

Financial Monitoring 2020/21 – General Fund Revenue – Material Variances

Management and Members

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
Vacancies and performance factor	Underspend due to vacancies and cost of Members.	(30)	(27)	(9)	(25)	
Net Underspend		(30)	(27)	(9)	(25)	

Place Directorate

Corporate Solutions

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
Savings Targets / Vacancies	<p>The Corporate Solutions Review has continued to deliver permanent savings during the year to a value of £0.290 million. An element of the review will be made permanent during 2021/22 and this is reflected in the 2020/21 mini budget alongside vacancies that are being held in advance of the formal service reviews.</p> <p>Vacancies across the service saved £0.488 million.</p>	(142)	(455)	(401)	(488)	Delivery plans are in place and will be finalised during 21/22.
Housing Benefits	Overpayment recoveries are lower than budgeted due to changes in DWP rules and the continued	0	0	129	194	Legislative changes result in a lower value of overpayments made and a reduction in the recoverability of those made.

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
	impact of Universal Credit.					
Other non-material variances	Miscellaneous over and underspends covering the remaining areas of the Service.	(7)	(5)	(27)	(46)	
Net Underspend		(149)	(460)	(299)	(340)	

Place

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
Winter Maintenance	Adverse weather conditions over the winter months resulted in response costs exceeding budget.	0	0	330	386	Weather conditions in March resulted in an increased variance from that reported at Q3. An episode of significant snowfall and the lowest temperatures for some years were experience this winter.
Fleet Services	Cost of vehicle repairs mainly relating to external works. This is partially offset by vacancies within the service.	0	61	118	100	Engagement with external contractors during Covid restrictions was necessary due to workforce availability and for specialised vehicle work that could not be carried out in-house. Vacancies have now been recruited to for the skills gap and to provide statutory services. The next stage of service structure review will focus on Fleet Services for forward planning.
Land & Countryside	Income from Burials.	178	163	168	102	A review and benchmarking of the service offer found our charges are at a higher level and that more cremations are now taking place. The current level of budgeted income cannot be sustained and will be revised as part of the Medium Term Financial Strategy.
Homelessness	Repurposing council property assets and withdrawal from B&B have been disrupted by Covid construction issues.	63	63	63	63	Additional project measures requiring Council approval were passed on 25 August. Delivery date: implementation forecast by Q2 2021/22

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
Traffic Signal Maintenance	Growth in the overall number of signals to be maintained.	35	35	25	26	Additional service infrastructure and servicing contract costs. Growth pressures will be assessed and included in the Medium Term Financial Strategy.
Street Lighting Electricity	An update to the inventory held by the Council's energy provider which is subsequently used for billing has resulted in both an increased cost for the year and backdated charges.	0	(41)	131	132	The Financial Strategy has been updated to incorporate the most up to date inventory.
Other non-material variances	Miscellaneous over and underspends covering the remaining areas of the Service.	77	56	30	(85)	
Gross Overspend		353	337	865	724	
<i>Offset by:</i>						
Developer Contributions	In-year application of contributions received in respect of the A701 transport corridor.	0	0	0	(152)	One-off application of contributions.
Fuel	Reduced fuel costs during 20/21	0	0	0	(131)	Savings predominantly in Waste and Fleet.
Housing & Homelessness	Increased provision at Eastfield supported temporary accommodation has resulting in increased service charge income offset by increased concierge charges.	(136)	(56)	(56)	24	Service charges fall short of associated costs mainly due to an increase in temporary housing stock and associated costs.
	At Q1 it was projected that the number of Bed and Breakfast places would be lower than budgeted. Latest projections show a small underspend due to rental income for supported homelessness temporary housing services.	(114)	3	(20)	(104)	The regulatory target date to reduce the usage of Bed and Breakfast spaces to a maximum of 7 nights was rescheduled to January 2021 although delivered in Midlothian at the end of November 2020.

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
Community Gala Days	Due to COVID restrictions planned costs were not incurred.	0	0	0	(43)	
Net Overspend		103	284	789	318	

People and Partnerships Directorate

Health and Social Care - Non-Delegated Services - Sport and Leisure, Community Safety and Welfare Rights

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
Other Non-Material Variances	Miscellaneous over and underspends covering the remaining areas of the Service.	5	7	5	8	
Gross Overspend		5	7	5	8	
<i>Offset by:</i>						
Leisure Services running costs	Underspend in running costs of £0.249m.	(185)	(131)	(129)	(249)	
Community Safety	A projected underspend on staffing within the Resolution and Mediation Team.	(21)	(22)	(22)	(11)	
Net Underspend		(201)	(146)	(146)	(252)	

Childrens Services, Partnerships and Communities

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
Children's Services						
Family Placements	The impact of COVID-19 on vulnerable families has meant an increase in accommodating children, especially those from larger sibling groups. We have worked hard to ensure that sibling groups remain together, whether this be in foster care or kinship care.	46	126	100	26	While there has been an increase in the number of children accommodated during COVID, the majority of these children have gone to live within their own kin families. This is a positive approach and entirely in keeping with the national and local policy direction which is to ensure children remain within their birth or extended families. Midlothian council has a proven track record in its approach to working with kinship carers and recently invested in further resources via the Family Placement Team and the Family Group Decision Making service.
Residential and Day Education Placement	Over the past 5 years Midlothian have seen a marked reduction in children and young people being placed externally. This has been possible with a renewed focus on the local workforce and our residential care homes focusing on relationship based and trauma informed approaches. Recent data suggests that there is a change in the age and profile of children being placed externally. Increasingly, we are seeing younger children who exhibit extreme forms of distressed and traumatised behaviours because of the level of neglect and abuse experienced.	89	68	337	444	These children are often so distressed they are unable to cope with the intimacy of family living. We therefore agreed the need for a holistic, therapeutic approach that can provide young children with the care and level of support required to enable them to cope with and experience a suitable family setting at an appropriate stage.
Other non-material	Miscellaneous variances the	4	(4)	(48)	25	No impact on frontline services

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
variances	remaining areas of the service budget.					
Gross Overspend		139	190	389	495	
<i>Offset by:</i>						
Non-residential services commissioned and provided for Children with and without disabilities	<p>Taxi costs for children without disabilities.</p> <p>Commissioned Services.</p>	<p>(35)</p> <p>(174)</p>	<p>(46)</p> <p>(278)</p>	<p>(54)</p> <p>(292)</p>	<p>(32)</p> <p>(382)</p>	<p>Prior to Covid-19 a formal review of taxi spend was agreed within Children's Services. However, this work stream was paused during the pandemic to focus priority and crucial areas of work.</p> <p>Children's Services continued to function and meet their statutory duties throughout the Covid-19 period. These duties were carried out in line with the Scottish Government's Covid-19 guidance. This meant that Children's Services were more reliant on using taxis services to transport children and families to and from Child Protection/Looked after Children meetings or to have 'contact' with each other.</p> <p>Additional support packages for children or young people with a disability are a key part of their care plan and pilots have been taking place to ensure support required is provided within local communities. Due to covid spend has been less on commissioned services due to children and families not being able to utilise the type of service normally commissioned and additional spend via the MARG budget for 1:1 support has provided support of a different nature.</p>
Vacancies and Performance Factor	Staff turnover during 2020/21.	0	0	(65)	(81)	
Net Overspend / (Underspend)		(70)	(134)	(22)	0	

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
Partnerships and Communities						
EU Funded Projects	Presently unsettled funding claims relating to EU funded projects carry a significant risk of not being fully settled.	0	0	0	193	Guidance and rules on how the EU funding could be utilised changed during the funding programme period and officers are making every effort to apply these rules to funded projects within the required timeframe.
Vacancies and Performance Factor	There is an overspend mainly relating to casual tutor staffing alongside non achievement of the Employee performance factor.	81	(11)	(32)	(65)	A review of all casual staff and contracts will be carried out to establish terms and conditions. Work is underway to review all staff who are directly linked with generating income and to map this out for the forthcoming year.
Communities and Lifelong Learning	Income loss offset by reduced running costs.	(26)	(17)	(70)	(76)	
Net Overspend / (Underspend)		55	(28)	(102)	52	
Service Net Overspend / (Underspend)		(15)	(162)	(124)	52	

Education

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
Charging for Music Tuition	An under-recovery on SQA charging to schools for Music tuition. Impact of schools being closed during the emergency response period and inability to deliver service.	175	175	175	175	The service is preparing to adapt its delivery model reflecting national policy, digital devices and risk assessments of suitable spaces within school buildings.
Visually Impaired Service	New contract with Royal Blind School lower than last years arrangement but still significantly higher than the budget set based on arrangements prior to 2019/20.	79	79	79	79	The new contract with the Royal Blind School is providing more effective support to children and young people. It is our statutory duty to provide this service and as such it was deemed appropriate to increase spend to acquire improved service.

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
Other non-material variances	Miscellaneous over and underspends covering the remaining areas of the service budget.	61	(60)	(34)	(75)	This includes contractual change notices relating to PPP schools.
Gross Overspend		315	194	220	179	
<i>Offset by:</i>						
Schools	Schools have underspent by £0.665 million. In accordance with current DSM rules allowing a carry forward of up to 1% for each school, £0.486 million of this has been carried forward for use in 2021/22 leaving a reported underspend of £0.179 million.	(416)	(127)	(410)	(179)	
Home to School Transport	The projected cost of journeys was lower than budgeted.	0	0	(200)	0	Projected savings identified at Q3 contributed to balancing the mini-budget approved by Council in February.
Net Overspend / (Underspend)		(101)	67	(390)	0	

Other

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
Loan Charges	Capital expenditure in 2019/20 was lower than forecast due to rephrasing of a number of projects. This has resulted in a reduction in General Fund principal repayments in 2020/21.	0	(234)	(234)	(234)	
	Overspend of £0.760 million mainly due to apportionment of Loans Fund Interest costs between General Fund and HRA.	0	651	725	760	Loans Fund interest costs are split between HRA and General Fund based on Loans Fund Advances in each. Outturns for 20/21 are that capital expenditure and associated Loans Fund Advances are lower than budgeted in both funds but considerably so for HRA thus resulting in a relatively higher share in General Fund than budgeted.
	In-year impact of the Loans Fund Review which rephrases debt repayments.	0	(954)	(953)	(953)	
Central Costs - Investigations	One-off costs to support ongoing work into potential cost recovery for historic investigations	0	0	0	80	Unbudgeted costs.
Central Costs – Insurance	During Q3 there some higher value new claims against the council.	0	0	57	(15)	A review of expected settlement values carried out each year end reduced costs for some claims. Claims are discussed at the Risk and Resilience Group to identify trends and possible mitigating measures. Training on defensibility of claims for services is planned.
Net Underspend		0	(537)	(405)	(362)	

