

REVENUE BUDGET MONITORING REPORT – SEPTEMBER 2011
CORPORATE OVERVIEW

FORECAST OUTTURN – UNDERSPEND £118,215

This Corporate Overview summarises the revenue budget position of the Council as at 30 September 2011. The overall outturn variance is forecast to be an underspend of £118k based on the September budget monitoring exercise.

1. CURRENT FINANCIAL POSITION

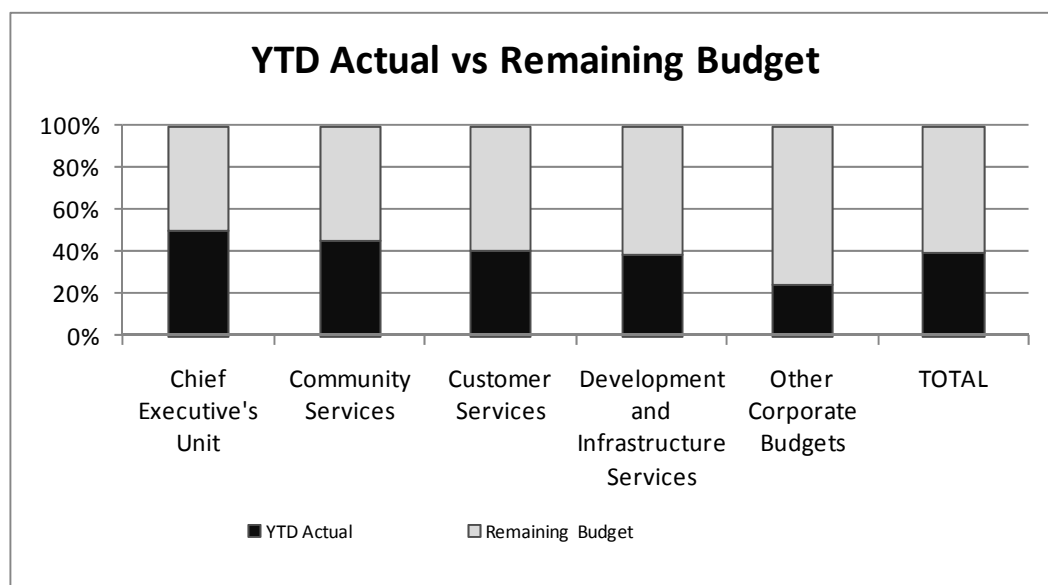
The overall Council financial statements are included as appendices to this report. An overall Objective Summary is included in Appendix 1 and the overall Subjective Summary for the Council is included as Appendix 2.

YEAR TO DATE POSITION

As at the end of September 2011 there is a year to date surplus of £5.357m. The main reason for this within departmental budgets is the profiling of budgets and the timing differences with payments being made.

The material year to date underspend is not an indication of the year-end outturn position.

The graph below shows the expenditure to date against the remaining budget for each Department. This is a high level summary to give an indication of the proportion of controllable budget that each Department has spent to date. The dark shade represents the actual expenditure to date as a percentage of total budget and the lighter area at the top represents the available/remaining budget.



FORECAST OUTTURN POSITION

The current forecast outturn position as at the end of September 2011 is a forecast underspend of £118k. Overall there is a projected underspend of £10k within departmental budgets, and an additional underspend of £108k forecast for non-departmental budgets.

The underspend of £108k outwith departmental budgets is in respect of income the Council has received in relation to the Fleming VAT claims, there has been £338k of one-off income that was not budgeted for. The Council may receive further additional income in respect of outstanding claims but at this point in time we cannot predict which claims will be successful. Of this £338k of income a total of £230k was agreed by Executive on 29 September to be used to support events and festivals, the forecast outturn position has been updated for this commitment.

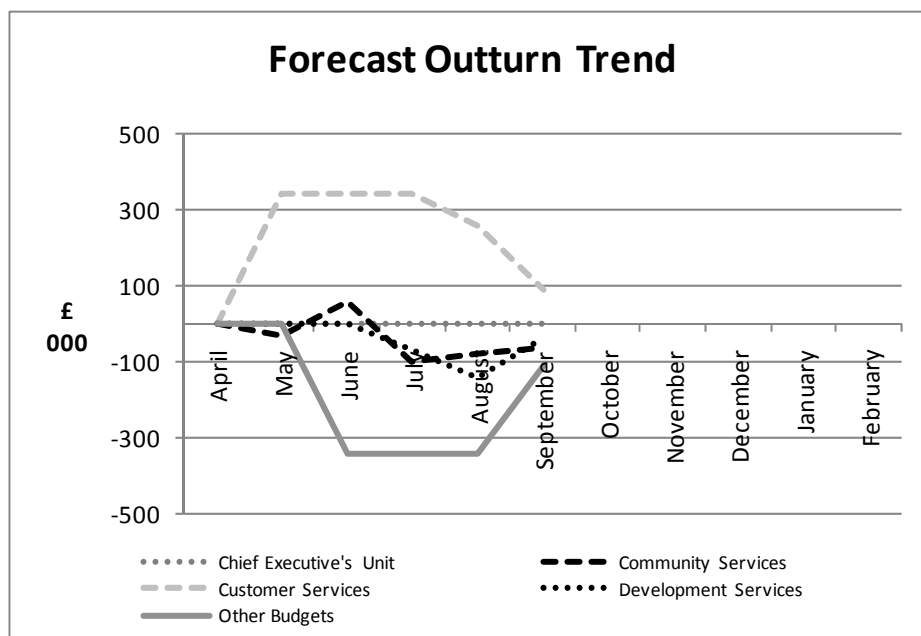
Community Services are projecting an underspend of £64k. The Education service is projecting an overspend of £89k in relation to a delay in savings being achieved for the school AFA review and the education central administration staff review. Children and Families are projecting an overspend of £42k, this consists of an overspend in Supporting Young People Leaving Care of £127k which is partly offset by an underspend in residential placements. There is an underspend of £226k within Adult Care. The main reasons for this being an underspend of £97k in Learning Disability, which has been identified as part of the Year 3 service review, and an underspend of £389k in Care Home Placements due to a recovery of monies from residential charging orders and the projections reflecting the current level of commitment on the budget. These savings are partly offset by overspends in Supported Living of £271k.

Customer Services are projecting an overspend of £91k. The overspend lies in Facility Services and is in respect of Public Transport. The overspend reflects the current level of commitment on the budget and is partly due to higher inflation than budgeted on contracts and delays in agreeing the sourcing strategy for contract renewals resulting in the savings not being achieved until 2012-13. The projected overspend in this area has reduced by £170k from the August monitoring period as a result of updating projections for the current level of commitment on the budget and by identifying other uncommitted areas of the service budget.

Development and Infrastructure Services are projecting an underspend of £37k. This forecast underspend is within Roads and Amenity Services, and consists of an underspend in Waste Collection of £130k due to an increase in income and an underspend in Streetscene of £380k due to employee budget savings. These underspends are offset by an overspend in Piers and Harbours of £188k because of reduced fishing landing dues, an overspend in Airfields of £134k due to reduced income and the increased cost of PSO flights and an overspend in car parks of £140k due to reduced car parking income levels.

Departments will continue to closely monitor the projected outturn position and report any anticipated budget over/underspends through the budget monitoring process.

The line graph below shows the movement in the forecast outturn position for each Department from the start of the financial year.



2. FINANCIAL SUCCESSES, CHALLENGES, RISKS AND FUTURE ACTIONS

<p style="text-align: center;"><u>SUCCESSSES</u></p> <p>Departmental expenditure in 2010-11 was kept within budget with an overall year-end underspend of £1.933m.</p> <p>Departments are on target to meet efficiencies and other savings</p> <p>The Council has secured £338k so far in 2011-12 in relation to successful Fleming case claims</p>	<p style="text-align: center;"><u>CHALLENGES</u></p> <p>Maintaining favourable/balanced forecast outturn position in light of Council wide risks to expenditure</p> <p>Ongoing service reviews and challenges faced in terms of delivering services more efficiently with less resources</p> <p>Ensuring that savings options agreed as part of 2011-12 budget process are implemented and fully achieved</p>
<p style="text-align: center;"><u>RISKS</u></p> <p>Increasing demand for services with reduced resources could lead to an adverse outturn position</p> <p>Winter Maintenance spend, the outturn position for 2010-11 was £1.7m. There is no way of predicting if there will be a recurring overspend in this area in 2011-12</p>	<p style="text-align: center;"><u>FUTURE ACTIONS</u></p> <p>Ongoing robust monitoring of the financial position to ensure that any budget issues are fed back to the management team and members through the budget monitoring process</p> <p>Continually refine/develop systems to accurately calculate forecast outturns and the future years financial outlook</p>

3. EFFICIENCY SAVINGS AND OTHER BUDGET SAVINGS

The table below summarises the total efficiency savings and other specific savings allocated to Departments, along with the amount of savings realised to date:

Type of Saving	Target	Actual	Remaining
Efficiency Savings	£5,004,213	£3,668,160	£1,336,053
Council Wide Savings	£314,016	£157,014	£157,002
Cost Centre Review Savings	£288,835	£260,710	£28,125
Vacancy Savings	£1,382,467	£1,061,845	£320,622
Totals	£6,989,531	£5,147,729	£1,841,802

These savings were removed from service budgets at the start of the year as part of the budget setting process, departments will monitor the budgets throughout the year to ensure these are achieved.

Overall services are on track to meet their efficiency savings. 74% of the total target has been achieved as at the end of September. A number of the savings relate to reductions to staffing budgets which have been achieved with the removal of posts.

Council Objective Summary as at 30 September 2011

Appendix 1

	YEAR TO DATE POSITION			CURRENT PROJECTED FINAL OUTTURN			PREVIOUS PROJECTED FINAL OUTTURN		
	YTD Actual	YTD Budget	YTD Variance	Annual Budget	Forecast Outturn	Forecast (over)/under spend	Forecast Outturn	Additional Funding / Transfers	Variance from Previous Outturn
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Departmental Budgets</u>									
Chief Executives	2,856	2,656	-200	5,731	5,731	0	5,731		0
Community Services	61,839	63,447	1,608	135,315	135,251	64	134,772	467	-12
Customer Services	13,061	13,953	892	31,794	31,885	-91	32,055		170
Development and Infrastructure Services	12,421	14,136	1,715	32,346	32,309	37	31,295	908	-106
Total Departmental Budgets	90,177	94,192	4,015	205,186	205,176	10	203,853	1,375	52
<u>Other Corporate Budgets</u>									
Other Operating Inc & Exp	1,317	2,876	1,559	4,388	4,280	108	4,050		-230
Joint Boards	7,521	7,519	-2	15,044	15,044	0	15,044		0
Treasury Management	178	0	-178	0	0	0	0		0
Non-Controllable Costs	5,389	5,352	-37	40,112	40,112	0	40,112		0
Total Corporate Budgets	14,405	15,747	1,342	59,544	59,436	108	59,206	0	-230
TOTAL NET EXPENDITURE	104,582	109,939	5,357	264,730	264,612	118	263,059	1,375	-178
<u>Financed By</u>									
Aggregate External Finance	-97,363	-97,363	0	-211,975	-211,975	0	-211,975		0
Local Tax Requirement	-27,238	-27,238	0	-44,800	-44,800	0	-44,800		0
Contributions from General Fund			0	-5,870	-5,870	0	-5,870		0
Earmarked Reserves			0	-2,085	-2,085	0	-710	-1,375	0
Total Funding	-124,601	-124,601	0	-264,730	-264,730	0	-263,355	-1,375	0
Deficit/(Surplus) for Period	-20,019	-14,662	5,357	0	-118	118	-296	0	-178

Council Subjective Summary as at 30 September 2011

Appendix 2

Subjective Category	YEAR TO DATE POSITION			CURRENT PROJECTED FINAL OUTTURN		
	YTD Actual	YTD Budget	YTD Variance	Annual Budget	Forecast Outturn	Forecast (over)/under spend
	£'000	£'000	£'000	£'000	£'000	£'000
Employee Expenses	65,878	67,181	1,303	141,389	140,834	555
Premises Related Expenditure	6,545	7,726	1,181	14,479	14,502	-23
Supplies and Services	10,671	9,467	-1,204	19,892	19,953	-61
Transport Related Expenditure	5,992	6,170	178	18,257	18,282	-25
Third Party Payments	64,692	62,783	-1,909	131,520	132,170	-650
Capital Financing	-1,186	0	1,186	29,919	29,919	0
TOTAL NET EXPENDITURE	152,592	153,327	735	355,456	355,660	-204
Income	172,611	167,989	-4,622	355,456	355,778	-322
Deficit/(Surplus) for Period	-20,019	-14,662	5,357	0	-118	118

**ARGYLL AND BUTE COUNCIL
DEPARTMENT: CHIEF EXECUTIVE'S UNIT
BUDGET MONITORING REPORT – SEPTEMBER 2011**

This report summaries the financial position of Chief Executive's Unit as at 30 September 2011. There are currently no forecast outturns, therefore, the department are projecting to come in on budget. Further detail is provided within this report along with other financial issues affecting the department.

Content	Page No.
Financial Successes, Challenges, Risks and Future Actions	2
Efficiency Savings and Other Budget Savings	2
Objective Summary	3
Subjective Summary	4
Red Variances	5
Departmental Budget v Actual Graph	6

FINANCIAL SUCCESSES, CHALLENGES, RISKS AND FUTURE ACTIONS

SUCSESSES	CHALLENGES	RISKS	FUTURE ACTIONS
The Chief Executive's Unit 2010/11 year-end outturn was an underspend of £16k after accounting for funds to be earmarked for service development.	Implement/realise savings agreed as part of the budget setting process and to continue to deliver the same level of service with reduced resources. Savings were in the most part staffing related, there is limited scope within the section to cover for unexpected costs.	Major projects such as the Council Modernisation and Process for Change fall under the CEU. There is the risk of these not keeping within budget.	Close monitoring of budgets, ensuring a favourable outturn position for the CEU.
Both Improvement & Strategic HR and Strategic Finance are forecasting to bring in expenditure in line with budget for 2011/12.	Ongoing Support Services service review, challenge of identifying and implementing savings options to meet the savings target.	Budgetary impact of Single Status and Equal Pay.	Prompt highlighting of and processing of forecast variances.

EFFICIENCY SAVINGS AND OTHER BUDGET SAVINGS

Type of Saving	Target	Actual	Remaining	Explanation
Efficiency Savings	£406,703	£406,703	£0	Efficiency savings relate to the removal of vacant posts and the acceptance of voluntary redundancy, all savings have been fully achieved.
Vacancy Savings	£93,197	£93,197	£0	Part of additional vacancy saving target applied across Council, vacancies have been removed from establishment.
Unallocated Staff Reductions	£105,675	£105,675	£0	Unallocated staff savings target in Improvement and HR, full savings target has been achieved for 2011-12 with budget being reduced in other areas to offset savings target.
Totals	£605,575	£605,575	£0	

OBJECTIVE SUMMARY

Service	YTD Actual	YTD Budget	YTD Variance	% Variance	Annual Budget	Projected Variance	Projected Final Outturn	% Variance	Explanation
Chief Executive	£134,491	£104,949	-£29,542	-28.15%	£228,444	£0	£228,444	0.00%	Overspend as a result of Support Service Review consultancy costs, these will be recharged to the 3 services at the year-end when all costs have been incurred.
Head of Improvement and Strategic HR	£1,670,683	£1,531,659	-£139,024	-9.08%	£3,483,684	£0	£3,483,684	0.00%	Overspend relates to Process for Change cost centres (£180k), budget is required to be transferred from earmarked reserves to offset these costs, this will be addressed in the October monitoring period. This is partly offset by an underspend in Learning & Development mainly due to no training being delivered so far this year.
Head of Strategic Finance	£1,017,361	£1,019,550	£2,189	0.21%	£2,019,118	£0	£2,019,118	0.00%	Outwith reporting criteria
Equal Pay	£33,210	£0	-£33,210	100.00%	£0	£0	£0	0.00%	Equal Pay Legal Fees.
Totals	£2,855,745	£2,656,158	-£199,587	-7.51%	£5,731,246	£0	£5,731,246	0.00%	

A positive figure in the YTD Variance column indicates a favourable YTD underspend compared to the profiled YTD budget, a negative figure therefore indicates that the YTD spend has exceeded the profiled budget for the period.

A positive figure in the Projected Variance column indicates a favourable position in terms of the projected final outturn position, i.e. an underspend. Therefore a negative figure in this column indicates an adverse position or projected overspend for the year-end.

SUBJECTIVE SUMMARY

Subjective Category	YTD Actual	YTD Budget	YTD Variance	% Variance	Annual Budget	Projected Variance	Projected Final Outturn	% Variance	Explanation
Employee	£2,537,967	£2,499,887	-£38,080	-1.52%	£5,458,197	£622	£5,457,575	0.01%	Outwith reporting criteria
Premises	£13,672	£2,432	-£11,240	-462.17%	£4,865	£0	£4,865	0.00%	Outstanding budget transfer from earmarked reserves for Process for Change in relation to property costs for Workforce Deployment.
Supplies & Services	£209,078	£83,117	-£125,961	-151.55%	£178,756	£0	£178,756	0.00%	Overspend in Learning and Development for Licences for E-Learning and Internet Advertising and overspend in Policy and Strategy Corporate Support (Funding and Research) for IDOX Membership. Overspend in Social Work Training for Staff Training Courses and in Operational HR due to the top slice of the IT budgets. Additional overspend in relation to purchase of computers in Workforce Deployment and an additional overspend is in relation to legal advice for Equal Pay claims (£33k).
Transport	£40,495	£51,016	£10,521	20.62%	£102,049	-£622	£102,671	-0.61%	Travel costs are profiled equally across each month, travel expenditure to date is less than profiled budget.
Third Party	£86,726	£33,470	-£53,256	-159.12%	£183,985	£0	£183,985	0.00%	Overspend relates to Consultancy costs for the Support Service Review, these costs will be funded by the services subject to the review and a transfer will be processed at the year-end to re-charge the services. Additional overspend due to private contractor payments in the Development Services Finance Team for Asset Management, budget will be transferred during the October monitoring period to cover this cost. The remainder of the variance is due to profiling of budgets.
Income	-£32,194	-£13,764	£18,430	133.90%	-£196,605	£0	-£196,605	0.00%	Variance due to Drive Safe income received against no budget - Drive Safe budget has not yet moved over to Strathclyde Fire and Rescue. Also Bord na Gaidhlig income received, a budget will be created for this income and offsetting expenditure.
Totals	£2,855,744	£2,656,158	-£199,586	-7.51%	£5,731,247	£0	£5,731,247	0.00%	

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RED VARIANCES

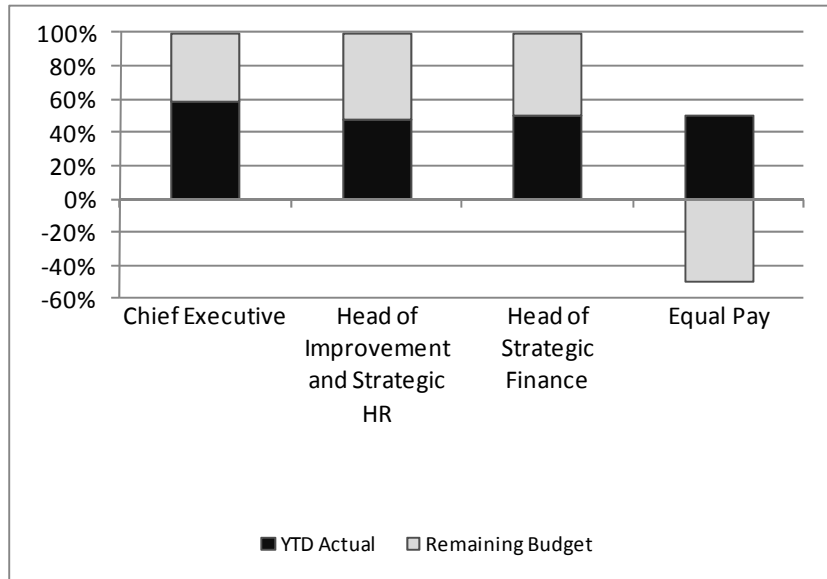
Cost Centre Description	Annual Budget	Projected Variance	Projected Final Outturn	% Variance	Explanation
There are no red variances to report this month.					

DEPARTMENTAL BUDGET v ACTUAL GRAPH

The graph below highlights the expenditure to date against the remaining budget per Head of Service. This is a high level graph designed to help have an overall view of how much of the service budget has been spent to date.

The dark area represents the actual expenditure to date as a percentage of the total budget.

The lighter area at the top displays the remaining available budget as a percentage of the total budget.



**ARGYLL AND BUTE COUNCIL
DEPARTMENT: COMMUNITY SERVICES
BUDGET MONITORING REPORT – SEPTEMBER 2011**

This report summaries the financial position of Community Services as at 30 September 2011. The overall departmental projection is currently an underspend of £63,430. Further detail is provided within this report along with other financial issues affecting the department.

Content	Page No.
Financial Successes, Challenges, Risks and Future Actions	2
Efficiency Savings and Other Budget Savings	2
Objective Summary	3
Subjective Summary	4
Red Variances	5
Departmental Budget v Actual Graph	6

FINANCIAL SUCCESSES, CHALLENGES, RISKS AND FUTURE ACTIONS

SUCCESSES	CHALLENGES	RISKS	FUTURE ACTIONS
Department on target to meet efficiency savings target.	Ensure efficiency targets are met	Efficiencies are not generated	On-going robust monitoring and forecasting
	Containing expenditure within budget	Adverse outturn increases	On-going robust monitoring and forecasting
	To develop supporting management information to complement financial summaries	Unable to source cost drivers /base data	On-going review and development
	Provision of financial information that is relevant timely, accurate and understandable to budget holders and decision makers	Information is inaccurate and out of date. Failure to demonstrate resources aligned with priorities	

EFFICIENCY SAVINGS AND OTHER BUDGET SAVINGS

Type of Saving	Target	Actual	Remaining	Explanation
Efficiency Savings	2,823,415	2,033,801	789,614	A number of the Education savings have been achieved from the new school term in August.
Cost Centre Review Savings	269,715	260,710	9,005	These savings will be fully achieved.
Vacancy Savings	540,706	391,015	149,691	Vacancy savings target includes part of the additional vacancy savings target applied across the Council, these vacancies have been removed from the establishment. Remaining vacancy savings recovered to August period.
Totals	3,633,836	2,685,526	948,310	

OBJECTIVE SUMMARY

Service	YTD Actual	YTD Budget	YTD Variance	% Variance	Annual Budget	Projected Variance	Projected Final Outturn	% Variance	Explanation
Executive Director of Community Services	263,480	280,092	16,612	5.93%	533,698	0	533,698	0.00%	Outwith Reporting Criteria
Head of Education	31,235,448	32,385,940	1,150,492	3.55%	65,340,527	-88,940	65,429,467	-0.14%	The projected overspend is due to delays in implementing the AFA and education central administration staff (SF51) service review savings. YTD variance mainly relates to the accruals done at the year end for electricity and awaiting the processing of the corresponding invoices
Head of Children and Families	7,425,128	7,509,409	84,281	1.12%	16,138,302	-41,711	16,180,013	-0.26%	The main contributing factors are overspend in supporting young people leaving care and Hostels. This is offset by underspends within residential placements, fusions and children's homes.
Head of Adult Care	17,988,076	18,291,320	303,244	1.66%	42,742,304	225,826	42,516,478	0.53%	The main contributing factors are underspends on learning disability and elderly residential, uncommitted learning disability budgets that have been identified during the year three service review. Also contributing is recovery of money from residential charging orders. This is offset by overspends within elderly homecare and supported living across all client groups. YTD variance is profiled related.
Head of Community and Culture	4,926,991	4,979,869	52,878	1.06%	10,559,912	-31,745	10,591,657	-0.30%	The overspend relates to janitors employed within community education centres. 57% relates to unbudgeted holiday cover and the remaining 43% relating to sickness
Totals	61,839,123	63,446,630	1,607,507	2.53%	135,314,743	63,430	135,251,313	0.05%	

A positive figure in the YTD Variance column indicates a favourable YTD underspend compared to the profiled YTD budget, a negative figure therefore indicates that the YTD spend has exceeded the profiled budget for the period.

A positive figure in the Projected Variance column indicates a favourable position in terms of the projected final outturn position, i.e. an underspend. Therefore a negative figure in this column indicates an adverse position or projected overspend for the year-end.

SUBJECTIVE SUMMARY

Subjective Category	YTD Actual	YTD Budget	YTD Variance	% Variance	Annual Budget	Projected Variance	Projected Final Outturn	% Variance	Explanation
Employee	40,516,470	40,817,031	300,561	0.74%	85,870,851	-196,931	86,067,782	-0.23%	The main contributing factors to the overspend are increased staffing requirement /costs within the council's own residential units. Also contributing are the shortfalls in savings from both leisure services and education central administration service reviews, these are due to delays in implementation. YTD variance is partly profiled related and partly due to vacancy saving for September still to be removed.
Premises	1,879,398	2,997,558	1,118,160	37.30%	6,595,873	-31,400	6,627,273	-0.48%	The overspend relates to janitors employed within community education centres, 57% relates to unbudgeted holiday cover and the remaining 43% relating to sickness. YTD variance mainly relates to the accruals done at the year end for electricity and awaiting the processing of the corresponding invoices.
Supplies & Services	4,005,470	4,296,452	290,982	6.77%	8,519,972	43,417	8,476,555	0.51%	The underspend is uncommitted learning disability budgets that have been identified during the year three service review. YTD variance is profile related
Transport	702,047	688,531	-13,516	-1.96%	1,494,330	0	1,494,330	0.00%	Outwith Reporting Criteria
Third Party	22,008,427	21,933,218	-75,209	-0.34%	48,528,282	-59,714	48,587,996	-0.12%	The main contributing factors to the overspend are in relation to supported living budgets, homecare and the supporting young people leaving care commitments being more than was anticipated. This is offset by underspends in learning disability, elderly, children and families residential, housing support services and uncommitted learning disability budgets that have been identified during the year three service review.
Income	-7,272,688	-7,286,159	-13,471	0.18%	-15,694,565	308,059	-16,002,624	1.96%	The projected outturn is due to an over recovery of income from the Council's residential units and a recovery of monies from residential charging orders .
Totals	61,839,124	63,446,631	1,607,507	2.53%	135,314,743	63,431	135,251,312	0.05%	

A positive figure in the YTD Variance column indicates a favourable YTD underspend compared to the profiled YTD budget, a negative figure therefore indicates that the YTD spend has exceeded the profiled budget for the period.

A positive figure in the Projected Variance column indicates a favourable position in terms of the projected final outturn position, i.e. an underspend. Therefore a negative figure in this column indicates an adverse position or projected overspend for the year-end.

RED VARIANCES

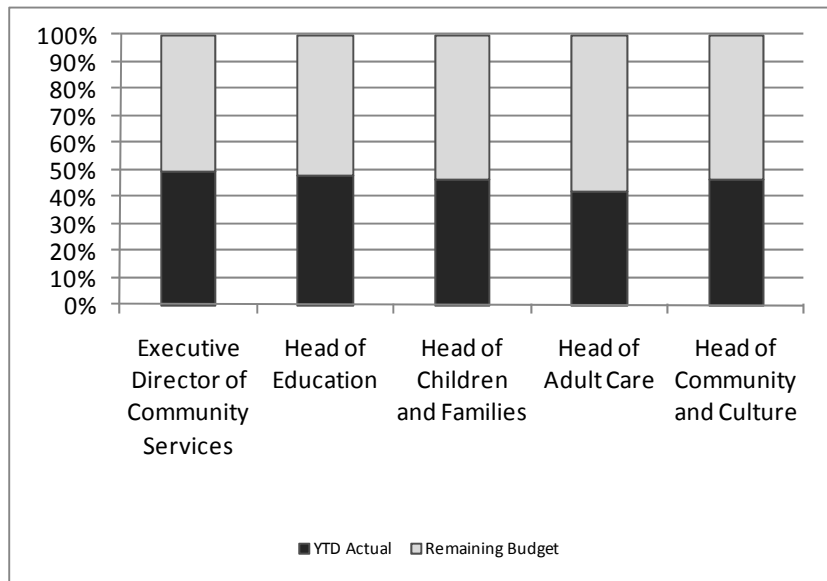
Cost Centre Description	Annual Budget	Projected Variance	Projected Final Outturn	% Variance	Explanation
Education Support	626,365	-40,000	666,365	-6.39%	The overspend is due to the delay in implementing staff savings as identified in the budget process 2011/12(FS51).
Education - Administration/Finance	217,287	-34,000	251,287	-15.65%	The overspend is due to the shortfall in savings achievable by AFA review a due to delay in implementing early retirements.
Children and Families - Residential Placements	1,327,762	75,000	1,252,762	5.65%	The projected underspend is due to the transfer of one client from a residential to a throughcare placement.
Supporting Young People Leaving Care	380,649	-127,487	508,136	-33.49%	This projected overspend is due to increase in demand for Throughcare packages, including transfers from residential packages, this is in excess of available budget.
Homecare	8,489,092	-129,000	8,618,092	-1.52%	This projected overspend reflects the current level of commitment which is greater than was budgeted.
Care Home Placements	8,293,719	389,000	7,904,719	4.69%	This projected underspend reflects the current level of commitment which is less than was budgeted, also contributing is the recovery of monies from residential charging orders.
Council Elderly Residential Units	4,133,819	34,410	4,099,409	0.83%	This projected underspend relates to increased staffing requirement /costs and is more than offset by an over recovery of income which is due to having more self funding clients than originally anticipated.
Physical Disability - Supported Living	465,436	-113,000	578,436	-24.28%	Demand led service area. Client base movement has resulted in projected commitment being in excess of available budget.
Learning Disability - Residential Care	2,422,684	114,000	2,308,684	4.71%	This projected underspend reflects the current level of commitment which is less than was budgeted .
Learning Disability - Supported Living	4,815,347	-52,000	4,867,347	-1.08%	Demand led service area. Client base movement has resulted in projected commitment being in excess of available budget.
Learning Disability - HQ	145,367	96,920	48,447	66.67%	The underspend is related to uncommitted learning disability budgets that have been identified during the year three service review.
Addiction/Substance Misuse - Supported Living	224,165	-41,000	265,165	-18.29%	Demand led service area. Client base movement has resulted in projected commitment being in excess of available budget.
Mental Health - Supported Living	757,013	-65,000	822,013	-8.59%	Demand led service area. Client base movement has resulted in projected commitment being in excess of available budget.
Homelessness - Housing Support Services	1,361,377	37,000	1,324,377	2.72%	The underspend is additional saving achieved by implementing service reduction ahead of schedule, this offsets the shortfall in saving achievable by leisure services.
Community Learning - Adult	917,299	-31,400	948,699	-3.42%	The overspend relates to janitors employed within community education centres. 57% relates to unbudgeted holiday cover and the remaining 43% relating to sickness
Leisure Services	2,441,376	-37,345	2,478,721	-1.53%	Shortfall in savings achievable by service review. This shortfall is met by the additional saving in housing support
Totals	37,018,757	76,098	36,942,659		

DEPARTMENTAL BUDGET v ACTUAL GRAPH

The graph below highlights the expenditure to date against the remaining budget per Head of Service. This is a high level graph designed to help have an overall view of how much of the service budget has been spent to date.

The dark area represents the actual expenditure to date as a percentage of the total budget.

The lighter area at the top displays the remaining available budget as a percentage of the total budget.



**ARGYLL AND BUTE COUNCIL
DEPARTMENT: CUSTOMER SERVICES
BUDGET MONITORING REPORT – SEPTEMBER 2011**

This report summaries the financial position of Customer Services as at 30 September 2011. The overall departmental projection is currently an overspend of £90,530. Further detail is provided within this report along with other financial issues affecting the department.

Content	Page No.
Financial Successes, Challenges, Risks and Future Actions	2
Efficiency Savings and Other Budget Savings	2
Objective Summary	3
Subjective Summary	4
Red Variances	5
Departmental Budget v Actual Graph	6

FINANCIAL SUCCESSES, CHALLENGES, RISKS AND FUTURE ACTIONS

SUCSESSES	CHALLENGES	RISKS	FUTURE ACTIONS
Ongoing track record of delivering services within budget.	Achieving the savings set within the budget for 2011/12 and beyond. Specifically, the procurement savings on contract renewals for transport and implementation of the new Sourcing Strategy which had been delayed.	Inflationary cost pressures especially in relation to fuel.	Ongoing robust monitoring to ensure financial issues are promptly fed back to the Service & Departmental Management Teams.
Ongoing track record of delivering on efficiency targets.	Dealing with the impact of the recruitment freeze and the loss of key staff.	Impact of Numbers/uptake - Transport, Benefits.	Service reviews ongoing across the Department/Council.
Achieved the savings set within the budget for 2010/11.	Delivering on service review outcomes.	Changes in external funding regime.	Next phase of Modernisation.
			Best Value 2.

EFFICIENCY SAVINGS AND OTHER BUDGET SAVINGS

Type of Saving	Target	Actual	Remaining	Explanation
Efficiency Savings	£1,067,445	£745,666	£321,779	Full target will not be achieved as a result of the delay in implementing procurement savings in Public Transport.
Vacancy Savings	£272,443	£231,603	£40,840	Vacancy savings target includes a share of the additional vacancy savings applied across the Council, these vacancies have been removed from the establishment. The remainder of the savings will be more difficult to achieve as posts have been removed as part of service review savings options thus reducing the base available on which to make a saving.
Totals	£1,339,888	£977,269	£362,619	

OBJECTIVE SUMMARY

Service	YTD Actual	YTD Budget	YTD Variance	% Variance	Annual Budget	Projected Variance	Projected Final Outturn	% Variance	Explanation
Executive Director of Customer Services	£5,990,280	£6,241,726	£251,446	4.03%	£12,498,104	£0	£12,498,104	0.00%	YTD Variance - Mainly due to the profiling of NPDO payments. Forecast Variance - No outturn variances are currently forecast.
Head of Customer and Support Services	£2,264,332	£2,471,426	£207,094	8.38%	£7,077,677	£0	£7,077,677	0.00%	YTD Variance - Mainly due to profiling of ICT applications & infrastructure Forecast Variance - No outturn variances are currently forecast.
Head of Governance and Law	£567,769	£735,707	£167,938	22.83%	£1,649,982	£0	£1,649,982	0.00%	YTD Variance - Mainly due to profiling of Licensing income, Legal Services and Committee Services budgets. Forecast Variance - No outturn variances are currently forecast.
Head of Facility Services	£4,238,657	£4,504,060	£265,403	5.89%	£10,568,603	£-90,530	£10,659,133	-0.86%	YTD Variance - Mainly due to profiling of the Capital Programme Team. Forecast Variance - This is due to higher inflation than budgeted on transport contracts (£-67k) and delays in agreeing the sourcing strategy for contract renewals with a resultant revised savings estimate to move benefits realisation to 2012/13 onwards (£-274k), delays in agreeing transport initiatives for 2011/12 thus requiring a 2/3 month lead in to the withdrawal of services (£-4k) and Rural Transport Grants (£-38k) all partially offset by a reduction in; drivers and escorts for Pupil Transport as a result of service review (£135k), Pool Cars (£15k), Cleaning (£40k), Catering (£68k) and additional one-off rental income (£35K).
Totals	£13,061,038	£13,952,919	£891,881	6.39%	£31,794,366	£-90,530	£31,884,896	-0.28%	

A positive figure in the YTD Variance column indicates a favourable YTD underspend compared to the profiled YTD budget, a negative figure therefore indicates that the YTD spend has exceeded the profiled budget for the period.

A positive figure in the Projected Variance column indicates a favourable position in terms of the projected final outturn position, i.e. an underspend. Therefore a negative figure in this column indicates an adverse position or projected overspend for the year-end.

SUBJECTIVE SUMMARY

Subjective Category	YTD Actual	YTD Budget	YTD Variance	% Variance	Annual Budget	Projected Variance	Projected Final Outturn	% Variance	Explanation
Employee	£7,517,515	£7,834,500	£316,985	4.05%	£16,533,019	£142,000	£16,391,019	0.86%	YTD Variance - The main variances are within Pupil Transport (£74k) where a forecast outturn variance is predicted and Catering & Cleaning (£92k) where income is showing a corresponding variance, with the remainder being over a wide range of cost centres. These will offset the vacancy saving target Forecast Variance - This is due to a reduction in drivers and escorts for Pupil Transport as a result of a review of service level (£142k). Note this is a volatile budget.
Premises	£896,836	£836,901	-£59,935	-7.16%	£2,461,557	£0	£2,461,557	0.00%	YTD Variance - Outwith reporting criteria. Forecast Variance - No outturn variances are currently forecast.
Supplies & Services	£1,515,935	£1,670,765	£154,830	9.27%	£4,297,073	£88,000	£4,209,073	2.05%	YTD Variance - The main variances are within IT cost centres (£105k) where spend is behind profile. Forecast Variance - This is due to predicted one-off underspends on Catering Purchases (£60k), replacement equipment for catering (£8k) & replacement equipment for cleaning (£20k) based on current demand levels.
Transport	£415,491	£482,351	£66,860	13.86%	£6,453,554	£28,000	£6,425,554	0.43%	YTD Variance - Outwith reporting criteria. Forecast Variance - This is due to an underspend on Pool Cars (£15k) and Pupil Transport (£13k) which will be utilised to offset the delay in achieving procurement savings for transport .
Third Party	£22,505,881	£22,674,087	£168,206	0.74%	£44,088,433	-£383,530	£44,471,963	-0.87%	YTD Variance - Mainly due to delays in payments made for the NPDO project (£240k) offset by underspends on transport (-£95k) where an outturn overspend is predicted. . Forecast Variance - This projected overspend reflects the current level of commitment on transport and is due to higher inflation than budgeted on contracts (-£67k) and delays in agreeing the sourcing strategy for contract renewals with a resultant revised savings estimate to move benefits realisation to 2012/13 onwards (-£274k) and also delays in agreeing transport initiatives for 2011/12 thus requiring a 2/3 month lead in to the withdrawal of services (-£4k) and Rural Transport Grants (-£38k)
Capital Financing	£0	£0	£0	0.00%	-£838,000	£0	-£838,000	0.00%	YTD Variance - Outwith Reporting Criteria
Income	-£19,790,620	-£19,545,685	£244,935	1.25%	-£41,201,271	£35,000	-£41,236,271	0.08%	YTD Variance - This is mainly due to the profiling of income for Property Services (£201k). Forecast Variance - Additional one-off rental income is forecast.
Totals	£13,061,038	£13,952,919	£891,881	6.39%	£31,794,365	-£90,530	£31,884,895	-0.28%	

A positive figure in the YTD Variance column indicates a favourable YTD underspend compared to the profiled YTD budget, a negative figure therefore indicates that the YTD spend has exceeded the profiled budget for the period.

A positive figure in the Projected Variance column indicates a favourable position in terms of the projected final outturn position, i.e. an underspend. Therefore a negative figure in this column indicates an adverse position or projected overspend for the year-end.

RED VARIANCES

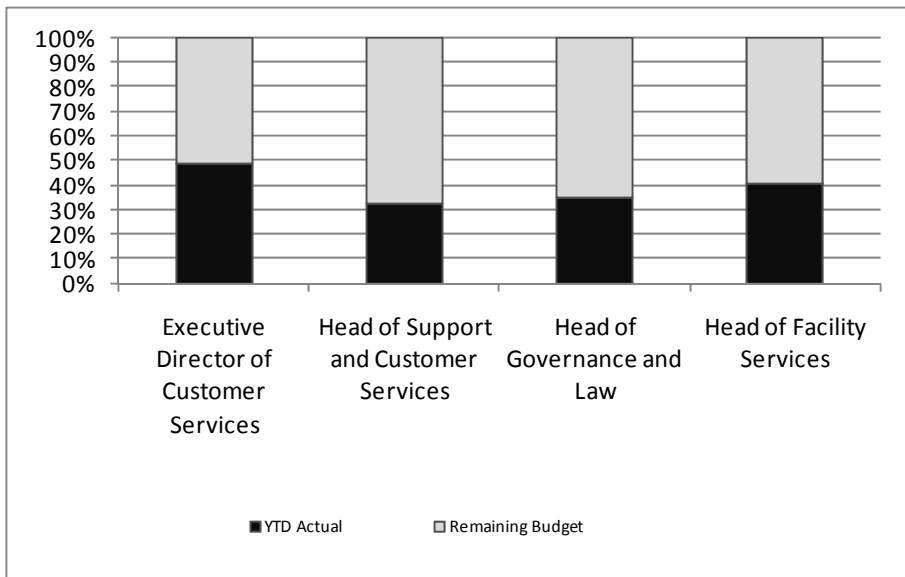
Cost Centre Description	Annual Budget	Projected Variance	Projected Final Outturn	% Variance	Explanation
Pupil Transport	£813,408	£135,000	£678,408	16.60%	This projected underspend reflects the current level of commitment on this budget and is due to a review of drivers & escorts based on tighter management controls. It should be noted that this is a volatile budget as it is also utilised to transport special needs pupils.
Public Transport	£1,079,591	-£341,000	£1,420,591	-31.59%	This projected overspend reflects the current level of commitment on this budget and is due to higher inflation than budgeted on contracts (-£110k) and delays in agreeing the sourcing strategy for contract renewals with a resultant revised savings estimate to move benefits realisation to 2012/13 onwards (-£274k).
Rural Transport Grant	£241,137	-£38,203	£279,340	-15.84%	This projected overspend reflects the current level of commitment and reflects delays in agreeing transport initiatives for 2011/12 thus requiring a 2/3 month lead in to the withdrawal of Rural Transport Grants.
Rural Community Transport Initiative	£57,220	-£4,327	£61,547	-7.56%	This projected overspend reflects the current level of commitment on this budget and is due to delays in agreeing initiatives for 2011/12 thus requiring a 2/3 month lead in to the withdrawal of services.
Pool Cars	£124,752	£15,000	£109,752	12.02%	This projected underspend reflects the current level of commitment.
Head of Facility Services	£58,617	£35,000	£23,617	59.71%	This projected underspend reflects the current level of anticipated rental income.
Catering, Cleaning & Janitorial HQ	£274,467	£10,000	£264,467	3.64%	This projected underspend reflects the current level of commitment based on projected demand.
Cleaning	-£354,768	£30,000	-£384,768	-8.46%	This projected underspend is mainly due to additional income from the Police Station cleaning contract. Note this is one off for this year only.
Catering	-£415,562	£68,000	-£483,562	-16.36%	This projected underspend is mainly due to reduced catering purchases and replacement equipment purchases over a wide range of cost centres.
Totals	£1,878,862	-£90,530	£1,969,392	-4.82%	

DEPARTMENTAL BUDGET v ACTUAL GRAPH

The graph below highlights the expenditure to date against the remaining budget per Head of Service. This is a high level graph designed to help have an overall view of how much of the service budget has been spent to date.

The dark area represents the actual expenditure to date as a percentage of the total budget.

The lighter area at the top displays the remaining available budget as a percentage of the total budget.



ARGYLL AND BUTE COUNCIL
DEPARTMENT: DEVELOPMENT AND INFRASTRUCTURE SERVICES
BUDGET MONITORING REPORT – SEPTEMBER 2011

This report summaries the financial position of Development and Infrastructure Services as at 30 September 2011. The overall departmental projection is currently an underspend of £36,957. Further detail is provided within this report along with other financial issues affecting the department.

Content	Page No.
Financial Successes, Challenges, Risks and Future Actions	2
Efficiency Savings and Other Budget Savings	2
Objective Summary	3
Subjective Summary	4
Red Variances	5
Departmental Budget v Actual Graph	6

FINANCIAL SUCCESSES, CHALLENGES, RISKS AND FUTURE ACTIONS

SUCSESSES	CHALLENGES	RISKS	FUTURE ACTIONS
The operation of Argyll Air Services has been amended following the successful re tendering of the PSO flights.	Amending the Waste PPP contract	Planning Income not achieving budgeted amounts	Closely monitor planning fee income
Amend operation at Dunoon Pier prior to the introduction of the new fast ferry service		Severe winter resulting in increased spend on winter maintenance the budget is for 56 runs	Prepare a business plan for the operation of Dunoon Pier.
		The costs of operating Dunoon Pier do not drop in line with the reductions in income	

EFFICIENCY SAVINGS AND OTHER BUDGET SAVINGS

Type of Saving	Target	Actual	Remaining	Explanation
Efficiency Savings	£671,650	£464,494	£207,156	No adverse projections, anticipated that target will be met.
Cost Centre Review Savings	£19,120	£0	£19,120	These savings will be fully achieved.
Vacancy Savings	£370,446	£240,355	£130,091	Includes part oif additional vacancy saving target applied across Council, these vacancies have been removed from establishment.
Totals	£1,061,216	£704,849	£356,367	

OBJECTIVE SUMMARY

Service	YTD Actual	YTD Budget	YTD Variance	% Variance	Annual Budget	Projected Variance	Projected Final Outturn	% Variance	Explanation
Executive Director of Development and Infrastructure Services	£872,397	£955,404	£83,007	8.69%	£1,948,095	£0	£1,948,095	0.00%	Variance is due to manpower vacancies
Head of Planning and Regulatory Services	£1,735,640	£1,571,306	-£164,334	-10.46%	£3,249,850	£0	£3,249,850	0.00%	Variance is due to profiling which will be corrected in October.
Head of Economic Development	£1,024,215	£922,072	-£102,143	-11.08%	£2,921,874	£0	£2,921,874	0.00%	Variance is due to profiling which will be corrected in October.
Head of Roads and Amenity Services	£8,788,740	£10,687,663	£1,898,923	17.77%	£24,226,232	£36,957	£24,189,275	0.15%	The variance is due to increased income in waste management and manpower vacancies in Streetscene.
Totals	£12,420,992	£14,136,445	£1,715,453	12.13%	£32,346,051	£36,957	£32,309,094	0.11%	

A positive figure in the YTD Variance column indicates a favourable YTD underspend compared to the profiled YTD budget, a negative figure therefore indicates that the YTD spend has exceeded the profiled budget for the period.

A positive figure in the Projected Variance column indicates a favourable position in terms of the projected final outturn position, i.e. an underspend. Therefore a negative figure in this column indicates an adverse position or projected overspend for the year-end.

SUBJECTIVE SUMMARY

Subjective Category	YTD Actual	YTD Budget	YTD Variance	% Variance	Annual Budget	Projected Variance	Projected Final Outturn	% Variance	Explanation
Employee	£10,473,764	£11,242,711	£768,947	6.84%	£24,376,700	£609,870	£23,766,830	2.50%	Variance is due to profiling which will be corrected in October and manpower vacancies.
Premises	£897,221	£1,175,145	£277,924	23.65%	£2,295,215	£8,448	£2,286,767	0.37%	Variance is due to profiling which will be corrected in October.
Supplies & Services	£4,455,971	£2,846,370	-£1,609,601	-56.55%	£5,754,556	-£192,596	£5,947,152	-3.35%	Variance is due to increased spend on roads materials offset by increased income.
Transport	£4,739,052	£4,825,124	£86,072	1.78%	£9,946,253	-£52,718	£9,998,971	-0.53%	Variance is due to increased transport costs in waste management.
Third Party	£11,748,170	£10,589,157	-£1,159,013	-10.95%	£23,606,731	-£207,182	£23,813,913	-0.88%	Variance is due to increased payments in airfields.
Capital Financing	£0	£0	£0	0.00%	£251	£0	£251	0.00%	
Income	-£19,893,185	-£16,542,062	£3,351,123	20.26%	-£33,633,655	-£128,864	-£33,504,791	-0.38%	Variance is due to increased income in waste management and recharges for roads maintenance.
Totals	£12,420,993	£14,136,445	£1,715,452	12.13%	£32,346,051	£36,958	£32,309,093	0.11%	

A positive figure in the YTD Variance column indicates a favourable YTD underspend compared to the profiled YTD budget, a negative figure therefore indicates that the YTD spend has exceeded the profiled budget for the period.

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RED VARIANCES

Cost Centre Description	Annual Budget	Projected Variance	Projected Final Outturn	% Variance	Explanation
Waste Collection	£1,674,247	£129,855	£1,544,392	7.76%	The underspend is due to increased refuse collection income
Streetscene Mgt	£1,255,862	£88,914	£1,166,948	7.08%	The underspend is due to manpower savings
Piers and Harbours	-£1,263,957	-£188,170	-£1,075,787	14.89%	The overspend is due to reduced income at Dunoon Pier
Airfields	£531,319	-£134,095	£665,414	-25.24%	The overspend is due to the new PSO and required restructured operation implemented from July 2011
Waste Management	£151,491	£8,227	£143,264	5.43%	The underspend is due to manpower savings and recharges from Streetscene
Building Standards	-£60,594	-£17,000	-£43,594	28.06%	The overspend is due to reduced Building Warrant Fee Income
Cemeteries	£434,524	£30,121	£404,403	6.93%	The underspend is due to manpower savings and recharges from Streetscene
Public Conveniences	£376,614	£47,226	£329,388	12.54%	The underspend is due to manpower savings and recharges from Streetscene
Street Sweeping	£1,139,217	£92,545	£1,046,672	8.12%	The underspend is due to manpower savings and recharges from Streetscene
Waste Disposal	£8,405,728	£71,218	£8,334,510	0.85%	The underspend is due to manpower savings and recharges from Streetscene
Parks	£1,582,727	£41,788	£1,540,939	2.64%	The underspend is due to manpower savings and recharges from Streetscene
Roads Client	£7,739,439	£2,696	£7,736,743	0.03%	The underspend is due to manpower savings
Environmental Health	£1,107,688	£17,000	£1,090,688	1.53%	The underspend is due to manpower savings
Car Parking	-£706,855	-£140,000	-£566,855	19.81%	The overspend is due to reduced Car Parking Income
Ferries	£935,592	-£12,966	£948,558	-1.39%	The overspend is due to increased maintenance costs
Totals	£23,303,042	£37,359	£23,265,683	0.16%	

DEPARTMENTAL BUDGET v ACTUAL GRAPH

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