

## 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	Additional information / Action taken
Vacancies and performance factor	Projected underspend due to vacancies and cost of Members.	(30)	(27)	(9)	
<b>Net Underspend</b>		<b>(30)</b>	<b>(27)</b>	<b>(9)</b>	

### Place Directorate

#### Corporate Solutions

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £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 review.</p> <p>Vacancies across the service are projected to save £0.401 million.</p>	(142)	(455)	(401)	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 impact of Universal Credit.	0	0	129	Legislative changes result in a lower the 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	Additional information / Action taken
					Latest projections are based on the DWP mid-year estimate returns completed after Q2.
Other non-material variances	Miscellaneous over and underspends covering the remaining areas of the Service.	(7)	(5)	(27)	
<b>Net Underspend</b>		<b>(149)</b>	<b>(460)</b>	<b>(299)</b>	

### Place

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Additional information / Action taken
Winter Maintenance	Based on current spend and weather conditions there is a projected overspend of £0.330 million.	0	0	330	Further incidents of severe weather between writing of the report and the end of the year could significantly impact on this forecast.
Fleet Services	Cost of vehicle repairs mainly relating to external works. This is partially offset by vacancies within the service.	0	61	118	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.
Commercial Properties	Shortfall of rental income partially offset by some cost savings.	83	55	68	Unoccupied premises account for approximately 8% of targeted budget income.
Land & Countryside	Income from Burials.	178	163	168	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 charges 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	Additional project measures requiring Council approval were passed on 25 August.  Delivery date: implementation forecast by Q2 2021/22
Traffic Signal Maintenance	Increasing number of signals to be maintained due to growth in their overall number.	35	35	25	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	0	(41)	131	The Financial Strategy will be updated to incorporate the most up to date inventory.

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Additional information / Action taken
	subsequently used for billing has resulted in both an increased projected cost for the year and backdated charges.				
Other non-material variances	Miscellaneous over and underspends covering the remaining areas of the Service.	(6)	1	(38)	
<b>Gross Overspend</b>		<b>353</b>	<b>337</b>	<b>865</b>	
<i>Offset by:</i>					
Housing & Homelessness	<p>Increased provision at Eastfield supported temporary accommodation has resulting in increased service charge income of £0.136m. This is partially offset by increased concierge charges of £0.080m.</p> <p>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.</p>	<p>(136)</p> <p>(114)</p>	<p>(56)</p> <p>3</p>	<p>(56)</p> <p>(20)</p>	<p>The regulatory target date to reduce the usage of Bed and Breakfast spaces to a maximum of 7 nights stay has been rescheduled to January 2021. Plans to reduce B&amp;B numbers are on track to be fully implement during this year.</p>
<b>Net Overspend</b>		<b>103</b>	<b>284</b>	<b>789</b>	

## 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	Additional information / Action taken
Other Non-Material Variances	Miscellaneous over and underspends covering the remaining areas of the Service.	5	7	5	
<b>Gross Overspend</b>		<b>5</b>	<b>7</b>	<b>5</b>	
<i>Offset by:</i>					
Leisure Services running costs	<p>Projected underspend in running costs of £0.129m.</p> <p>This underspend reflects the expected service position prior to the pandemic. There is a significant divergence from budget as a result of the closure of facilities and subsequent restricted opening and this is set out in Appendix 3 to the COVID financial update report also on today's agenda</p>	(185)	(131)	(129)	<p>It remains challenging to project the impact of the current situation on this budget.</p> <p>Any changes to opening times or the ability of services to operate could result in a significant impact on this figure.</p>
Community Safety	A projected underspend on staffing within the Resolution and Mediation Team.	(21)	(22)	(22)	
<b>Net Underspend</b>		<b>(201)</b>	<b>(146)</b>	<b>(146)</b>	

### Childrens Services, Partnerships and Communities

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Additional information / Action taken
<b>Children's Services</b>					
Family Placements	COVID has seen an increase in larger families requiring additional support from the family placement team. The increase in Kinship placements requires additional support from Children's Service staff to ensure the placement is fully supported.	46	126	100	<p>There has been an increase in the number of children accommodated during COVID and whilst the majority have gone into kinship care this continues to require both resources and financial support from the service going forward.</p> <p>Costs relating to adoptions can be difficult to project due to uncertainty of court dates for hearings and granting of adoptions and also the complex nature of the work.</p>
Residential and Day Education Placement	There has been a slight increase in residential placements being required for our younger children (5 -10) years in particular alongside some placements continuing for longer than previously forecast due to COVID restrictions.	89	68	337	<p>This continues to be a high risk and uncertain area. Individual placements can be both uncertain and expensive. As a consequence there is a risk of forecasts changing significantly as the year progresses. COVID has meant that some young people have not been able to move on to college or their own tenancy as quickly as hoped.</p> <p>Work is ongoing to consider alternative approaches for this age group but a key priority is to care for and educate young people within their own community.</p>
Other non-material variances	Miscellaneous over and underspends covering the remaining areas of the service budget.	4	(4)	(48)	No impact on frontline services
<b>Gross Overspend</b>		<b>139</b>	<b>190</b>	<b>389</b>	
<i>Offset by:</i>					
Non-residential services commissioned and provided for Children with and without disabilities	Taxi costs for children without disabilities.	(35)	(46)	(54)	A review of all taxi spend across Children's Services and Education was underway pre-COVID. However, resources were subsequently realigned to other areas of critical work. Current restrictions have reduced the spend on taxis as children and young people cannot move between schools or placements.
	Commissioned Services.	(174)	(278)	(292)	Additional support packages for children or young people

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Additional information / Action taken
					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. However, the impact on families when children are unable to have mini breaks or receive additional support from other services remains a concern and the pressure on families is significant.
Vacancies and Performance Factor	Staff turnover during 2020/21.	0	0	(65)	
<b>Net Overspend / (Underspend)</b>		<b>(70)</b>	<b>(134)</b>	<b>(22)</b>	
<b>Partnerships and Communities</b>					
Vacancies and Performance Factor	There is a forecast overspend mainly relating to casual tutor staffing alongside non achievement of the Employee performance factor.	81	(11)	(32)	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)	
<b>Net Overspend / (Underspend)</b>		<b>55</b>	<b>(28)</b>	<b>(102)</b>	
<b>Service Net Underspend</b>		<b>(15)</b>	<b>(162)</b>	<b>(124)</b>	

## Education

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £000	Additional information / Action taken
Charging for Music Tuition	A projected 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	A further update will be provided once there is clarification on exam processes. The service is preparing to adapt its delivery model as a result of national advice and digital devices and risk assessments of suitable spaces within school buildings are underway.
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	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 a supplementary estimate should have been sought to increase the funding allocated when the arrangements changed.
Other non-material variances	Miscellaneous over and underspends covering the remaining areas of the service budget.	61	(60)	(34)	This includes contractual change notices relating to PPP schools.
<b>Gross Overspend</b>		<b>315</b>	<b>194</b>	<b>220</b>	
<i>Offset by:</i>					
Schools	Schools are projected to underspend by £0.753 million. In accordance with current DSM rules allowing a carry forward of up to 1% for each school, £0.343 million of this would available for carry forward to 2021/22 thus leaving an underspend of £0.410 million.	(416)	(127)	(410)	Within the £0.753 million is: 1) A 1% carry forward of £0.343 million; 2) Budget of £0.410 million not currently allocated under the DSM scheme.
Home to School Transport	The projected cost of journeys is lower than budgeted.	0	0	(200)	A detailed analysis of contracts in place and payments made in 20/21 is ongoing. Projections at this stage are liable to change.
<b>Net Overspend / (Underspend)</b>		<b>(101)</b>	<b>67</b>	<b>(390)</b>	

**Other**

Description of Variance	Reason for Variance	Quarter 1 £000	Quarter 2 £000	Quarter 3 £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)	
	Projected overspend of £0.651 million mainly due to apportionment of Loans Fund Interest costs between General Fund and HRA.	0	651	725	Loans Fund interest costs are split between HRA and General Fund based on Loans Fund Advances in each. Projections for 20/21 indicate that capital expenditure and associated Loans Fund Advances will be 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)	Forecasts of Capital Expenditure over the remainder of 20/21 are subject to considerable risk, particularly in HRA, and may impact further on this position.  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.
Central Costs – Insurance	During Q3 there some higher value new claims against the council.	0	0	57	As insurers and loss adjusters review the detail of each claim it is possible that the provisions made will either reduce or disappear. This may ease pressure.
<b>Net Underspend</b>		<b>0</b>	<b>(537)</b>	<b>(405)</b>	