

Financial Monitoring 2012/13 – General Fund Revenue – Material VariancesEducation and Children's ServicesChildren and Families

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Additional information / Action taken
Childrens Homes Staffing	Overtime and Locum Costs to cover sickness absence and maintain prescribed staffing levels in the Midfield and Gorebridge children's homes.	126	148	Sickness absence issues are currently being addressed by the Head of Service and Human Resources. Overtime now has to be approved by the Head of Service.
Agency Staff and Performance Factor	Agency staff in child protection teams and low staff turnover in other teams.	61	(13)	External inspectors have recommended that all posts in the Child Protection Social Work teams should be filled which requires using agency staff if required to keep caseloads below a prescribed target per social worker. Vacancies have arisen in other teams since quarter 1 and wherever possible have been held vacant.
Other Services Commissioned for Social Work clients	Demand for placements in residential schools and care homes exceeds budget.	46	4	The service was experiencing growing demand for placements in residential schools and care homes. Access to placements is controlled by the Multi Agency Resource Group (MARG) which also reviews the requirement for placements on a regular basis. Changes in demand will be addressed in future years budgets.
Other non-material variances		13	4	Mainly demand led services offset by some underspends elsewhere that have no impact on frontline services.
Gross Overspend		246	143	
<i>Offset by:</i>				
Family Placements	Level of placements currently lower than budgeted.	(105)	(72)	This will be reflected in future years budgets.
Net Overspend		141	71	

Communities and Support

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Additional information / Action taken
Employee Performance Factor	Low staff turnover has resulted in Performance factor not being achieved.	40	9	
Other non-material variances		7	(1)	No impact on frontline services.
Gross Overspend		47	8	
<i>Offset by:</i>				
Further Education Bursaries .	No applications for bursaries for children with disabilities are now expected in the current year.	(41)	(41)	No impact on frontline service.
PEEP / Bookstart Courses	Slippage in program	0	(47)	Delays in recruiting group leaders have resulted in delays.
Net Overspend (underspend)		6	(80)	

Education

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Additional information / Action taken
Home to School Transport	Contract renewals in the year that will be affected by higher than budgeted annual uplifts and extra routes required to Beeslack High School as a result of First Bus cancellation of services.	58	90	New routes have been required at the start of the 2012/13 school year. The travel team continue to work with contractors to ensure best value.
ICT Contract Renewal Costs	Increase in contract costs from short term contract renewals for network services for schools.	30	30	Strategic review of IT and EWiM project will determine future direction of travel for IT and will allow longer term better value contracts to be entered into.
Other non-material variances		10	(9)	No impact on frontline service.
Gross Overspend		98	111	
<i>Offset by:</i>				

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Additional information / Action taken
Schools Devolved School Management	A reduction in Teachers Average Salaries from budget mainly due to the release of teachers on higher salaries and the use of newly qualified teachers.	(280)	(280)	Changes to the savings seen in 2012/13 are reflected in future years budget projections.
PPP Contracts	Annual contracted uplifts are less than budgeted and expected savings due to further clarification of the utilities risk sharing mechanism for which work is ongoing.	(214)	(113)	This is reflected in future year budgets.
Nurseries – Private and Council Run	Pupil numbers are lower than budgeted.	(226)	(246)	In November 2011 an analysis of nursery waiting lists indicated a significant potential increase in nursery rolls for 2012/13. The excess over capacity for Council nurseries was provided for by way of payments to private nurseries. The projected increase did not materialise. Methodology for calculating future years nursery requirements has been refreshed.
Hopefield Temporary Units	Units no longer required.	(55)	(55)	More efficient use of space within Hopefield was made until new school opened.
Net underspend		(677)	(583)	

Communities and Wellbeing

Adult and Community Care

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Additional information / Action taken
Residential Homes for Older People	Overspend on employee costs within the homes (Pentland House £120k ,Newbyres Village £184k offset by Highbank £28k) due to the requirement to use locum staff and overtime to cover gaps in the rota.	343	276	Pentland House will close in 2013/14 and extra care housing will open late-summer 2013. A transition plan is in place which should lead to a reduction in costs over the remainder of this financial year. Plans are being made to deploy staff effectively during the transition phase to assist in other high demand areas. Work continues at Newbyres to reduce sickness absence and therefore reduce spend on agency and locum staff.
	Overspend across all homes on running costs such as cleaning materials, first aid supplies and equipment which reflects the rising levels of need of residents.	44	33	A detailed review of the running costs of Newbyres Village is being carried out in order to reduce costs. An update will be provided at quarter 3.
	Overspend on provisions in all homes due to cost pressures.	24	31	Impact on future years budgets is being reviewed.
	Projected Income from residents recoveries is less than budget.	168	158	Income varies with occupancy levels and the level of contribution that residents are assessed to pay.
Community Care Resource Panel	Assessed needs for elderly and learning disability care packages are more than budgeted.	387	1,094	<p>The Resource Panel will continue to allocate resources where a critical or substantial need has been identified. Scrutiny of all applications is ongoing to ensure effective spend to meet assessed needs.</p> <p>There are a number of actions being taken, primarily within Older Peoples and Learning Disability cases to address the budget issue. All staff involved in packages of care from both Loanhead Social Work Centre and within Home Care are prioritising the review of care packages to ensure eligibility criteria has been adhered to and that where individual needs</p>

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Additional information / Action taken
				have changed services reflect this. The 2013/14 budget has been adjusted to reflect existing and potential demographic demand pressures.
Fieldwork staffing costs	Employee performance factor not fully achieved due to essential cover being provided for frontline posts.	110	91	Use of agency staff to cover vacancies be reviewed. There is a potential impact on waiting times.
Joint Equipment store	Increasing usage reflects impact of demographic pressures and shifting the balance of care towards people remaining in their own homes.	97	103	Demand led. Future years budgets have been reviewed.
Cherry Road, Community Action Team and Adult Resource Team	Employee performance factor not fully achieved due to essential cover being provided for frontline posts.	82	99	Maintaining staffing levels helps reduce pressure on the resource panel budget.
Home Care	Overspend on overtime	0	249	Due to issues with an external home care provider the in-house service has been facing increasing service demands and used overtime to meet these. As the external provision issues are resolved the overspend will reduce.
Gross Overspend		1,255	2,134	
<i>Offset by:</i>				
Criminal Justice	An increase in the level of grant funding results in a projected underspend.	(113)	(88)	No impact on frontline service.
Non-staffing element of Learning and Development Budget	Activity is less than budgeted due to slippage in new initiatives.	(30)	(143)	No impact on frontline service. Budget is anticipated to be fully spent in 2013/14.
Adult Support and Protection	Current demand in relation to legal expenses indicates a projected underspend.	0	(99)	No impact on frontline service.
Other variances	Across the remainder of the service.	(135)	(106)	No impact on frontline service.
Net Overspend		977	1,698	

Business Transformation

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Additional information / Action taken
Miscellaneous Supplies and Services	Net underspend.	(20)	(2)	Movement from quarter 1 due to extension on temporary arrangement to support Business Transformation. No impact on frontline service.
Net Underspend		(20)	(2)	

Housing and Community Safety

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Additional information / Action taken
Homelessness accommodation	The number of people requiring accommodation exceeds the number budgeted due to: 1) an increased volume of presentations; 2) difficulties moving clients on from Bed and Breakfast accommodation to other types of accommodation due to a mismatch between available accommodation and the support needs and accommodation size requirements of clients.	207	204	At the time of setting the 2012/13 budget it was anticipated that there would be an average nightly requirement of around 77 bed spaces and the B and B accommodation budget was set on that basis. To date the average occupancy has been 85 places. Occupancy figures have reduced to 78 over the last quarter therefore the projected overspend will reduce if this situation remains.
	Housing Benefit subsidy shortfall for people placed in Private Sector Leasing properties due to changes in benefit rules.	133	133	Housing Benefit Subsidy rules mean that not all cost of Private Sector Leased placements is recovered through subsidy. However, the net loss in subsidy is still significantly lower than the cost of placing people in Bed and Breakfast accommodation.
Gross Overspend		340	337	
<i>Offset by:</i>				
Other non-material variances		(25)	(20)	No impact on frontline service.
Net Overspend		315	317	

Corporate Resources

Commercial Operations

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Additional information / Action taken
Waste Service Review	Movement on staffing and vehicle costs along with a less favourable market for selling recycle.	366	379	A further report on food waste collection will be presented to Council today. The impact of Council's decision will be factored into quarter 3 monitoring.
Waste Disposal Costs	Projected tonnage to landfill exceeds budgeted tonnage.	336	321	The methodology used to calculate projected landfill tonnages has been revised for future years budgets and demographic pressures that are now being felt will be factored into this.
Trade Waste	Income from Trade waste customers is projected to be lower than budgeted..	87	87	A review of trade waste is scheduled for later this financial year.
Roads Staffing	Low staff turnover means that the performance factor may not be achieved.	67	70	If vacancies arise they will be held if possible to reduce the overspend.
Vogrie Golf Course Income	Poor weather conditions have had an adverse effect income.	38	41	
Olympic Torch	Costs incurred in erecting and removing barriers, laying out cones, stewarding etc.	36	36	One-off costs.
Road Closure Costs	Road closures at Ramsay Cottages.	35	35	
Vogrie Parking income	The barrier at the entrance to the car park has been broken meaning there were periods when no income was collected. Adverse weather has also affected visitor numbers to the park.	20	29	A temporary repair has been carried out to fix the barrier.
Dalkeith Town Centre Car Parking	Usage of pay and display car parks is lower than anticipated.	9	9	As reported to Council on 14 th August 2012 the Director, Corporate Resources is working with the current operators regarding the contractual arrangements.
Gross Overspend		994	1,007	
<i>Offset by:</i>				
Landscaping Income	Land Services are carrying out a number of projects generating additional income.	0	(89)	This offsets the Land Services overspends shown above.
Net Overspend		994	918	

Customer Services

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Additional information / Action taken
Legal Services	Demand for Legal Services for Child Protection cases exceeds budget.	140	142	Demand Led. Legal costs associated with Child protection cases have consistently been over budget in recent years reflecting demand. The 2013/14 budget has been adjusted to reflect this.
Employee Performance Factor	Insufficient vacant posts to meet performance factor.	135	26	A number of new vacancies across all sections have contributed to reducing the projected overspend.
Revenues systems	Software support costs exceed budget provision.	30	13	Reduced costs in IT have allowed projected overspend to reduce.
Contact Centre Telephony	Software support and annual maintenance costs exceed budget provision.	0	16	Ongoing funding for these costs is being considered.
Inhibition Orders	Budgeted recovery from inhibition orders is not realised.	0	66	Income will be realised in future years and reflected in increased council tax collection.
Other non-material variances		0	24	No impact on frontline services.
Gross Overspend		305	287	
<i>Offset by</i>				
Safeguarders Fees	Requirement to appoint safeguarders is demand led and currently shows an underspend against budget.	0	(20)	Demand led.
Net Overspend		305	267	

Finance and Human Resources

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Additional information / Action taken
Employee Performance Factor	Insufficient vacant posts to meet performance factor.	49	66	
Central Postages	The volume and cost of postages exceeds budget.	45	58	A review is underway to review the need for all postages in an attempt to avoid any non-essential expenditure.
Internal Audit Shared Service	Budgeted income for Shared Service with East Lothian Council will not be achieved in this financial year.	25	25	Work continues with East Lothian Council to progress potential areas where sharing services brings mutual benefit.

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Additional information / Action taken
Human Resources Advisory Services	Retrospective Protection of Vulnerable Groups checking.	24	0	Retrospective checking will take place over a 3 year period. As from 1 st October 2012 all newly advertised posts will require the successful postholder to pay for the PVG check.
Other non-material variances		14	13	
Gross Overspend		157	162	

Planning and Development

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Additional information / Action taken
Fee Income	Fees associated with planning applications and building warrants are higher than budgeted.	(73)	(60)	Conditions in the housing and development markets remain depressed. However, there are some early indications of greater development interest and, as a result, the projected fee income for 2012/13 is in excess of the revised income targets for the year.
E-Planning Project Budget	Ongoing maintenance costs for E-Planning are less than budget.	(22)	(22)	The E-Planning project has now been fully implemented in line with the original project plan allowing accurate annual maintenance costs to be established. They will be reflected in future years budgets.
Vacancies	Long term vacancies.	0	(9)	No impact on frontline services
Specialist Structural Engineer works	A reduction in work needing contracted out due to economic downturn.	0	(6)	No impact on frontline services
Net Underspend		(95)	(97)	

Properties and Facilities Management

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Additional information / Action taken
Building Maintenance	The move to fixed salaries has impacted upon productivity.	377	320	<p>The position has improved slightly from quarter 1 based on plans to accelerate HRA capital works. Close monitoring will be required to ensure that work is carried out in accordance with this plan.</p> <p>It is anticipated that projected costs and income for the Building Maintenance Statutory Trading Account will result in a trading deficit for the year and for also the three year rolling period. This will result in a failure to achieve a statutory objective and will be commented upon by the Council's external auditors.</p>
Snowsports Centre	Shortfall in income target	0	50	Delays in completion of capital works have restricted the level of activities that can be offered.
	Vacant Posts	0	(36)	No impact on frontline services
Gross Overspend		377	334	
<i>Offset by</i>				
Sport and Leisure	Over achievement of performance factor	0	(34)	No impact on frontline services
Gross Overspend		377	300	

Other

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Additional Information / Action taken
Loans Charges	Since setting the 2012/13 budget the cost of borrowing to finance the General Services Capital Plan has reduced due to: 1) Long term borrowing at a lower interest rate than budgeted; and 2) Better than budgeted returns on short term investments.	(462)	(545)	The continuing low interest rate environment has made borrowing cheaper than budgeted. The medium term strategy is continually under review to allow high value long term borrowing decisions to be taken at the most opportune time. The underspend against budget in 2012/13 is a consequence of delaying higher coupon longer term borrowing in favour of short term market loans at historically low rates.
Council Tax and Community Charge Income	A continued growth in Band D equivalents results in a higher than budgeted Council Tax yield.	(120)	(150)	The continued growth in Band D equivalents has been factored into Council Tax income budgets for 2013/14 and beyond.
Procurement	A target of £693k for procurement savings was set in 2012/13 This target is not anticipated to be met in full.	325	352	The Procurement Contract Delivery Plan 2012-15 has been agreed by Business Transformation Board and progress is being made towards savings targets. Savings of £79k have been made in 2012/13 that reduce capital and HRA budgets but are not shown in the performance against budget shown above.
Business Services Review	A target of £372k for the Business Services Review was set in 2012/13. It is projected this target will not be met in full.	225	249	Work continues to achieve the remainder of the savings target.