend on staff costs
		(8)	Various net projected under spends across supplies and services, third party payments and transport costs
		7	Projected planned over spend on Modern Apprentices and Professional Trainees
<b>TOTAL</b>	<b>(1,987)</b>		



**PERTH AND KINROSS COUNCIL - HOUSING REVENUE ACCOUNT 2013/14 PROJECTED OUTTURN**  
**(Based on Expenditure to 31 August 2013)**

£'000	Summary of Service Variances
75	<b>Housing Repairs &amp; Improvement Service</b> There is a projected over spend on voids works due to the poor condition of properties being returned, this is partially offset by a projected under spend on staff costs.
13	<b>Housing Needs</b> There are small variances within property costs and supplies & services.
(38)	<b>Sheltered Housing</b> The projected under spend is mainly on staff costs due to vacancies as the Service moves towards a new model of service delivery. There are also small projected under spends on property costs, supplies & services, and transport costs across all complexes.
(33)	<b>Neighbourhood Services</b> The main projected under spends are in relation to Sheriff Officer fees and Cash Collection, this is partially offset by a projected over spend on staff costs due to maternity cover.
25	<b>Administration</b> A projected over spend on capital financing costs and property insurance is partially offset by a projected under spend on IT Licence costs.
326	<b>Income</b> The projected overspend is in relation to an increased provision for bad and doubtful debts (£124k) and an overspend in void rent loss mainly from garages / lock ups (£121k) and houses (£39k). There is also a projected reduction in the interest on revenue balances due to low interest rates (£42k).
(368)	<b>CFCR</b> 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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