

Financial Monitoring 2014/15 – General Fund Revenue – Material VariancesEducation, Communities and EconomyChildren's Services

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Additional information / Action taken
Non-residential services commissioned for children with disabilities	Higher than budgeted levels of demand for respite, day care and care at home for children with disabilities.	252	275	Demand and demographic pressures are being closely monitored and managed. They will be reflected in future years budgets.
Gross Overspend		252	275	
<i>Offset by:</i>				
Residential and day education placements	Control of demand is leading to a projected underspend for residential school and external care home placements.	(300)	(49)	This variance will be addressed as part of the 2015/16 budget setting process. The forecast underspend has fallen significantly as a result of 3 secure placements being made over the summer. The short term nature of secure placements means that future year savings targets should still be considered viable.
Children's Homes	Due to current lower than anticipated occupancy levels the residential units are operating with a vacant post and an underspend on locum staff.	(96)	(106)	A review of this service is underway as part of the Childrens Services review.
Non-residential services commissioned for children without disabilities	Control of demand is leading to a projected underspend for taxi services, aftercare placements and alternative methods of provision of supervised contact.	(92)	(86)	Demand and demographic pressures are being closely monitored and managed. This variance will be addressed as part of the 2015/16 budget process.
Family Placements	Change in the commissioning arrangements for adoptive placements and windfall income from a service provider.	(87)	(110)	This variance will be addressed as part of the 2015/16 budget setting process.

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Additional information / Action taken
Employee Vacancies and Performance Factor	Vacant post within the Hawthorn Children's Centre and Child protection.	(37)	(41)	Recruitment is underway to these vacant posts.
Other non-material variances	Miscellaneous over and undespends covering the remaining areas of the Children and Families budget.	(1)	(2)	
Net Underspend		(361)	(119)	

Communities and Economy

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Additional information / Action taken
Contaminated Land	Budget carried forward from 2013/14 will not be spent at the anticipated level.	0	(284)	One-off underspend.
Planning and Building Standards Fee Income	Higher than budgeted income from development management and building standards fees.	(190)	(205)	Conditions in the housing and commercial development markets are showing signs of recovery. This will be reflected in the 2015/16 budget.
Business Gateway Project	Budget carried forward from 2013/14 will not be required.	0	(113)	
Private Sector Housing Grants	Grants issued to date are lower than expected.	(53)	(53)	Demand led budget so open to significant fluctuation if there is a significant change in the volume or value of applications.
Employee vacancies and performance factor	Vacant posts.	(53)	(65)	No impact on frontline service.
Landlord Registration Income	Fees charged for Landlords.	(17)	(24)	No impact on frontline service.
Environmental Health Commissioning	Several budgets within the Environmental Health teams are forecast to underspend.	0	(25)	No impact on frontline service.
Other non-material variances	Minor variances reported across all sections.	0	3	No impact on frontline service.
Net Underspend		(313)	(766)	

Education

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Additional information / Action taken
Schools Devolved Budgets	Budgets devolved to schools for staffing and operational costs.	0	(392)	A combination of the use of newly qualified teachers and reduced need for temporary teachers results in an underspend for teaching staff. In addition the service is currently experiencing difficulty recruiting to some teacher vacancies.
PPP Contracts	Insurance costs are lower than provided for in the contract which leads to a refund from the contractor.	0	(63)	The benefit of lower insurance costs that in the contract is shared between the contractor and the Council.
	Negotiations have been ongoing for a while over third party income sharing. Agreement was reached and a refund of £141k was paid by the contractor to the Council.	0	(141)	Windfall income.
Lifelong Learning and Employability programme delivery	Underspends within various programmes including Employability, Opportunities for All, Community Based Adult Learning and Youth Work.	38	(148)	The Management Review has led to significant changes in these services. Further service reviews are to be carried out in the immediate future. The new service needs time to consolidate existing plans and develop new plans.
Surestart	A change to the payment schedule results in an underspend of one quarters payment.	0	(108)	This is a one-off variance for 2014/15 and there is no impact on frontline service delivery.
Home to School Transport	The cost of providing routes required by the service is lower than provided for in the budget.	0	(42)	This variance will be addressed as part of the budget setting process.
Other non-material variances	Minor variances reported across all sections.	0	(32)	No impact on frontline service.
Net Overspend /(Underspend)		38	(926)	

Health and Social Care

Adult Social Care

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Additional information / Action taken
Residential Homes for Older People	Projected overspend mainly at Newbyres Village due to the requirement to use locum staff and overtime to cover gaps in the rota.	440	555	<p>The majority of the overspend is a direct consequence of high sickness absence levels. Additional management support is in place at Newbyres Village to allow the manager to concentrate on the issues which underlie the current overspend. Work is under way with managers to set targets and timeframes in which to deliver improvements.</p> <p>High levels of absenteeism have been a continuing issue over a number of years. Existing processes have been applied by managers but improvements have not been sustained. The situation will now be addressed by bringing in external scrutiny for a diagnostic exercise over a 6 to 8 week period to gain a better understanding of the underlying contributory factors leading to the unacceptably high levels of sickness absence. This will be followed by the production of an improvement plan.</p> <p>A review of the staffing structure in both residential homes is on hold whilst current overspend issues are being addressed.</p>
Community Care Resource Panel	Demand has risen since Q1 and currently exceeds budget.	(32)	243	<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>Work is ongoing within fieldwork to review packages of care.</p>
Aids and Adaptations	Higher than budgeted level of demand.	60	74	Demand and demographic pressures are being closely monitored and managed.
Home Care / Rapid Response Team	Projected overspend on staff travel due to the increase in referrals to the service over the last 2 years.	59	75	The Rapid Response Team is considering the option of acquiring a van for on-call use which may lead to cost savings.

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Additional information / Action taken
	Projected overspend on employee costs.	0	52	There has been a requirement within the reablement team to work additional hours because of a need to provide care packages beyond 6 weeks while waiting for external provider capacity to take on packages and the need to deal with hospital discharges because of delayed discharge pressures.
Cherry Road, Community Action Team and Shared Lives	Non-achievement of employee performance factor.	51	102	The 2014-15 budget assumed implementation of a new staffing structure from 1 st April 2014. This will not now be complete until 31 st December 2014 and this slippage is contributing to the overspend on staffing. Maintaining staffing levels helps reduce pressure on the resource panel budget. Management action is being taken to minimise the use of agency staff.
Gross Overspend		578	1,101	
<i>Offset by:</i>				
Fieldwork Staffing	Projected underspend on employee costs due to vacant posts.	(127)	(59)	
Learning and Development	Spend has been constrained to counter pressures elsewhere in the service.	(112)	(132)	No impact on frontline service and offsets cost of essential cover for front-line staff with mandatory training requirements.
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.	0	(104)	No impact on frontline service.
Criminal Justice	Projected spend is less than budgeted and a proportion of Scottish Government funding can be used to cover management and other overheads.	(48)	(47)	No impact on frontline service.
Management and Administration	A projected underspend on employee costs due to vacant posts.	(37)	(39)	No impact on frontline service.
Other non material variances	Miscellaneous over and undespends covering the remaining areas of the Adult Social Care Budget.	(89)	(53)	No impact on frontline service.
Net Overspend		165	667	

Customer and Housing Services

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 as a consequence of difficulty in moving on existing clients from Bed and Breakfast accommodation (B and B) due to lower turnover of available permanent housing due to phase 2 of the new social housing programme.	55	61	The budget provided for an average 84 B and B places per week and it is anticipated there will be an average of 87 places. Action is being taken to reduce this with alternative options being developed across all available tenures.
Community Safety	Non-achievement of shared analyst service planned as part of 2014/15 budget development.	17	17	This will be factored into the 2015/16 Budget Setting process.
Other non-material variances	Miscellaneous over and undespends covering the remaining areas of the Customer and Housing Services budget.	1	28	No impact on frontline service.
Net Overspend		73	106	

Resources

Commercial Services

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Additional information / Action taken
Waste Disposal Charges	Haulage costs for transporting waste to Easter Langlee not included in the 2014/15 budget.	250	246	The 2014/15 budget was based on there being no charge for haulage. This will be factored into the 2015/16 budget.
	Tonnage variances from budget and additional recycling income.	0	(84)	Overall waste tonnages are lower than budgeted giving rise to reduced disposal costs. Recycling tonnages are slightly higher than budget giving rise to increased rebates.
Fleet Services	Cost of vehicle parts will exceed budget	0	105	A full review of cost per vehicle is underway to help understand what factors are contributing to the overspend.
Travel and Fleet Services	Costs of Vehicle Road Fund Licences due to change in fleet profile.	16	16	The 2015/16 base budget will be reviewed.
Employee Costs	One-off payment to School Crossing Staff whose contractual hours have altered.	44	44	One-off cost.
	Staff vacancies are insufficient to meet the employee performance factor.	76	28	Since Q1 some vacancies have arisen which have contributed to the performance factor.
Vogrie Country Park income	Golf course use is lower than anticipated.	20	20	Despite running a number of promotions, income at Vogrie for golf and parking remain below budget.
	Parking income is not expected to achieve the income target.	15	15	Usage of paid parking is lower than anticipated.
Roads Services Fee Income	Lower than anticipated number of new road openings and a drop in the number of defect inspections deemed necessary. This has consequently resulted in an underspend in fee income.	25	25	The 2015/16 base budget will be reviewed.
Gross Overspend		446	415	
<i>Offset by:</i>				
Supported Buses	The replacement of service 328 with a ring and go service has resulted in reduced cost due to	(35)	(35)	Further changes to this service are currently being explored.

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Additional information / Action taken
	low demand for the revised service.			
Burial Grounds	Income is projected to exceed budget.	0	(15)	No impact on frontline service.
Traffic Warden Service	Council on 24 th March approved a supplementary estimate of £24,000 to fund the Traffic Warden service for 12 months. Since then costs have been negotiated downwards.	(11)	(11)	A further report to Council before the end of the financial year will outline the up to date position.
Net Overspend		400	354	

Finance and Integrated Service Support

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Additional information / Action taken
Insurance Claims	Impact of potentially high value claim for Mesothelioma which is not covered by the Councils insurance policies.	0	197	The Council's claims handlers have advised to on the value to provide for this claim. As the situation becomes clearer the estimated settlement value will be revised.
Mi-Future	The costs of staff currently in SWITCH and projected to remain in SWITCH exceeds budget.	205	128	6 months budget is moved to Switch with displaced employees. The Mi-Future team continues to work towards a satisfactory resolution for each employee in SWITCH. Employees moving into new jobs and others accepting voluntary severance have reduced the projection from Q1.
	Purchase of additional Strength Assessment Tool	0	17	A fee is payable for each on-line Strength Assessment completed as part of the recruitment process.
The former Hopefield Primary School	The former Hopefield Primary School is being used as an archive and also for other storage.	31	40	No budget was provided as it was anticipated this facility would not be in operational use.
Employee Performance Factor	The budgeted employee performance factor in is not expected to be achieved.	0	65	There are insufficient vacancies in these areas
Central Postages	The volume and cost of postages exceeds budget.	0	30	Despite changing suppliers and securing better prices the volume and mix of postages continues to exceed budget. Work continues to address this.
IT Supplies	Cost of printer consumables exceeds budget	0	31	Introduction of multi-function devices should generate efficiencies.

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Additional information / Action taken
Gross Overspend		236	311	
<i>Offset by:</i>				
Other non-material variances		0	(26)	No impact on frontline service.
Net Overspend		236	285	

Properties and Facilities Management

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Additional information / Action taken
Bonnyrigg Leisure Centre	Security and Rates costs for the former Leisure Centre.	84	84	This will continue until a final decision is taken on any future use of the centre.
Sport and Leisure Income	Outdoor sports pitches at the Lasswade Centre are not yet available for use.	16	16	The business case for the new centre assumed income would be generated in this financial year. Pitches are expected to be available in spring 2015.
	The volume of Free Lets which reduce capacity for charges exceeds budget.	20	20	The 2015/16 base budget will be reviewed.
Gross Overspend		120	120	
<i>Offset by:</i>				
Employee Performance factor	Vacancies across the service have resulted in and over achievement of the employee performance factor	(25)	(2)	No impact on frontline service.
Net Overspend		95	118	

Other

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Additional Information / Action taken
Loan Charges	Since setting the 2014/15 budget the cost of borrowing to finance the General Services Capital Plan has reduced due to slippage which has allowed deferral of long-term borrowing. Also, returns on cash invested exceeds budget due to accessing some higher interest fixed term deposits.	0	(470)	Projects that have slipped will now fall into 2015/16 so borrowing costs are only delayed.
Procurement	A target of £705k for procurement savings was set in 2014/15. This target is not anticipated to be met in full.	150	505	The Procurement Contract Delivery Plan 2013-17 has been agreed by Business Transformation Board and progress is being made towards savings targets although there is some slippage in some areas in 2014/15 which has reduced potential savings and there are also contract savings which impact on the Capital Account and the Housing Revenue Account.
ISS Review	The target of £750k for ISS will not be achieved in full in 2014/15 with £600k projected to be achieved which is a part year impact.	300	150	The full year effect of ISS savings is reflected in the Financial Strategy for 2015/16 to 2017/18.
Maximising Attendance	The target of £155k will not be achieved in 2014/15.	0	155	Work continues to generate savings through maximising attendance.
Council Tax and Community Charge Income	A continued growth in Band D equivalents results in a higher than budgeted Council Tax yield.	(500)	(600)	The continued growth in Band D equivalents has been factored into Council Tax income budgets for 2015/16 and beyond.