

Financial Monitoring 2017/18 – General Fund Revenue – Material Variances**Education, Communities and Economy****Children's Services**

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
Non-Residential services commissioned and provided for children with and without disabilities	Higher than anticipated demand for respite, direct payments and taxi services commissioned for Children with disabilities. There was also an overspend on respite services commissioned for children without disabilities.	189	190	332	427	The rising demand in this area of work will be addressed in the Financial Strategy.
	Family placement budgets mainly resulting from expenditure on external adoption fees. At Q3 it was anticipated that expenditure would be offset by income from other Local Authorities for the provision of adoption placements but receipt of this has been delayed into 2018/19 as the legal process has not yet been completed.	0	0	0	180	Information regarding the requirement for external adoption fees will be factored into the Financial Strategy. The Family Placement team is working to increase our capacity to provide adoption placement. Income due from other organisations for the provision of placements will be collected when chargeable. It should be noted that any income is dependent on court processes and timescales.
Residential and Day Education Placements	The requirement for residential placements was higher than anticipated and provided for in the budget. Demand for new placements, particularly expensive secure	49	110	367	797	This represents a 27% overspend on the Multi-Agency Resource Group budget of £3 million. This budget has been substantially reduced from £3.9m in 2016/17 reflecting transformational savings. It should be noted that £330k of this variance relates to secure placements over which the Council has very little

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	accommodation, has been high throughout the financial year.					control. Secure Placements, in addition to step down placements (which cost the same) amounted to £821k. The Council have very little control over these placements and during 2017/18 at one time had 4 young people in secure care which is higher than normal and also out of kilter with other Councils of similar size. The group continues to challenge new demand and is looking at alternatives to secure care. However, this work is at a very early stage of development.
Other non-material variances	Miscellaneous over and underspends covering the remaining areas of the Children's Services budget.	(1)	(5)	(64)	19	
Overspend		237	295	635	1,423	

Communities and Economy

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
Midlothian Local Development Plan	The costs of the required public examination of the LDP by Scottish Government reporter was greater than budgeted. The variable being the number and complexity of unresolved objections to the LDP.	38	43	43	43	One-off financial pressure associated with the formal statutory process of completing the Midlothian Local Development Plan.
Charging for Section 75 Agreements	Charging for Section 75 Agreements was approved by Council when setting the 2017/18 budget. Processes to allow this to happen are still under development so the 2017/18	20	30	30	30	Appointment of the section 75 compliance officer in July 2017. Charging can only be implemented in new S75 agreements where the appropriate clause is included. It cannot apply retrospectively to existing agreements. Therefore income in 2017/18 was zero.

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
	savings target has not been achieved.					
Other non-material variances	Miscellaneous over and underspends covering the remaining areas of the Service budget.	15	18	29	3	No impact on frontline service.
Gross Overspend		73	91	102	76	
<i>Offset by:</i>						
Planning and Building Standards Income	Higher levels of income than anticipated.	0	0	(96)	(325)	High value applications from developers received between Q3 and Q4. An increase to Planning and Building Standards income has been included in the 2018/19 budget.
Vacancies and Performance Factor	The number of vacancies across the service exceeds the performance factor.	(64)	(105)	(72)	(90)	Additional vacancies between Q3 and Q4.
Landlord Registration Income	Landlord registrations are renewable on a 3 year cycle. Slightly more registrations took place in 2017/18 than budgeted.	19	19	6	(7)	No impact on frontline service.
Net Overspend / (Underspend)		28	5	(60)	(346)	

Education

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
Mini Service Reviews	In setting the 2017/18 budget Council approved savings of £150,000 which would flow from some service reviews within the Education Service.	0	150	150	150	Full implementation is anticipated in 2018/19.
Early Years	Significant demographic growth and the popularity of the Good time to be 2 initiative has resulted in a rise in pupil uptake within Early Years. This is offset by costs in the core Early Years budget that are chargeable to the ring-fenced Grant for Early Years Expansion.	0	328	132	23	Early Years budgets, particularly in light of the increase in pre-school entitled hours to 1140, have been scrutinised and are reflected in 2018/19. Movement between Q3 and Q4 mainly relates to uptake for the Good time to be 2 initiative being lower than projected.
Other non-material variances	Miscellaneous over and underspends covering the remaining areas of the Education Service budget.	(80)	90	213	22	No impact on frontline service.
Gross (Underspend) / Overspend		(80)	568	495	195	
<i>Offset by:</i>						
PPP Contracts	Insurance costs are lower than provided for in the contract which leads to a refund from the contractor.	(182)	(182)	(185)	(185)	Windfall Income. This is the consequence an annual review for PPP2 (£83,000) and a 5-yearly review for PPP1 (£99,000).
	Contractual refund of funding paid to cover reparation of malicious damage that was not utilised.	(65)	(65)	(95)	(56)	Assumptions regarding performance reductions have been checked and updated during the development of the 2018/19 budget.
	The rate of inflation applied to	(55)	(55)	63	(34)	Inflation assumptions have been reviewed during

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
	contracts was lower than provided for in the budget which was in-part offset by the backdated impact of change notices.					development of the 2018/19 budget.
Lifelong Learning and Employability Income	There was a projected under recovery of income as a result of lower contract values awarded and a withdrawal of funding from the Big Lottery in 2017/18 but this has been more than offset from staffing vacancies and windfall income related to finalisation of accounts for older programmes.	63	42	34	(59)	There has been and will continue to be a focus on reducing expenditure throughout the service in order to minimise the impact of reduced income values.
Schools	Schools are underspent by £1.238 million. However, in accordance with the current Devolved School Management rules schools have carried forward budget of £1.181 million into 2018/19.	0	328	(246)	(57)	The impact of this on the General Fund Reserve will be 2-fold. Firstly, there will be an enhancement of the non-earmarked element of the reserve of £0.057m. Secondly there will be an increase in the earmarked element of the reserve of £1.181 million.
Net (Underspend) / Overspend		(319)	636	66	(196)	

Health and Social Care – Delegated to Midlothian Integrated Joint Board

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
Home Care / Midlothian Enhanced Rapid Response and Intervention Team (MERRIT)	Additional employee costs due to the volume of care packages being provided.	391	535	654	575	<p>There are continuing challenges to manage the demands of an ageing population with complex care needs. The shift in the balance of care has resulted in more care at home requests.</p> <p>External provider capacity remains challenging. High absence rates within complex care will be a focus moving forward. The MERRIT service review is underway.</p> <p>This overspend is partially offset by a reduced Resource Panel spend on Older People.</p>
Care Homes for Older People	Overspend on staffing costs to cover gaps in the rota at Newbyres offset by underspends in general running costs at Newbyres and Highbank.	266	159	178	114	<p>Significant progress has been made and sickness levels have reduced along with a subsequent reduction in agency staff spend. Focus will remain on absence management to maximise capacity.</p> <p>The Highbank service review is now complete with robust absence management in place.</p>
Non-achievement of management review saving	Delays in implementing a new management structure across Health and Social Care.	55	55	55	55	Posts have been filled and the saving will be achieved in 2018/19..
Gross Overspend		1,544	1,090	803	744	
<i>Offset by:</i>						
Community Care Resource Panel	It has been possible this year to utilise some one-off funding (£869k) to reduce in-year pressures. The budget amounts to around £32m, is demand led and subject to demographic pressures. Individual packages of care are sometimes in excess of	792	266	(88)	(659)	<p>There remains an underlying overspend of £210k.</p> <p>Within Older People's Services there is an element of unmet need within Care at Home, which goes in some way to explain the aforementioned overspend within the Home Care service.</p> <p>The Realistic Care, Realistic Expectations work stream</p>

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
	£100k per annum and as a consequence projections in this area can be volatile.					continues to monitor savings delivery. The work of the review team continues with the aim being to achieve and maintain a balanced budget position whilst still meeting critical and substantial need. This remains challenging against a background of increasing demands, particularly going forward in relation to young people with complex needs moving into Adult Services.
Fieldwork Staffing	A number of vacancies have arisen within the team over the last few months resulting in an underspend against budget.	0	0	(176)	(149)	No impact on frontline service. Due to a number of changes, posts have been vacant during the year and there has been a move to avoid the use of agency staff.
Public Protection	Scottish Government funding provided specifically for Adult Support and Protection requirements. Some spend relevant to this funding is in the form of care packages and is met from the resource panel budget.	(159)	(136)	(177)	(131)	No impact on frontline service but the underspend offsets care and support costs related to protection issues.
Joint Equipment Store / Aids and Adaptations	Demand during 2017/18 for both areas of spend are less than budgeted.	0	0	(92)	(94)	These are demand led budgets thus spend can be volatile.
Learning and Development	Delivery of some training has slipped into 2018/19.	0	0	0	(67)	No impact on frontline service and offsets the cost of essential cover for front-line staff with mandatory training requirements.
Service User income	Contributions from service users towards their care packages are higher than provided for in the budget.	0	0	0	(56)	No impact on frontline service.
Criminal Justice	An element of the Scottish Government funding is used to fund the management and administration of this service.	(65)	(55)	(54)	(48)	No impact on frontline service.

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
Cherry Road, Community Access Team, Shared Lives	Underspends on running costs offset by non-achievement of planned budget savings.	(60)	(24)	8	(9)	No impact on frontline service.
Other non-material variances	Miscellaneous over and underspends covering the remaining areas of the Adult and Social Care budget.	40	75	4	(70)	No impact on frontline service.
Net Overspend / (Underspend)		1,260	875	312	(539)	
Retained by Midlothian IJB.	Budgets retained and held in IJB Reserves in accordance with the Integration Scheme for use during 2018/19.				539	
Net Impact					0	

Customer and Housing Services

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
Debtors relating to Housing Benefit Overpayments	A full review of the interaction between the value of debtors shown in the Councils Balance Sheet and the individual debtor balances shown in feeder systems has resulted in an overstatement of collectable debt in the Balance Sheet which requires to be written off through the Councils Revenue Account.	0	0	0	904	Information between feeder systems and the Balance Sheet are now fully reconciled and will be reviewed on a periodic basis going forward. Manual processes that contributed to the variance have been enhanced and the review will ensure this position is maintained.
Homelessness accommodation	<p>Specialist treatment required in the conversion works to reuse Pentland House have led to delays in the project with completion in September 2017. The full saving on the Bed and Breakfast budget has therefore not be made.</p> <p>During Q3 a managing agent terminated a long standing contractual relationship for their privately rented properties. As a consequence the Council have relocated 30 households with an associated cost.</p> <p>A cash settlement was agreed on monies due to the Council by that managing agent, which was considerably less than the monies owed, but realistic given the</p>	208	208	290	548	<p>The budget provided for an average 36 B and B places per week. Average occupancy is currently 69 places.</p> <p>The funding shortfall as a consequence of Welfare Reform, particularly for young people's housing options is causing a significant pressure on the homelessness budget in general. This was detailed in the Universal Credit report to Council in December 2017.</p> <p>This unplanned expenditure results in a swing of £186k between Q3 and Q4.</p>

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
	alternative legal costs and uncertainty of reimbursement.					
Community Safety Community Action Team	Council agreed to re-instate the Police Community Action Team with effect from December 2017 with additional budget being reflected in 2018/19 onwards.	0	0	0	51	The additional cost of the Council funded Community Action Team in 2017/18 has been offset by vacancies as shown below.
Gross Overspend		208	208	290	1,503	
<i>Offset by:</i>						
Customer Services Vacancies	Vacant posts as a consequence of the Customer Services Review.	(54)	(19)	(65)	(120)	Delays in filling vacancies and also a further vacancy resulted in an increased underspend at Q4.
Revenues Service Vacancies	There have been a number of vacancies and also maternity savings resulting in an underspend within the revenues processing team.	(74)	(37)	(19)	(83)	Unfilled vacancies held for Welfare Reform effects and also further posts becoming vacant resulted in an increased underspend between Q3 and Q4. A number of these posts have been deleted as part of the approved 2018/19 Budget.
Homelessness Furniture	Scottish Welfare Fund resourcing a number of packages and a lower than anticipated level of demand.	0	0	(97)	(66)	No impact on frontline service.
Community Safety Staffing	Saving as a result of not backfilling maternity absence. During Q4 additional vacancies arose.	(27)	(33)	(38)	(61)	No impact on frontline service.
Other non-material variances	Miscellaneous over and underspends covering the remaining areas of the Customer and Housing Services budget.	(9)	12	10	(2)	No impact on frontline service.
Net Overspend		44	131	81	1,167	

Resources

Commercial Services

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
Winter Maintenance	Additional costs incurred in dealing with the exceptionally severe winter.	0	0	0	686	The majority of additional costs were incurred on snow clearing and gritting predominantly relating to the Civil Emergency in place from 28 th February to 5 th March.
Review of travel arrangements associated with the grey fleet.	A budget reduction of £150,000 in 2017/18 was approved. At this stage it is anticipated that savings will commence in 2018/19.	150	150	150	150	Work is underway to develop options and plans. The financial impact of these will be picked up in due course.
Rights of Way	Legal expenses have been incurred in respect of an ongoing dispute.	0	0	100	74	The court case is ongoing with an anticipated hearing date of June 2018.
Midfest	The net cost to the Council of Midfest was £25,000 which is unbudgeted.	0	0	20	25	Attendance numbers were lower than anticipated. The Council is not making a financial contribution to the event in 2018/19.
Trade Waste Charges	A 10% price increase was approved for 2017/18 and was expected to generate an additional £30,000 of income. Subsequently the customer base reduced and this resulted in less income being generated than expected.	18	18	18	20	The service continues to look to attract new customers.
Review the number of Football Pitches	A budget reduction of £10,000 in 2017/18 was approved. The review did not yield any savings in 2017/18.	10	10	10	10	Consultation is ongoing and a further report will be submitted to Council in due course.
Play areas	A budget reduction of £30,000 in 2017/18 was approved. This is not fully achieved in year.	0	0	24	6	It is anticipated that the full saving will be achieved in 2018/19.

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
Commercial Operations Service Review	A budget reduction of £250,000 in 2017/18 was approved. The review is underway and planned savings can be met in 2017/18 from vacancies left unfilled pending finalisation of the review.	60	48	0	0	It is anticipated that the review will be finalised in 2018/19 and the full saving will be achieved.
Review of financial contribution to Pentland Hills Regional Park	A budget reduction of £20,000 in 2017/18 was approved.	5	5	0	0	
Gross Overspend		243	231	322	971	
<i>Offset by:</i>						
Waste Disposal Charges	Tonnages are lower than provided for in the budget.	(78)	(113)	(203)	(343)	Ongoing work to minimise contamination in recycling has led to lower than anticipated costs in this area. Street Cleaning tonnages collected are significantly lower than budgeted for.
Decriminalised Parking	The implementation date has slipped into 2018/19 resulting in a saving against budget in 2017/18.	0	0	(122)	(170)	This is a one-off saving. Decriminalised parking was introduced in early April.
Fleet Services running costs	The cost of repairs to Council fleet and also of external hires was lower than budgeted.	0	0	0	(118)	Regular investment in the Councils fleet has reduced regular repairs costs. The budget for external hires has been reduced by £50k in 2018/19.
Land Services Income	Income from both external and internal works exceeds budget by £0.694m. Costs of carrying out these works amounted to £0.575m.	0	0	0	(109)	A significant proportion of these works related to School build projects in the 2017/18 General Services Capital Plan. The sustainability of future income streams will be reviewed and if possible targets will be increased in future years budgets.
Roads Services Income	Income generated from new developments and Temporary	(30)	(30)	(30)	(101)	The budget for external income has been increased by £71k in 2018/19.

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
	Traffic Regulation Orders has exceeded budget.					
Vacancies in Fleet and Waste services	Vacancies held in excess of the target for the Commercial Operations Service Review.	0	0	0	(61)	It is anticipated that the review will be finalised in 2018/19 and the full saving will be achieved.
Waste Service running costs	The waste collection calendar was not produced in 2017/18 giving rise to a printing saving of £44k.	0	0	0	(44)	This budget has been removed in 2018/19 as part of the Financial Discipline approved savings.
	Essential replacement costs of wheeled bins was £23k less than budgeted.	0	0	0	(23)	
Bus Shelter maintenance	Expenditure is largely reactive with lower demand than budgeted in 2017/18.	0	0	0	(32)	The shelter maintenance budget was reduced by £30k in 2017/18 and will be reviewed further as part of the Financial Strategy.
Other non-material Variances	Miscellaneous over and underspends covering the remaining area of the Commercial Services budget	0	0	26	(50)	
Net Overspend / (Underspend)		135	88	(7)	(80)	

Finance and Integrated Service Support

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
Employee Performance Factor	The performance factor for the service is £466,000. Vacancies and other staffing variations were not sufficient to fully offset this.	135	137	87	261	Only essential vacancies are filled. Contraction in the overall size of the workforce makes this target more challenging to achieve but work continues to explore opportunities that may arise.
Mi-Future	The costs for staff in SWITCH during the year have exceeded budget.	0	19	55	92	The shift to a policy avoiding compulsory redundancy agreed by Council has now been implemented through the introduction of a revised People Policy for Managing Change. This removes Switch and any costs associated with it.
Bank Charges	The shift towards electronic payments has led to increased transaction costs.	25	22	25	38	A review of bank charges is underway with the aim of negotiating lower rates with service providers. There has been a growth in the use of credit and debit cards with a corresponding increase in charges.
Central Postages and printing costs	The volume of postages and printing exceeds budget.	60	22	15	12	A review of activity has already had an impact and continues with the aim of minimising volumes and reducing reliance on paper in accordance with EWIM principles.
Other non-material variances	Miscellaneous over and underspends covering the remaining areas of the Finance and Integrated Service Support budget.	(34)	(17)	0	16	
Gross Overspend		186	183	182	419	
<i>Offset by:</i>						
Digital Costs	The cost of equipment and support is lower than budgeted.	(109)	(105)	(105)	(67)	Future year budgets have been reviewed.
Archiving	Costs in 2017/18 are lower than budgeted.	(25)	(28)	(33)	(33)	Costs are expected to increase in future years as the facility is used more.
External Legal Fees	During Q4 all heritable Adult Social Work cases and Child	30	35	34	(13)	In light of this future years budgets have been reviewed.

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
	Permanence orders were dealt with in-house for the first time thus saving on external legal fees.					
Disclosure Scotland Fees	Costs in 2017/18 are lower than budgeted.	(28)	(3)	0	(6)	Future year budgets have been reviewed.
Net Overspend		54	82	78	300	

Properties and Facilities Management

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
EWiM planned building closures	Evolving plans for buildings that were planned to be sold or demolished through approved EWiM projects have resulted in anticipated revenue savings not materialising.	95	95	95	176	Unbudgeted costs in 2017/18 related to Dundas Buildings, Eskdaill Court and Jarnac Court. With the exception of Jarnac Court costs will continue in 2018/19 until future plans are clear.
Buildings repairs costs	Significant slippage in Capital property upgrade works has resulted in a higher than planned revenue spend.	0	0	0	152	
Leisure Centre Income	Loanhead Leisure Centre was closed for part of the year and other Centres were closed during the periods of severe weather.	0	0	42	91	
Properties and Facilities Management Service Review	A budget reduction of £60,000 in 2017/18 was approved. The review is underway but did not deliver any saving in 2017/18.	60	60	60	60	It is anticipated that the full saving will be achieved in 2018/19.
Energy Costs	Unit prices for gas are higher than budgeted (£34,000), an approved saving for reducing the electricity bill has not yet been	0	0	143	41	Opportunities to reduce ongoing assumptions continue to be explored and the latest unit price forecasts are reflected in the 2018/19 budget.

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
	achieved (£45,000) and backdated water costs associated with meter issues on one site (£63,000).					
Review of Facilities Management Officers	A budget reduction of £40,000 in 2017/18 was approved by Council. This has not been achieved in 2017/18.	20	20	40	40	It is anticipated that the full saving will be achieved in 2018/19.
Closure of Penicuik Town Hall	A budget reduction of £30,000 in 2017/18 was approved. This has been delayed due to grant funding approvals for external refurbishment works.	30	30	30	30	Refurbishment works are underway. Future use of the building is still to be determined.
Public Toilet Provision	A budget reduction of £40,000 in 2017/18 was approved. At Q1 it was not anticipated that the full saving would be achieved in 2017/18.	40	0	0	0	Council on 26 th September 2017 agreed to keep Public Toilets open but with reduced staffing levels and approved additional funding for this.
Other non-material variances	Miscellaneous over and underspends covering the remaining areas of the Property and Facilities Management budget.	0	0	0	28	
Gross Overspend		245	205	410	618	
<i>Offset by:</i>						
Property Investment Account	Void rental periods have been shorter than budgeted for and general running costs are lower than budgeted.	0	0	0	(118)	One-off windfall income.
	The insurance settlement for the fire damage claim at Mayfield Industrial Estate has been received. Costs associated with	0	0	0	(74)	

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Quarter 4 £000	Additional information / Action taken
	this were incurred in 2016/17.					
Snowsports Centre income	Customer income is higher than budgeted.	0	0	(238)	(117)	There were weather related closures during Q4 that impacted on income levels and explains the movement between Q3 and Q4.
Net Overspend		245	205	172	309	

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	<p>Revised methodology for apportioning interest costs associated with external borrowing between General Fund and HRA has resulted in a considerably reduced cost to General Fund.</p> <p>Additionally, slippage in the General Services Capital plan has resulted in a lower value of borrowing than planned for with new borrowing sourced at lower rates than expected at the time of setting the 2017/18 budget.</p>	(146)	(42)	(47)	(1,164)	External advice from the Council's Treasury consultants recommended that the Council consider revising the methodology used to apportion interest costs associated with borrowing. The rationale for this was founded upon the relative certainty of the HRA Capital Plan compared to the General Services Capital Plan and longer term borrowing decisions that have made in line with this.
Transformation Savings – Integrated Service Support	A Target of £1.122 million of savings was set for 2017/18 which consisted of slippage from previous years and also an additional target for 2017/18. A large part of this target has been delivered in 2017/18.	345	272	172	266	The shortfall in delivery will be achieved in 2018/19.

Transformation Savings - Procurement	A target of £0.350 million for procurement savings was set for 2017/18 which reflected slippage in targeted savings for previous years.	250	152	184	175	Continuing inflationary pressures are such that it is challenging to secure budget reductions as contracts are being re-tendered. Contract savings have been made or are planned for 2017/18 which impact on the Capital Account and the Housing Revenue Account.
Transformation Savings – Customer Services	A target of £0.295 million of savings was set for 2017/18 which reflected slippage in targeted savings from previous years and also an additional target for 2017/18.	114	180	235	239	The shortfall in delivery will be delayed until 2018/19.
Transformation Savings – Tactical Reductions in contracted hours	The target of £0.150 million will not been achieved in 2017/18	150	150	150	150	Progress in taking forward a voluntary reduction in hours initiative and promoting flexible retirement options have been delayed.
Scottish Government Grant	The distribution of amounts withheld by the Scottish Government when the budget was set is in excess of Midlothian's expected share.	0	(500)	(750)	(766)	No additional costs are associated with the higher than anticipated distribution.
Council Tax Income	A continued growth in Band D equivalents results in a higher than budgeted Council Tax yield.	(250)	(400)	(400)	(453)	The continued growth in Band D equivalents will be factored into Council Tax income budgets for future years.
Central Costs	The bad debt provision is recalculated on an annual basis and has reduced since 2016/17.	0	0	0	(160)	Gross sundry debt has reduced and the anticipated collectability of some of the remaining debt has improved.
	The provision for outstanding Insurance claims has reduced since 2016/17.	0	0	0	(34)	The expected settlement cost to the Council of existing insurance claims is based on the loss adjustors assessment of the likely settlement cost of each claim.
Investment Income	The dividend received from the Council's investment in Lothian Buses was higher than budgeted.	0	0	0	(71)	The 2018/19 budget was revised to reflect 2017/18 dividend levels.