

**Summary of Key Points:**

- The current forecast outturn position is a projected overspend of £225k, the position reported in the previous monitoring period was a forecast overspend of £316k, the overspend has decreased by £91k in the September budget monitoring period
- There is a year to date surplus of £4,962k with the profiled Year to Date budget being in excess of the Year to Date expenditure

**Financial Successes, Challenges, Risks and Future Actions**

**Successes:**

Departmental expenditure for 2012-13 was kept within budget.

The General Fund balance increased by £11.566m in 2012-13, despite having significant challenges to meet with implementing service review savings options and meeting the costs of severance.

Departments are on track to meet savings targets with 83.1% of savings achieved to date.

**Risks:**

Increasing demand for services along with reduced resources could lead to an adverse outturn position.

Winter Maintenance spend, the outturn position for 2011-12 was an overspend of £0.5m and for 2012-13 an overspend of £1.3m. There is no way to project the spend in relation to winter maintenance for 2013-14.

**Challenges:**

Maintaining favourable year-end balanced position in light of council wide risks to expenditure.

Ongoing requirement to identify savings and the challenges services are faced with in terms of delivering services more efficiently with less resources.

Maintaining or improving the level of service income recovered, for example planning, building standards and car parking.

**Future Actions:**

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.

Continually refine/develop systems to accurately calculate forecast outturns and the future financial outlook.

## Year to Date Position

As at the end of September 2013 there is a year to date surplus of £4,962k. The year to date surplus is not necessarily an indication of the likely year-end position. Expenditure is £4,962k less than budget.

### Year to Date Variances:

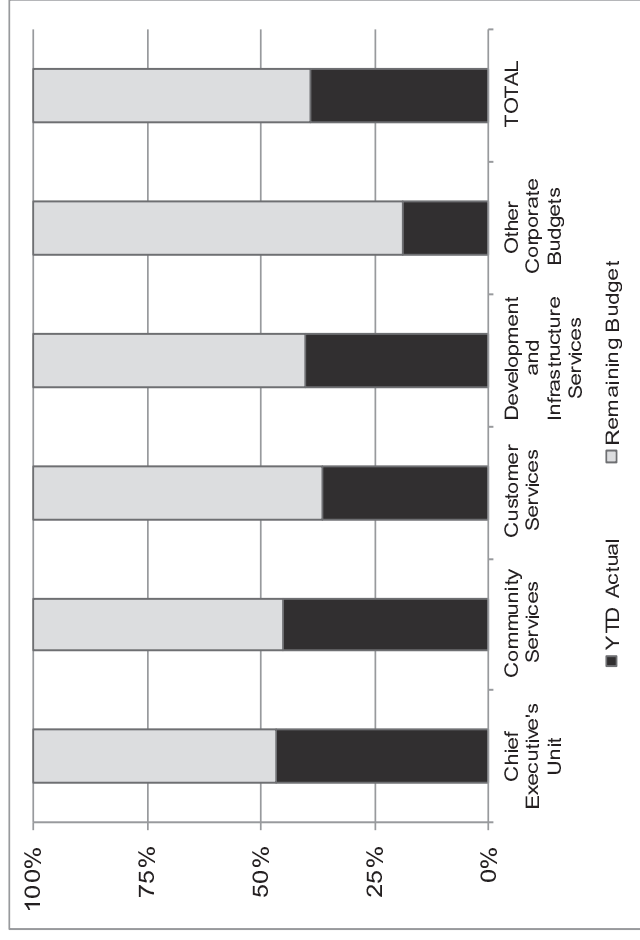
The table below shows the year to date variance position for each department:

Department	YTD Budget £'000	YTD Actual Spend £'000	YTD Variance £'000
Chief Executive's Unit	2,614	2,646	(32)
Community Services	62,046	61,093	953
Customer Services	13,283	12,030	1,253
Development and Infrastructure Services	13,808	12,938	870
Other Corporate Budgets	9,662	7,744	1,918
<b>Total Net Expenditure</b>	<b>101,413</b>	<b>96,451</b>	<b>4,962</b>

The main reason for the year to date underspend is the profiling of budgets and timing differences around payments are being made.

### Year to Date Variance Graph:

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

As at the end of September there is a forecast overspend of £225k. This forecast overspend position is being reported by Development and Infrastructure Services.

### Forecast Outturn by Department:

The table below shows the forecast outturn position for each Department:

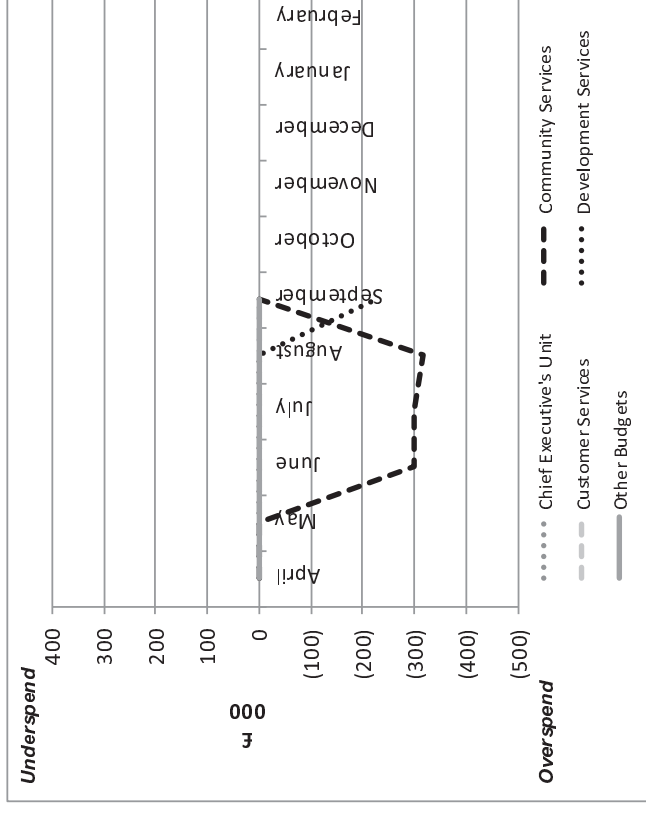
Department	Annual Budget £'000	Forecast Outturn £'000	Forecast Variance £'000
Chief Executive's Unit	5,667	5,667	0
Community Services	134,685	134,685	0
Customer Services	32,802	32,802	0
Development and Infrastructure Services	31,955	32,180	(225)
Other Corporate Budgets	41,253	41,253	0
<b>Total Net Expenditure</b>	<b>246,362</b>	<b>246,587</b>	<b>(225)</b>

The projected overspend in Development and Infrastructure Services relates to Street Lighting electricity costs.

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

### Forecast Outturn Trend:

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



## Efficiency Savings and Other Budget Savings

Overall departments are on track to deliver the savings required as part of the 2013-14 budget, with 83.1% of savings achieved to date.

### Progress with Savings:

The table below details the total savings allocated to Departments, along with the amount of savings achieved to date:

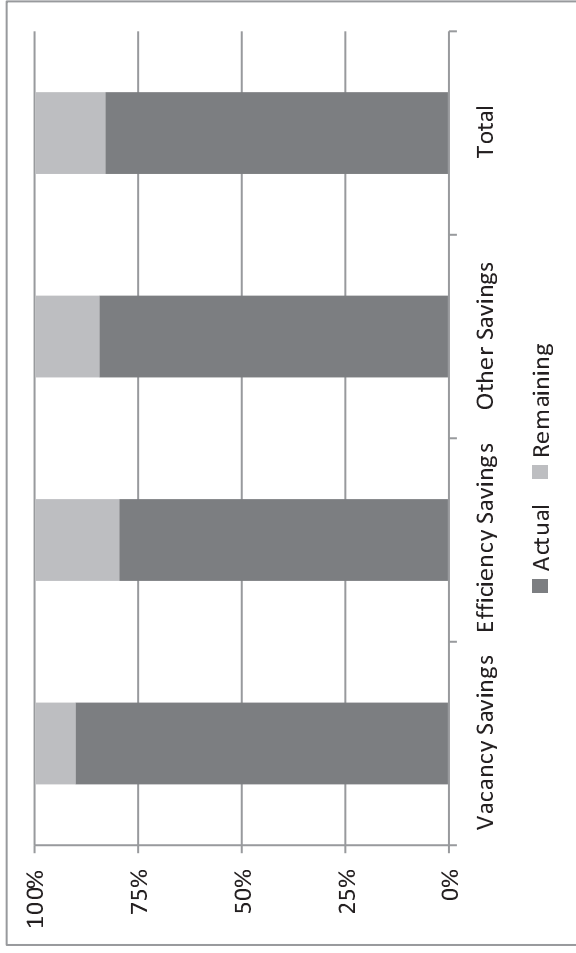
Type of Saving	2013-14 Target	Actual	Remaining
Vacancy Savings	£726,843	£654,760	£72,083
Efficiency Savings	£3,125,284	£2,495,083	£630,201
Other Savings	£3,162,676	£2,677,697	£484,979
<b>Total</b>	<b>£7,014,803</b>	<b>£5,827,540</b>	<b>£1,187,263</b>

The Efficiency Savings and Other Savings are the savings amounts removed from department budgets as per the approved 2013-14 budget. These will include any savings options for Year 2 and Year 3 service reviews agreed as part of the 2011-12 and 2012-13 revenue budgets where the amount of saving was to increase in 2013-14 and also any budget savings agreed as part of the 2013-14 budget process.

Vacancy savings targets are baselined into the departmental budgets.

### Savings Chart:

The chart below highlights the progress with savings to date against the savings target.



The dark area represents the savings achieved to date as a proportion of the total target with the lighter area at the top showing the remaining savings to be achieved as a percentage of the total target.

## Financial Risk Analysis

As part of the budget process for 2013-14 an exercise was undertaken for each service to look at each of the main activities/teams/business units to identify risks related to cost levels, service demands and income. The probability, service impact and financial impact of each risk was assessed, this position has been updated in the table below which notes the top three financial risks for each category for the Council.

Department	Description	Probability and Service Impact	Budget Impact £000	Management/Control
<b>Cost Risks:</b>				
Community Services (Adult Care)	Older People - Uncertainty over external provide rates in those areas not included in externalisation framework agreed by Council.	Medium - 9	231	Commissioning team agreeing rates and the role of home care procurement managers in allocating services.
Community Services (Adult Care)	Learning Disabilities - Increased Provider Charges	Medium - 9	850	Ensure services are targeted at priority need clients. Review of client assessments and selection of appropriate provider via commissioning of service.
Development and Infrastructure Services (Economic Development)	Ferries - Increased maintenance costs due to the age of the fleet.	Medium - 12	200	Monitor the cost of maintaining the fleet and if necessary prepare business cases for the procurement of replacement ferries.
<b>Demand Risks:</b>				
Community Services (Adult Care)	Older People - Population Growth	Medium - 12	705	Restrict service provision within available budget. Ensure services targeted at priority need clients. Continue to shift balance of care where average community care packages cost less than institutional.
Community Services (Adult Care)	Older People - Level of service demand remains at current commitment or increases due to needs becoming more complex	Medium - 12	564	Restrict service provision within available budget. Ensure services targeted at priority need clients. Continue to shift balance of care where average community care packages cost less than institutional. Target funding at preventative services to reduce risk of higher dependency.
Development and Infrastructure Services (Roads and Amenity Services)	Winter Maintenance - Adverse weather conditions which require greater than budgeted number of gritting runs	High - 16	1,199	Monitor weather conditions and apply gritting policy to minimise costs.
<b>Income Risks:</b>				
Development and Infrastructure Services (Planning and Regulatory Services)	Decrease in numbers of Planning and Building Warrant Applications would result in less income recovered.	Medium - 12	203	Monitor number of applications received and adjust staffing to deal with the decrease.
Development and Infrastructure Services (Roads and Amenity Services)	Reduced use of car parks results in loss of income	Medium - 12	301	Ensure that there is an enforcement regime in place to collect all income due.
Development and Infrastructure Services (Planning and Regulatory Services)	Increase in numbers of Planning and Building Warrant Applications would result in an increase in the number of staff required to process applications.	Medium - 12	100	Monitor the number of applications received and adjust staffing to deal with the increase.

The probability and service impact is a combination of the likelihood of an event happening and the impact that it would have. The financial risks have been categorised as low, medium and high, with low being a score of between 1 and 5, medium between 6 and 12 and high between 13 and 25.

## Reserves

The Council hold two types of reserves, Usable and Unusable reserves. The total Council Reserve balances at 31 March 2013 are detailed in the tables below, these balances are the final figures from the 2012-13 Audited Financial Statements:

### Usable Reserves

	£'000
General Fund	46,138
Repairs and Renewals Fund	850
Capital Funds	3,316
<b>Total Usable Reserves</b>	<b>50,304</b>

Usable reserves are those which are backed by actual resources and can be used to fund expenditure. The Repairs and Renewal fund supports the renewal and replacement of school equipment and consists of balances previously deposited into the fund by schools. The Capital Funds represent the balance of capital receipt income from the sale of assets by the Council, these funds can only be used to offset capital expenditure. The General Fund balance is the only reserve balance that the Council can freely utilise to fund revenue expenditure, it is reviewed along with the budget position in terms of determining any earmarked elements of the balance and an appropriate contingency level for unexpected events, further detail on the General Fund reserve is on the following page.

### Unusable Reserves

	£'000
Revaluation Reserve	55,061
Capital Adjustment Account	185,215
Pensions Reserve	(99,864)
Financial Instruments Adjustment Account	(5,262)
Accumulated Absences Account	(4,712)
<b>Total Unusable Reserves</b>	<b>130,438</b>

Unusable reserves are not backed by resources and are required purely for accounting purposes they do not represent resources available for the Council to use. The Revaluation Reserve represents the unrealised gains in the valuation of fixed asset. The Capital Adjustment Account is the difference between depreciation based on proper accounting practice and statutory charges for financing capital expenditure. The Pensions Reserve is the difference between pension costs based on proper accounting practice and payments made for pension costs. The Financial Instruments Adjustment Account represents the difference between gains and losses on borrowing and statutory capital financing charges. The Accumulated Absences Account represents the costed difference between holiday pay entitlement and actual holidays taken at 31 March. All of these reserves are for accounting purposes only and therefore are updated annually as part of the financial year-end process.



## General Fund Balance

The audited General Fund Reserve balance at 31 March 2013 was £46,138k.

### Earmarked Reserves

There are funds earmarked within the General Fund Balance, the amounts earmarked as at 31 March 2013 together with the spend to date are noted in the table below:

Earmarked Category	Balance 31 March 2013 £'000	Withdrawn from Reserves £'000	Remaining Balance 31 August 2013 £'000
Revenue from Additional Council Tax on Second Homes (Strategic Housing Fund)	10,183	1,824	8,359
Unspent Grants	1,473	247	1,226
Contributions Carried Forward	268	25	243
Unspent Budget Carried Forward	8,171	1,469	6,702
School Budget Carry Forwards	946	946	0
Unspent Budget Required for Existing Legal Commitments	230		230
CHORD	657		657
Revenue Contribution to Capital (Dunoon and Campbelltown Schools)	3,000		3,000
Investment in Affordable Housing	9,500		9,500
Severance Costs	236		236
Reserve Committed for 2013-14 Budget	1,054		1,054
Reserve Committed for 2014-15 Budget	326		326
<b>T total</b>	<b>36,044</b>	<b>4,511</b>	<b>31,533</b>

### Unallocated General Fund Reserve

The unallocated General Fund Reserve balance as at 31 March 2013 was £10,094k (Balance of £46,138k less earmarked reserves of £36,044k). This equated to 4.1% of net revenue expenditure for 2013-14. The Council has a policy of maintaining an unallocated/'free' balance of 1.5% of budgeted net expenditure, which equates to £3,666k. Therefore at the start of 2012-13 the Council had a surplus in reserves over and above the minimum requirement of £6,428m.

These figures require to be adjusted for the projected outturn position and any additional funding agreed to be funded from unallocated reserves during the year, the table below shows the updated surplus general fund balance:

Free General Fund Balance at 31 March 2013	£'000
Current Projected Outturn Position	10,094
Additional Funding Agreed from Reserves	(225)
<b>Free General Fund Balance at 30 September 2013</b>	<b>9,869</b>
1.5% Contingency	3,666
<b>Surplus General Fund Balance</b>	<b>6,203</b>

As at the 30 September 2013 the Council has £6,203k of unallocated/'free' reserves over and above the minimum requirement.

Any surplus general fund balance can only be used once and is not a sustainable source of funding for recurring expenditure. The Council needs to consider the General Fund balance against the overall budget position in terms of the longer term financial outlook.

## OBJECTIVE SUMMARY – OVERALL COUNCIL POSITION AT 30 SEPTEMBER 2013

	YEAR TO DATE POSITION			CURRENT PROJECTED FINAL OUTTURN				
	YTD Budget £'000	YTD Actual £'000	YTD Variance £'000	Variance %	Annual Budget £'000	Forecast Outturn £'000	Forecast Variance £'000	Variance %
<b><u>Departmental Budgets</u></b>								
Chief Executives	2,614	2,646	(32)	(1.22%)	5,667	5,667	0	0.00%
Community Services	62,046	61,093	953	1.54%	134,685	134,685	0	0.00%
Customer Services	13,283	12,030	1,253	9.43%	32,802	32,802	0	0.00%
Development and Infrastructure Services	13,808	12,938	870	6.30%	31,955	32,180	(225)	(0.70%)
<b>Total Departmental Budgets</b>	<b>91,751</b>	<b>88,707</b>	<b>3,044</b>	<b>3.32%</b>	<b>205,109</b>	<b>205,334</b>	<b>(225)</b>	<b>(0.11%)</b>
<b><u>Non-Departmental Budgets</u></b>								
Other Operating Income and Expenditure	3,560	3,394	166	4.66%	5,477	5,477	0	0.00%
Joint Boards	688	965	(277)	(40.26%)	1,376	1,376	0	0.00%
Non-Controllable Costs	5,414	3,385	2,029	37.48%	34,400	34,400	0	0.00%
<b>Total Non-Departmental Budgets</b>	<b>9,662</b>	<b>7,744</b>	<b>1,918</b>	<b>19.85%</b>	<b>41,253</b>	<b>41,253</b>	<b>0</b>	<b>0.00%</b>
<b>TOTAL NET EXPENDITURE</b>	<b>101,413</b>	<b>96,451</b>	<b>4,962</b>	<b>4.89%</b>	<b>246,362</b>	<b>246,587</b>	<b>(225)</b>	<b>(0.09%)</b>
<b><u>Financed By</u></b>								
Aggregate External Finance	(91,497)	(91,497)	0	0.00%	(204,201)	(204,201)	0	0.00%
Local Tax Requirement	(22,194)	(22,194)	0	0.00%	(40,815)	(40,815)	0	0.00%
Deductions from General Fund	0	0	0	0.00%	(1,051)	(1,051)	0	0.00%
Revenue Contribution to Capital	0	0	0	0.00%	4,216	4,216	0	0.00%
Earmarked Reserves	0	0	0	0.00%	(4,511)	(4,511)	0	0.00%
<b>Total Funding</b>	<b>(113,691)</b>	<b>(113,691)</b>	<b>0</b>	<b>0.00%</b>	<b>(246,362)</b>	<b>(246,362)</b>	<b>0</b>	<b>0.00%</b>
<b>Deficit/(Surplus) for Period</b>	<b>(12,278)</b>	<b>(17,240)</b>	<b>4,962</b>		<b>0</b>	<b>225</b>	<b>(225)</b>	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget.

A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or actual or forecast income is less than budget.

An explanation is given for any variance which exceeds £50,000 or 10%.



## SUBJECTIVE SUMMARY – OVERALL COUNCIL POSITION AT 30 SEPTEMBER 2013

Subjective Category	YEAR TO DATE POSITION			CURRENT PROJECTED FINAL OUTTURN				
	YTD Budget £'000	YTD Actual £'000	YTD Variance £'000	Variance %	Annual Budget £'000	Forecast Outturn £'000	Forecast Variance £'000	Variance %
Employee Expenses	62,044	60,305	1,739	2.80%	133,958	134,178	(220)	(0.16%)
Premises Related Expenditure	9,051	8,479	572	6.32%	16,397	16,672	(275)	(1.68%)
Supplies and Services	10,374	9,909	465	4.48%	21,361	21,661	(300)	(1.40%)
Transport Related Expenditure	12,661	11,840	821	6.48%	19,521	19,521	0	0.00%
Third Party Payments	59,679	59,039	640	1.07%	126,561	126,392	169	0.13%
Capital Financing	114	(1,246)	1,360	0.00%	31,709	31,709	0	0.00%
<b>TOTAL NET EXPENDITURE</b>	<b>153,923</b>	<b>148,326</b>	<b>5,597</b>	<b>3.64%</b>	<b>349,507</b>	<b>350,133</b>	<b>(626)</b>	<b>(0.18%)</b>
Income	166,201	165,566	635	0.38%	349,507	349,908	(401)	(0.11%)
<b>Deficit/(Surplus) for Period</b>	<b>(12,278)</b>	<b>(17,240)</b>	<b>4,962</b>		<b>0</b>	<b>225</b>	<b>(225)</b>	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

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A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or actual or forecast income is less than budget.

An explanation is given for any variance which exceeds £50,000 or 10%.



**REVENUE BUDGET MONITORING REPORT – SEPTEMBER 2013-14 – CHIEF EXECUTIVE’S UNIT**

<p><b>Summary of Key Points:</b></p> <ul style="list-style-type: none"> <li>• There are no forecast over or underspends reported at this time for the department, there were also no forecast outturns forecast for the previous monitoring period.</li> <li>• Net expenditure for the year to date spend is £32,083 more than the profiled to date budget – an overspend to date of 1.23%.</li> </ul>
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<p><b>Recommendations:</b></p> <p>Note the contents of this financial summary</p>
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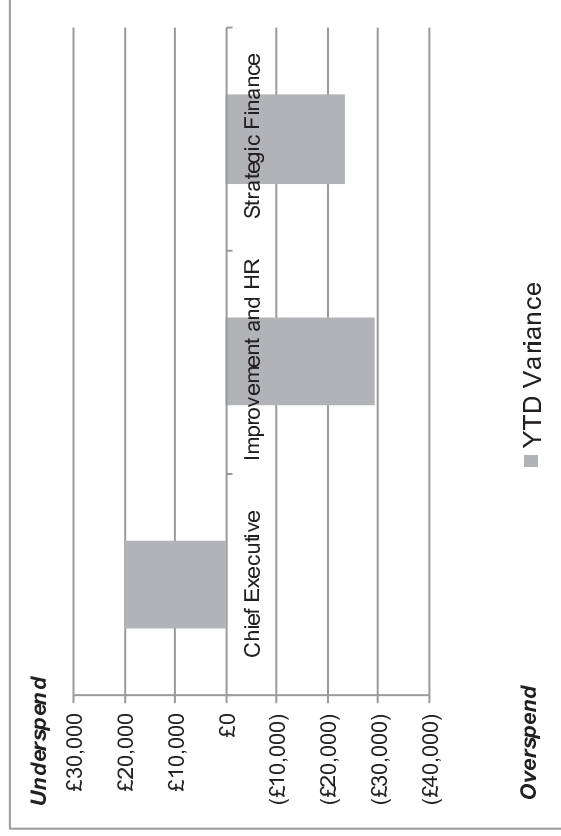
<b>Risks and Proposed Actions</b>	
<b>Identified Risk or Challenge:</b>	<b>Proposed Actions:</b>
<p>Non-delivery of service plan outcomes as a result of achieving savings for the 2013-14 and beyond.</p> <p>The department consists of support services, the main assets and costs of a support service are people or employees. The continued requirement to meet savings targets means that the only area where budget can be cut is in employee costs, services could face losing key posts required to continue to deliver the desired level of service.</p>	<p>On-going robust monitoring to ensure financial issues are promptly highlighted to the service and department management teams.</p> <p>Continually refine/develop staffing structures, systems and processes to ensure robust arrangements are put in place.</p>

### Current Year to Date Position

Net expenditure for the year to date spend is £32,083 more than the profiled to date budget – an overspend to date of 1.23%.

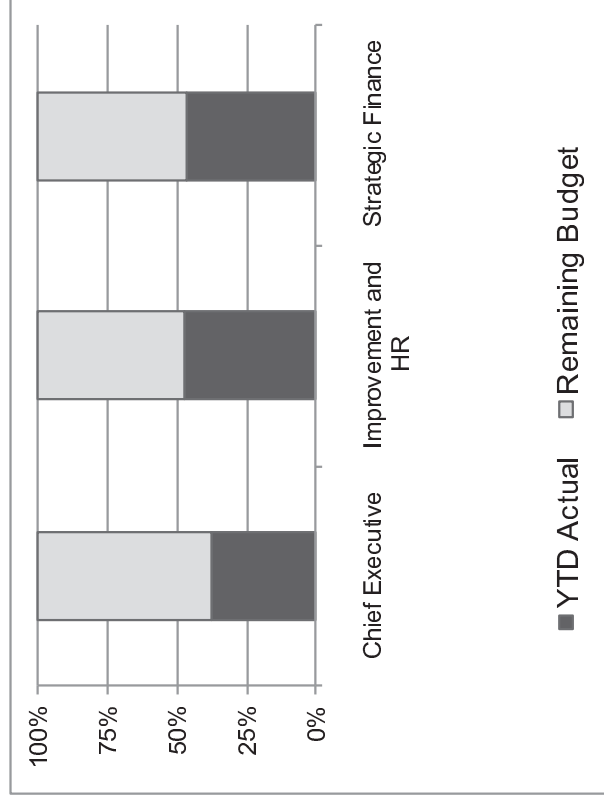
#### YTD Variance by Service:

The chart below shows the YTD variance by service, a negative value indicates a YTD overspend.



#### YTD Budget v Actual Graph:

The graph below highlights the expenditure to date against the remaining budget per service. The dark area represents the actual expenditure to date as a proportion of the total budget and the lighter area at the top displays the remaining available budget as a percentage of the total budget.

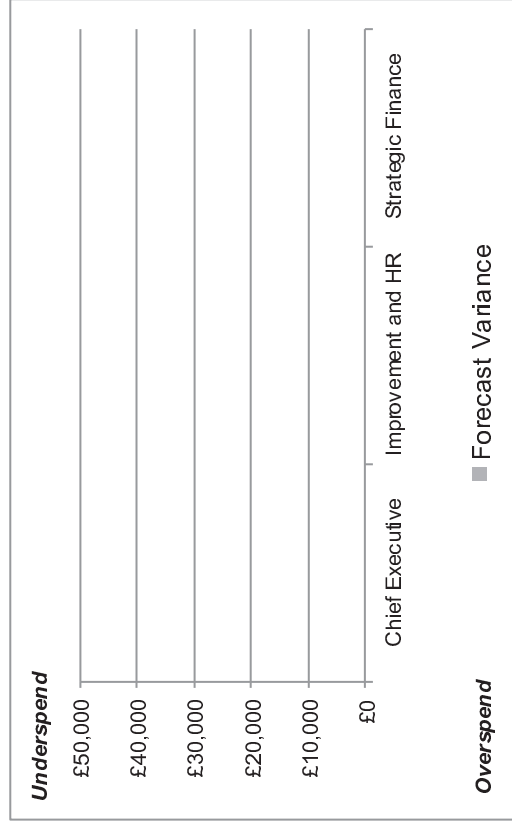


## Current Year Forecast Outturn

There are no forecast over or underspends reported at this time for the department.

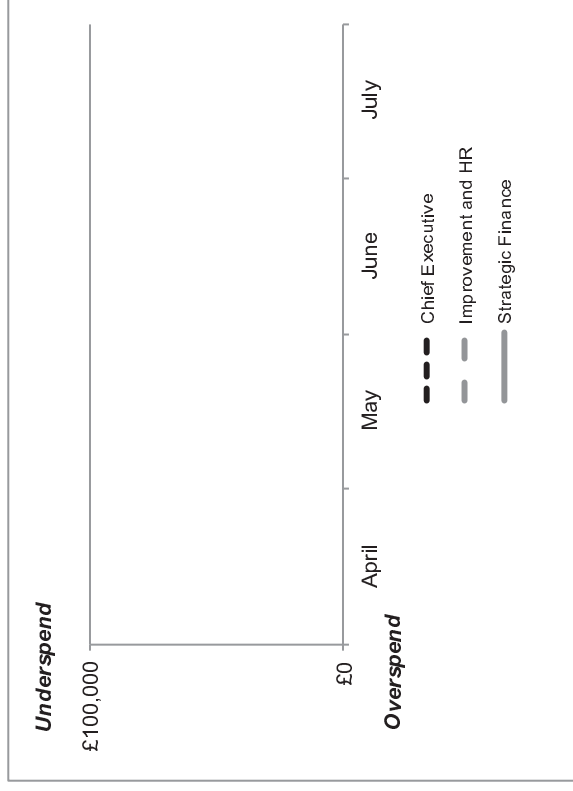
### Forecast Outturn Variance by Service:

The chart below shows the current forecast outturn variance by service. A negative value indicates a forecast overspend.



### Forecast Outturn Trend:

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



### Red Variances

A red variance is a forecast outturn variance which is greater than +/- £25,000.

Detail of the red variances for the department are detailed in the table below:

Service Area	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Strategic Finance Teams	1,687,441	1,654,907	32,534	1.93%	Forecast underspend due to vacancy savings in the Departmental and Corporate Finance Teams.
Strategic Finance - Internal Audit	238,385	270,919	(32,534)	(13.65%)	Forecast overspend due to the requirement to provide additional hours to deliver the Internal Audit Plan.
	<b>1,925,826</b>	<b>1,925,826</b>	<b>0</b>		

## Budget/Efficiency Savings

Overall the department is on track to deliver the savings required with 100% of savings achieved to date.

### Progress with Savings:

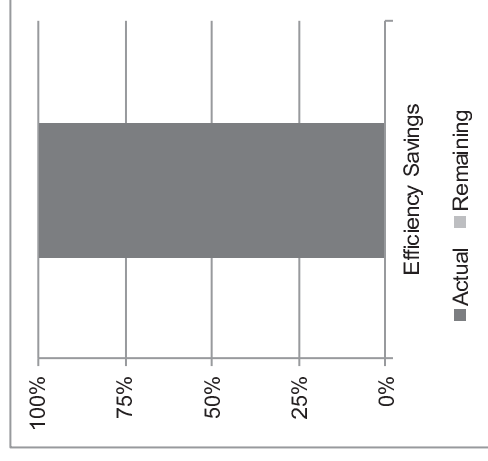
The table below details the savings target for the department together with the progress to date:

Type of Saving	Target £	Actual £	Remaining £
Efficiency Savings	418,071	418,071	0
<b>Totals</b>	<b>418,071</b>	<b>418,071</b>	<b>0</b>

The Efficiency Savings and Other Savings are the savings amounts removed from service budgets as per the approved 2013-14 budget. These will include any savings options for Year 2 and Year 3 service reviews agreed as part of the 2011-12 and 2012-13 revenue budgets where the amount of the saving was to increase in 2013-14 and also any budget savings agreed as part of the 2013-14 budget process.

### Saving Chart:

The chart below highlights the progress with savings made to date against the savings target. The dark area represents the savings achieved to date as a proportion of the total target with the lighter area at the top showing the remaining savings to be achieved as a percentage of the total target.





### Financial Risk Analysis

As part of the budget process for 2013-14 an exercise was undertaken for each service to look at each of the main activities/teams/business units to identify risks related to cost levels, service demands and income. The probability, service impact and financial impact of each risk was assessed, this position has been updated in the table below which notes the top three financial risks for each category for the department.

Service	Description	Probability and Service Impact	Budget Impact £000	Management/Control
<b>Cost Risks:</b>				
<b>Demand Risks:</b>				
<b>Income Risks:</b>				

The probability and service impact is a combination of the likelihood of an event happening and the impact that it would have. The financial risks have been categorised as low, medium and high, with low being a score of between 1 and 5, medium between 6 and 12 and high between 13 and 25.

**NO RISKS HAVE BEEN IDENTIFIED FOR THE DEPARTMENT AT THIS STAGE**

## OBJECTIVE SUMMARY AS AT 30 SEPTEMBER 2013

Service Outcome	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Central/Management Costs	£107,848	£87,559	£20,289	18.81%	£234,798	£234,798	£0	0.00%	Year to date underspend is due to the vacant Chief Executive Support Officer post.
<b>Chief Executive</b>	<b>£107,848</b>	<b>£87,559</b>	<b>£20,289</b>	<b>18.81%</b>	<b>£234,798</b>	<b>£234,798</b>	<b>£0</b>	<b>0.00%</b>	
IHR01 - Discrimination	£24,029	£17,828	£6,201	25.81%	£51,688	£51,688	£0	0.00%	
IHR02 - Community Planning	£13,436	£12,904	£532	3.96%	£30,514	£30,514	£0	0.00%	Outwith reporting criteria.
IHR03 - Continually Improving	£261,599	£305,641	(£44,042)	(16.84%)	£569,460	£569,460	£0	0.00%	
IHR04 - Emergency Planning	£40,384	£40,489	(£105)	(0.26%)	£87,109	£87,109	£0	0.00%	
IHR05 - Health and Safety	£149,694	£157,738	(£8,044)	(5.37%)	£326,068	£326,068	£0	0.00%	
IHR06 - Learning and Development	£339,612	£275,822	£63,790	18.78%	£711,271	£711,271	£0	0.00%	
IHR07 - Communications	£106,574	£102,154	£4,420	4.15%	£230,923	£230,923	£0	0.00%	
IHR08 - HR and Payroll	£632,314	£677,323	(£45,009)	(7.12%)	£1,373,888	£1,373,888	£0	0.00%	
Central/Management Costs	£57,553	£64,433	(£6,880)	(11.95%)	£125,077	£125,077	£0	0.00%	
<b>Improvement and HR</b>	<b>£1,625,195</b>	<b>£1,654,333</b>	<b>(£29,138)</b>	<b>(1.79%)</b>	<b>£3,505,998</b>	<b>£3,505,998</b>	<b>£0</b>	<b>0.00%</b>	Outwith reporting criteria.
SF01 - Council Finances Managed Effectively	£771,245	£798,192	(£26,947)	(3.49%)	£1,687,531	£1,654,997	£32,534	1.93%	
SF02 - Internal Audit	£110,234	£106,521	£3,713	3.37%	£238,437	£270,971	(£32,534)	(13.64%)	
<b>Strategic Finance</b>	<b>£881,479</b>	<b>£904,713</b>	<b>(£23,234)</b>	<b>(2.64%)</b>	<b>£1,925,968</b>	<b>£1,925,968</b>	<b>£0</b>	<b>0.00%</b>	
<b>Grand Total</b>	<b>£2,614,522</b>	<b>£2,646,605</b>	<b>(£32,083)</b>	<b>(1.23%)</b>	<b>£5,666,764</b>	<b>£5,666,764</b>	<b>£0</b>	<b>0.00%</b>	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

A positive variance is when actual or forecast expenditure is less than budget or actual or forecast outturn.

A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or actual or forecast income is less than budget.

An explanation is given for any variance which exceeds £50,000 or 10%.

## SUBJECTIVE SUMMARY AS AT 30 SEPTEMBER 2013

Subjective Category	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Employee	£2,513,361	£2,425,105	£88,256	3.51%	£5,464,639	£5,464,639	£0	0.00%	Year to date underspend is mainly due to the vacant Chief Executive Support Officer post and vacancy savings within Strategic Finance. This will be offset by a requirement to provide additional hours through agency staff to deliver on the Internal Audit Plan.
Premises	£1,085	£1,099	(£14)	(1.29%)	£2,170	£2,170	£0	0.00%	Outwith reporting criteria.
Supplies & Services	£126,888	£135,503	(£8,615)	(6.79%)	£253,598	£253,598	£0	0.00%	Outwith reporting criteria.
Transport	£34,091	£32,338	£1,753	5.14%	£68,210	£68,210	£0	0.00%	Outwith reporting criteria.
Third Party	£28,708	£95,321	(£66,613)	(232.04%)	£57,441	£57,441	£0	0.00%	Year to date underspend is mainly due to payments to KPMG for the risk review of VAT and taxes.
Income	(£89,611)	(£42,761)	(£46,850)	(52.28%)	(£179,294)	(£179,294)	£0	0.00%	Year to date variance is mainly due to recharges which do not occur until year-end.
<b>Totals</b>	<b>£2,614,522</b>	<b>£2,646,605</b>	<b>(£32,083)</b>	<b>(1.23%)</b>	<b>£5,666,764</b>	<b>£5,666,764</b>	<b>£0</b>	<b>0.00%</b>	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget.

A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or actual or forecast income is less than budget.

An explanation is given for any variance which exceeds £50,000 or 10%.

## REVENUE BUDGET MONITORING REPORT – SEPTEMBER 2013-14 – COMMUNITY SERVICES

**Summary of Key Points:**

- The department are currently forecasting an underspend of £74, the position reported in the August budget monitoring period was an overspend of £315,619.
- Net expenditure for the year to date spend is £952,412 less than the profiled to date budget – an underspend to date of 1.54%

**Recommendations:**

Note the contents of this financial summary

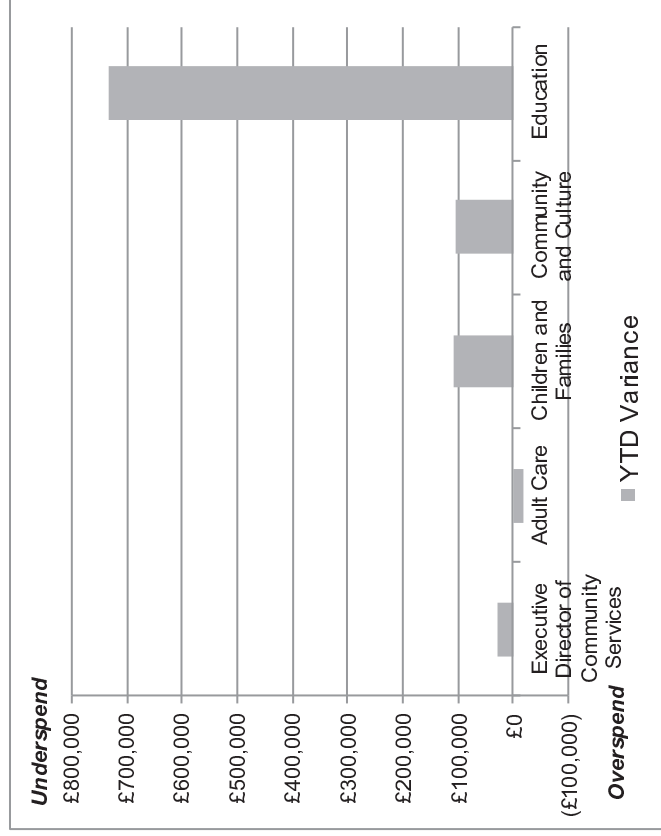
<b>Risks and Proposed Actions</b>	
<b>Identified Risk or Challenge:</b>	<b>Proposed Actions:</b>
Client growth /Service demand has an adverse impact on available budget(s) (Adult Care, Children and Families, Education ASN)	Monitoring of Trend / Expenditure levels / Service configuration
Health and Social Care Integration initiative is given sufficient profile	Project Team in place to take forward initiative / implementation
Department / Service on-going ability to meet future savings / efficiency requirements	Service Prioritisation process
Impact of Rural School Commission recommendations may have budgetary implications.	Review /Participation in consultation process. Identify potential cost pressures

### Current Year to Date Position

Net expenditure for the year to date spend is £952,412 less than the profiled to date budget – an underspend to date of 1.54%. The main reason for this being an underspend in the Education service, this is the cumulative effect of school staffing underspends as a result of the recruitment process.

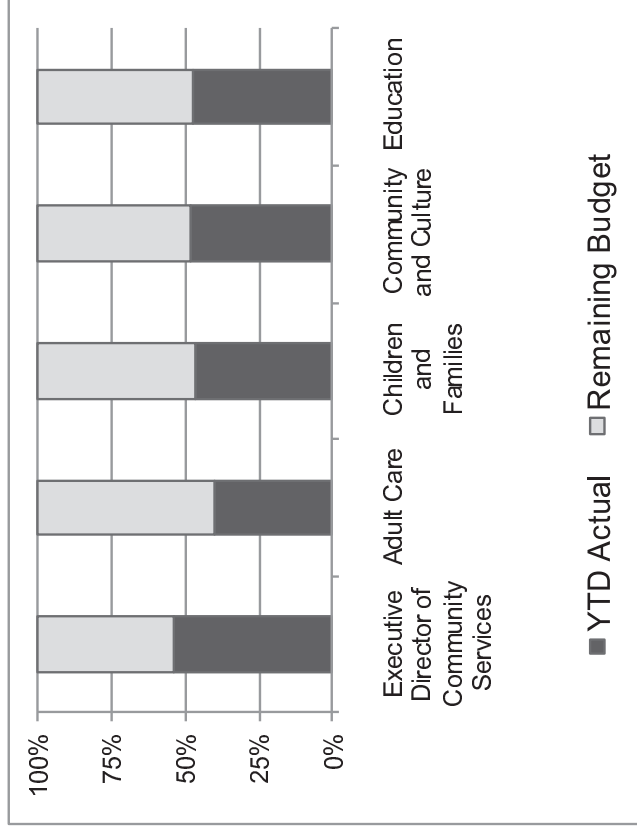
#### YTD Variance by Service:

The chart below shows the YTD variance by service, a negative value indicates a YTD overspend.



#### YTD Budget v Actual Graph:

The graph below highlights the expenditure to date against the remaining budget per service. The dark area represents the actual expenditure to date as a proportion of the total budget and the lighter area at the top displays the remaining available budget as a percentage of the total budget.

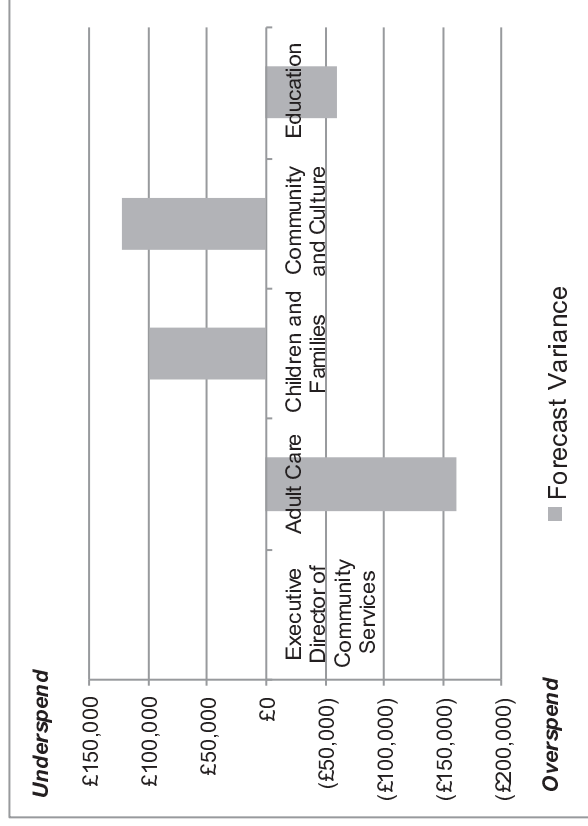


### Current Year Forecast Outturn

The department are currently forecasting an underspend of £74.

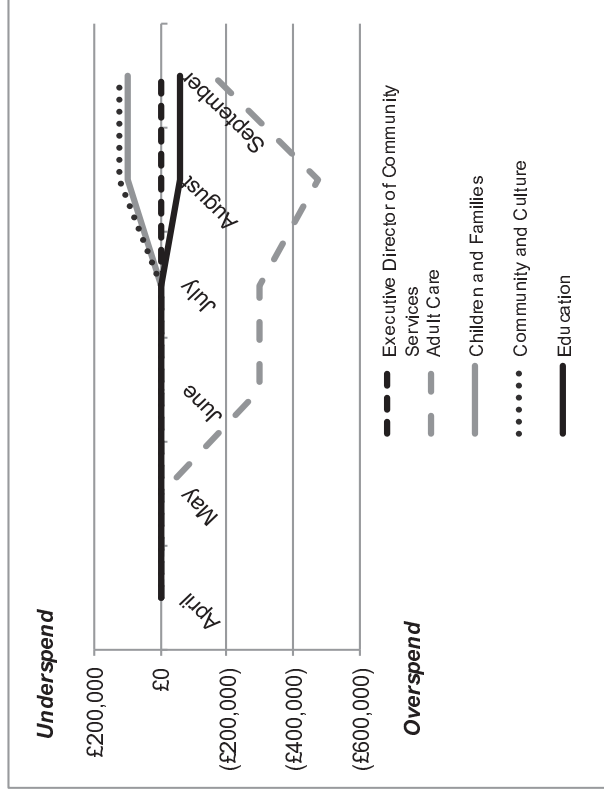
#### Forecast Outturn Variance by Service:

The chart below shows the current forecast outturn variance by service. A negative value indicates a forecast overspend.



#### Forecast Outturn Trend:

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



## Red Variances

A red variance is a forecast outturn variance which is greater than +/- £25,000.

Detail of the red variances for the department are detailed in the table below:

Service Area	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Adult Services	53,065	353,065	-300,000	-565.35%	The forecast variance relates to the outstanding saving balance which will not be realised due to the Council decision not to proceed with the closure of Struan Lodge Residential Home. (Budget saving ACO4 £300k)
Homeless - HQ	437,688	358,892	78,796	18.00%	The forecast variance relates to the receipt of historical grant funding returned from awardee.
Private Sector Housing Grant - Care & Repair - Administration	230,610	172,957	57,653	25.00%	The forecast variance is due to accrual value being in excess of actual requirement.
Children & Families - Ardlui Respite Facility	158,973	117,547	41,426	26.06%	The forecast variance is as a result of lower demand / take-up of respite bed nights
Children & Families - Fostering	1,202,874	1,101,570	101,304	8.42%	The forecast variance is in respect of lower than expected growth in demand for kinship support
Children & Families - Residential Placements	944,501	1,083,989	-139,488	-14.77%	The forecast variance is in respect of an increased client base. A small increase in client numbers can result in a disproportionate budgetary pressure due to the high cost of placements.
CS C&F - Supporting Young People Leaving Care	441,842	354,345	87,497	19.80%	The forecast variance is in respect of current client base commitment which is currently projected to be less than available budget.
Education - Disability Access	35,000	85,000	-50,000	-142.86%	The forecast variance relates to continuing demand /requirement for statutory disability access works.
Education - Music Instructors	318,577	455,684	-137,107	-43.04%	The main contributing factor to this outturn variance is a previously agreed saving which as a result of a delay in determining and implementing service modifications has not been realised
Education - Schools Residential Accommodation	1,226,274	1,028,752	197,522	16.11%	The forecast variance is in respect of current client base commitment which is currently projected to be less than available budget.
Education - Speech and Language Therapy	73,957	143,957	-70,000	-94.65%	The forecast variance relates to a mismatch between contracted service volume and available resource.
Elderly - Administration	7,885	-57,115	65,000	824.35%	The forecast variance is due to the recovery of unspent Direct Payment Monies.
Elderly - Ardfenaig Residential Home	436,529	571,247	-134,718	-30.86%	The forecast variance relates to an overspend within staffing costs. Also contributing to this variance is an under-recovery of income (based on current client base)
Elderly - Attrition - Residential	305,000	23,000	282,000	92.46%	The forecast variance relates to Change Fund disinvestment monies which are being used to offset overspends within the service



## Red Variances – continued

Service Area	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Elderly - Community Alarms	-19,436	-58,436	39,000	-200.66%	The forecast variance relates to the recovery of income over and above budgeted levels.
Elderly - Homecare - HQ	1,182,094	1,907,117	-725,023	-61.33%	The forecast variance is in respect of client base / demand which currently exceeds available resource.
Elderly - Jura Progressive Care	43,113	10,933	32,180	74.64%	The forecast variance relates an underspend within the overall budget. Monies will be re-directed to specific pressures within the Maki (Islay area).
Elderly - Residential - H&L	1,454,060	1,643,860	-189,800	-13.05%	The forecast variance relates to an increased demand on the Residential Care Home Placements budget.
Elderly - Residential - HQ	1,000	-268,000	269,000	26900.00%	The forecast variance is in relation to recovery of charging order income.
Elderly - Residential Free Care Private - H&L	572,331	383,962	188,369	32.91%	The forecast variance relates to current commitment being less than available resource.
Elderly - Resource Release - HQ	130	-89,870	90,000	69145.67%	The forecast variance relates to resource release uplift monies which are being used to offset overspends within the service
Elderly - Resource Release - Mid Argyll	54	-57,446	57,500	105971.25%	The forecast variance relates to Resource Release monies which are being used to offset overspends within the service
Elderly - Struan Lodge Residential Home	761,390	626,208	135,182	17.75%	The forecast variance relates to an over-recovery of income which is being partly offset by increased staff costs.
Elderly - Thomson Court Residential Home	680,845	654,566	26,279	3.86%	The forecast variance an over-recovery of income which is partly offset by increased staff costs.
Elderly - Tigh A Rudha Residential Home	574,357	540,779	33,578	5.85%	The forecast variance relates to an underspend within staffing costs which is partly offset by an under-recovery of income.
Learning Disability - HQ Resource Centre	94,838	14,880	79,958	84.31%	The forecast variance is in respect of available monies arising from Adult Service re-design.
Learning Disability - Supported Living - HQ	65,862	80,465	-14,603	-22.17%	The forecast variance is in respect of increased service demand /expensive support package requirements.
Mental Health - Residential Placements - Cowal	-5,025	25,851	-30,876	614.45%	The forecast variance is in respect of increased service demand /emergency placements with intensive support package requirements.
Physical Disability - Supported Living - Mid Argyll	225,133	379,647	-154,514	-68.63%	The forecast variance is in respect of increased service demand /intensive support package requirements.

## Budget/Efficiency Savings

Overall the department is on track to deliver the savings required, with 80.7% of savings achieved to date and 70.4% of the departmental vacancy savings target being achieved.

### Progress with Savings:

The table below details the savings target for the department together with the progress to date:

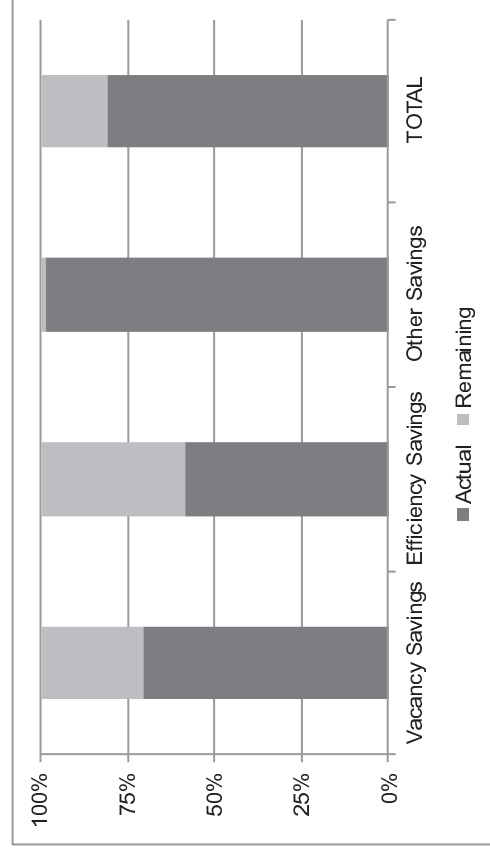
Type of Saving	Target £	Actual £	Remaining £
Vacancy Savings	515,071	362,688	152,383
Efficiency Savings	1,453,224	846,190	607,034
Other Savings	2,120,770	2,090,791	29,979
<b>Totals</b>	<b>4,089,065</b>	<b>3,299,669</b>	<b>789,396</b>

The Efficiency Savings and Other Savings are the savings amounts removed from service budgets as per the approved 2013-14 budget. These will include any savings options for Year 2 and Year 3 service reviews agreed as part of the 2011-12 and 2012-13 revenue budgets where the amount of the saving was to increase in 2013-14 and also any budget savings agreed as part of the 2013-14 budget process.

Vacancy Savings are baselined into the department budget.

### Savings Graph:

The chart below highlights the progress with savings made to date against the savings target. The dark area represents the savings achieved to date as a proportion of the total target with the lighter area at the top showing the remaining savings to be achieved as a percentage of the total target.



## Financial Risk Analysis

As part of the budget process for 2013-14 an exercise was undertaken for each service to look at each of the main activities/teams/business units to identify risks related to cost levels, service demands and income. The probability, service impact and financial impact of each risk was assessed, this position has been updated in the table below which notes the top three financial risks for each category for the department.

Service	Description	Probability and Service Impact	Budget Impact £000	Management/Control
<b>Cost Risks:</b>				
Adult Care	Older People - Uncertainty over external provider rates in those areas not included in externalisation framework agreed by Council.	Medium - 9	231	Commissioning team agreeing rates and the role of home care procurement managers in allocating services.
Adult Care	Learning Disabilities - Increased Provider Charges	Medium - 12	850	Ensure services are targeted at priority need clients. Review of client assessments and selection of appropriate provider via commissioning of service.
Adult Care	Mental Health - Provider Charges	Medium - 12	185	Ensure services are targeted at priority need clients. Review of client assessments and selection of appropriate provider via commissioning of service.
<b>Demand Risks:</b>				
Adult Care	Older People - Population Growth	Medium - 12	705	Restrict service provision within available budget. Ensure services targeted at priority need clients. Continue to shift balance of care where average community care packages cost less than institutional.
Adult Care	Older People - Level of service demand remains at current commitment or increases due to needs becoming more complex	Medium - 12	564	Restrict service provision within available budget. Ensure services targeted at priority need clients. Continue to shift balance of care where average community care packages cost less than institutional. Target funding at preventative services to reduce risk of higher dependency.
Education	Schools - ASN Clients Increasing Client Base increasing	High - 16	460	Priority Need Framework, Active Management of Distribution/allocations
<b>Income Risks:</b>				
Adult Care	Older People - Changes in self funded clients receiving residential care	Medium - 12	97	Management have no control over financial circumstances of clients receiving care.
Adult Care	Older People - Clients withdraw from service due to charges or changes to benefits leading to a reduction in income.	Medium - 9	65	Ensure clients benefits are maximised to reduce impact of charges and risk of withdrawal from service. Ensure internal and externally delivered services cease where client withdraws from charging scheme.
Community and Culture	Improved Access to Affordable Housing - Temporary Accommodation - Introduction of universal benefits from 1 April 2012 will have an impact on the level of benefits recovered for temporarily accommodated individuals.	Medium - 9	76	Provision of information and advice services to minimise number of applicants proceeding to full homeless application, including ensuring that they are in receipt of full benefit entitlement.

The probability and service impact is a combination of the likelihood of an event happening and the impact that it would have. The financial risks have been categorised as low, medium and high, with low being a score of between 1 and 5, medium between 6 and 12 and high between 13 and 25.

## OBJECTIVE SUMMARY AS AT 30 SEPTEMBER 2013

Service Outcome	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Central/Management Costs	£321,609	£293,809	£27,800	8.64%	£545,546	£545,546	£0	0.00%	Outwith reporting criteria.
<b>Executive Director of Community Services</b>	<b>£321,609</b>	<b>£293,809</b>	<b>£27,800</b>	<b>8.64%</b>	<b>£545,546</b>	<b>£545,546</b>	<b>£0</b>	<b>0.00%</b>	
AC1 - Community Support	£16,721,617	£16,546,702	£174,914	1.05%	£41,413,908	£41,275,540	£138,368	0.33%	The net forecast variance relates mainly to the decision not to proceed with Struan Lodge budget saving. Within the service there are numerous over and underspends as detailed in the red variance section on pages 5 and 6.
AC2 - Vulnerable Adults	£47,576	£40,503	£7,073	14.87%	£105,533	£105,533	£0	0.00%	
AC3 - Alcohol and Drugs	£202,085	£161,991	£40,094	19.84%	£463,168	£463,168	£0	0.00%	
Central/Management Costs	£18,510	£258,601	(£240,091)	(1297.08%)	£364,999	£664,999	(£300,000)	(82.19%)	
<b>Adult Care</b>	<b>£16,989,787</b>	<b>£17,007,797</b>	<b>(£18,010)</b>	<b>(0.11%)</b>	<b>£42,347,607</b>	<b>£42,509,239</b>	<b>(£161,632)</b>	<b>(0.38%)</b>	
CF1 - Looked-after Children	£2,703,626	£2,712,035	(£8,409)	(0.31%)	£5,761,282	£5,711,969	£49,313	0.86%	The YTD position is the net effect of numerous relatively small variances across the service area. Forecast variance underspend results from lower than expected growth in Kinship Care, reduced demand for Young People Leaving Care packages, offset by an increase in residential placements.
CF2 - Child Protection	£1,593,016	£1,569,184	£23,831	1.50%	£3,515,649	£3,515,649	£0	0.00%	
CF3 - Children with a Disability and Early Years	£2,743,513	£2,694,746	£48,767	1.78%	£5,810,064	£5,760,171	£49,893	0.86%	
CF4 - Criminal Justice	£138,108	£127,758	£10,350	7.49%	(£11,874)	(£11,874)	£0	0.00%	
Central/Management Costs	£480,620	£448,981	£31,639	6.58%	£1,056,916	£1,056,916	£0	0.00%	
<b>Children and Families</b>	<b>£7,658,882</b>	<b>£7,552,704</b>	<b>£106,179</b>	<b>1.39%</b>	<b>£16,132,036</b>	<b>£16,032,830</b>	<b>£99,206</b>	<b>0.61%</b>	
CC01 - Young people active healthier lives	£34,966	£16,747	£18,219	52.11%	£131,218	£131,218	£0	0.00%	The main contributing factors to the forecast variance are an underspend in Homelessness, an underspend in Private Sector Housing Grants due to the correction of an accrual entry, and the inclusion of unbudgeted returned grant funding.
CC02 - Sport and Physical Activity	£1,026,844	£1,002,607	£24,238	2.36%	£2,434,438	£2,434,438	£0	0.00%	
CC03 - Adults access to learning opportunities	£339,478	£308,814	£30,664	9.03%	£871,309	£871,309	£0	0.00%	
CC04 - Homelessness	£1,023,288	£976,578	£46,710	4.56%	£2,301,468	£2,222,672	£78,796	3.42%	
CC05 - Youth Services	£276,629	£226,763	£49,867	18.03%	£616,767	£616,767	£0	0.00%	
CC06 - Community Development	£502,254	£435,945	£66,309	13.20%	£988,344	£1,013,344	(£25,000)	(2.53%)	
CC07 - Affordable Housing	£946,363	£1,098,816	(£152,453)	(16.11%)	£854,452	£786,163	£68,289	7.99%	
CC08 - Improved literacy, health and well-being	£650,565	£624,921	£25,644	3.94%	£1,536,828	£1,536,828	£0	0.00%	
Central/Management Costs	£162,814	£166,443	(£3,629)	(2.23%)	£265,602	£265,602	£0	0.00%	
<b>Community and Culture</b>	<b>£4,963,202</b>	<b>£4,857,632</b>	<b>£105,569</b>	<b>2.13%</b>	<b>£10,000,426</b>	<b>£9,878,341</b>	<b>£122,085</b>	<b>1.22%</b>	
ED01 - Primary School Education	£12,334,076	£11,889,927	£444,149	3.60%	£26,036,868	£26,036,868	£0	0.00%	The YTD variance is mainly due to the cumulative effect of school staffing underspends which are the result of the vacancy/recruitment cycle. The main factors in the forecast variance are overspends in
ED02 - Secondary School Education	£13,707,913	£13,397,241	£310,671	2.27%	£26,659,435	£26,659,435	£0	0.00%	
ED03 - Central/Management Team	£1,716,988	£1,858,878	(£158,889)	(9.25%)	£3,885,537	£4,022,644	(£137,107)	(3.53%)	
ED04 - Additional Support Needs	£4,202,037	£4,058,936	£143,101	3.41%	£8,816,698	£8,739,176	£77,522	0.88%	Music Instructors and Speech & Language Therapy. These are partially offset by underspends within Additional Support Needs (Schools Residential Placements).
ED05 - Opportunities for All	£119,084	£125,212	(£6,128)	(5.15%)	£217,738	£217,738	£0	0.00%	
ED06 - Leadership and Professional Learning	£20,183	£20,496	(£313)	(1.55%)	£17,364	£17,364	£0	0.00%	
Central/Management Costs	£11,956	£13,673	(£1,717)	(14.37%)	£26,171	£26,171	£0	0.00%	
<b>Education</b>	<b>£32,112,237</b>	<b>£31,381,363</b>	<b>£730,874</b>	<b>2.28%</b>	<b>£65,659,812</b>	<b>£65,719,397</b>	<b>(£59,585)</b>	<b>(0.09%)</b>	
<b>Grand Total</b>	<b>£62,045,717</b>	<b>£61,093,305</b>	<b>£952,412</b>	<b>1.54%</b>	<b>£134,685,427</b>	<b>£134,685,353</b>	<b>£74</b>	<b>0.00%</b>	

## SUBJECTIVE SUMMARY AS AT 30 SEPTEMBER 2013

Subjective Category	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Employee	£40,399,764	£39,679,728	£720,036	1.78%	£85,829,162	£86,049,701	(£220,539)	(0.26%)	YTD variance mainly arises in schools due to the cumulative effect of the vacancy/recruitment cycle. Forecast overspend is a combination of delay in implementation of Music Instructor savings plans plus increased staffing costs in Elderly Residential homes.
Premises	£2,338,775	£2,337,788	£987	0.04%	£6,417,535	£6,467,535	(£50,000)	(0.78%)	Outwith reporting criteria.
Supplies & Services	£4,164,038	£4,121,140	£42,898	1.03%	£8,532,108	£8,832,108	(£300,000)	(3.52%)	The main factor in the forecast variance is the negative budget representing the shortfall related to the Council's decision not to close Struan Lodge Residential Home.
Transport	£604,614	£697,604	(£92,990)	(15.38%)	£1,256,925	£1,256,925	£0	0.00%	YTD overspend is mainly due to unbudgeted travel costs in Homecare sector.
Third Party	£22,945,842	£22,394,722	£551,120	2.40%	£51,366,200	£51,196,365	£169,835	0.33%	The main factor in the year-to-date underspend is the lack of expenditure in the Private Sector Housing Home Energy Efficiency Programme area. This is expected to get underway soon. The main factors in the forecast variance are underspends on Care Home Placements, Elderly Residential Attraction and Schools Residential Accommodation partially offset by overspends on Homecare.
Income	(£8,407,315)	(£8,137,678)	(£269,637)	(3.21%)	(£18,716,504)	(£19,117,282)	£400,778	2.14%	The main factor in the year-to-date under-recovery is the delay in the start of the Private Sector Housing Home Energy Efficiency Programme and its related grant income. The main factor in the projected variance is the forecast over-recovery of income in the Elderly Residential Care Home sector.
<b>Totals</b>	<b>£62,045,718</b>	<b>£61,093,304</b>	<b>£952,414</b>	<b>1.54%</b>	<b>£134,685,426</b>	<b>£134,685,352</b>	<b>£74</b>	<b>0.00%</b>	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget.

A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or actual or forecast income is less than budget.

An explanation is given for any variance which exceeds £50,000 or 10%.



## REVENUE BUDGET MONITORING REPORT – SEPTEMBER 2013-14 – CUSTOMER SERVICES

**Summary of Key Points:**

- There are no forecast over or underspends reported at this time for the department, there were also no forecast outturns reported for the previous monitoring period.
- Net expenditure for the year to date spend is £1,254,194 less than the profiled to date budget – an underspend to date of 9.44%

**Recommendations:**

Note the contents of this financial summary

<b>Risks and Proposed Actions</b>	
<b>Identified Risk or Challenge:</b>	<b>Proposed Actions:</b>
Savings agreed for 2013-14 and beyond may not be fully achieved due to inflationary cost pressures such as fuel and catering purchases.	On-going robust monitoring to ensure financial issues are promptly highlighted to the service and department management teams.
Impact of numbers/uptake in such areas as pupil/public transport, benefits & licensing. Impact of Welfare reforms.	Continually refine/develop systems to accurately calculate forecast outturns and the future year's financial outlook. Input to on-going multi agency working group to ensure robust arrangements are put in place which are then continually reviewed and refined.
Challenge of achieving future years efficiency savings targets.	Continually refine/develop procurement capabilities to facilitate savings while establishing robust monitoring to ensure financial issues are promptly highlighted to the service and department management teams.

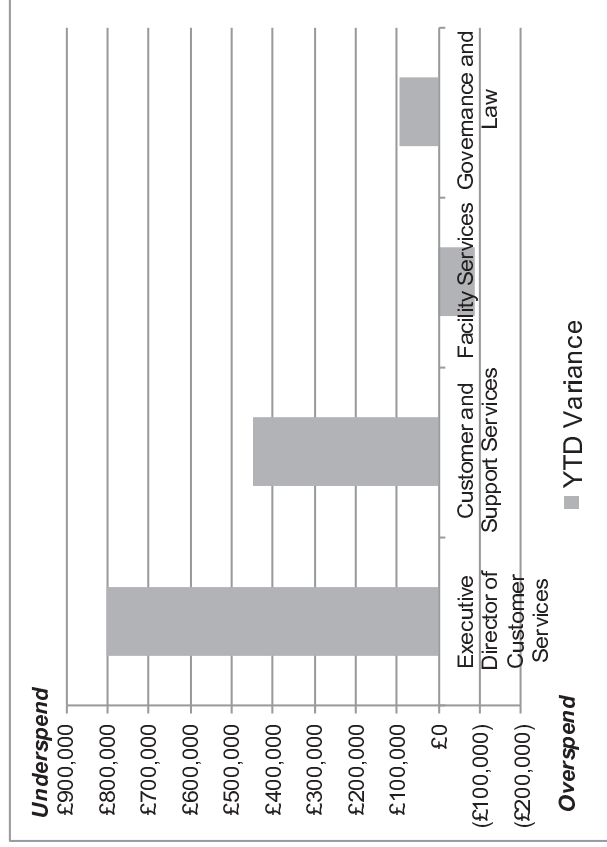


### Current Year to Date Position

Net expenditure for the year to date spend is £1,254,194 less than the profiled to date budget – an underspend to date of 9.44%. The main reason for this being the NPDO where payments are behind the anticipated year to date budget.

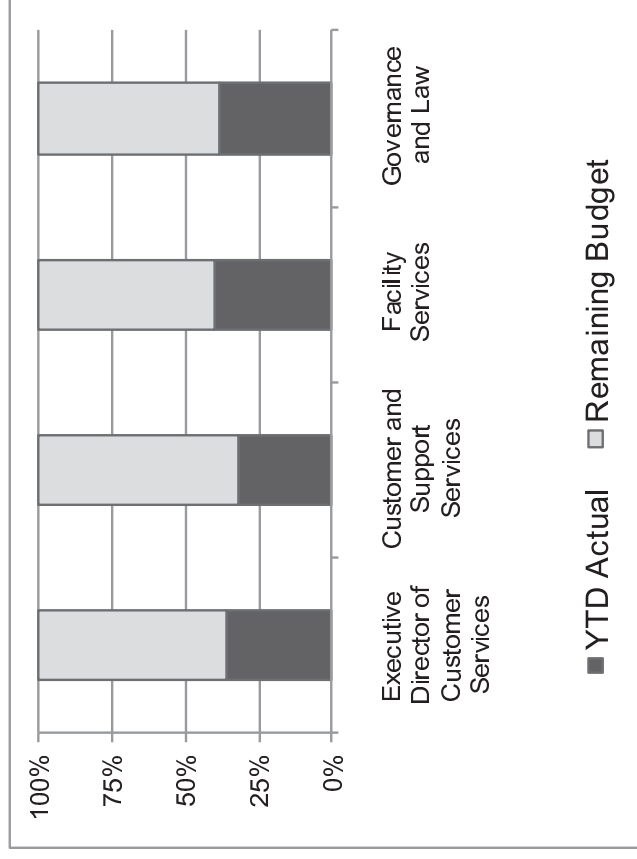
#### YTD Variance by Service:

The chart below shows the YTD variance by service, a negative value indicates a YTD overspend.



#### YTD Budget v Actual Graph:

The graph below highlights the expenditure to date against the remaining budget per service. The dark area represents the actual expenditure to date as a proportion of the total budget and the lighter area at the top displays the remaining available budget as a percentage of the total budget.

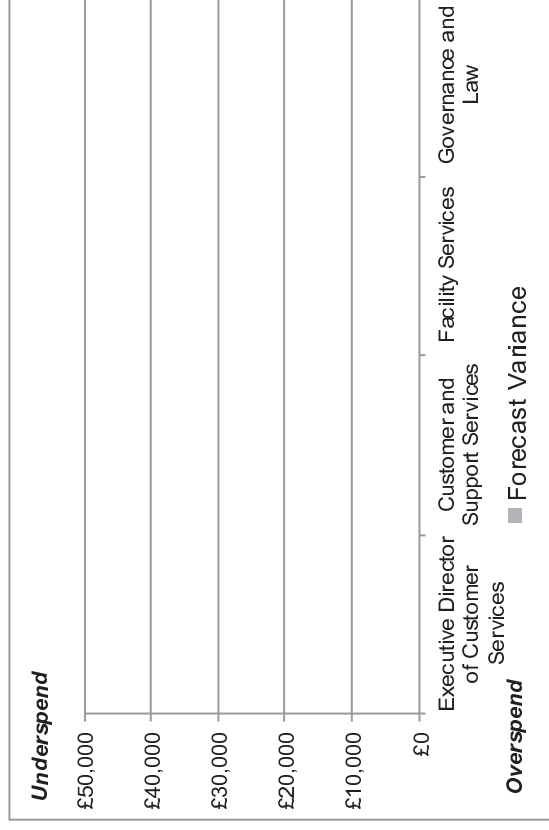


### Current Year Forecast Outturn

There are no forecast over or underspends reported at this time for the department.

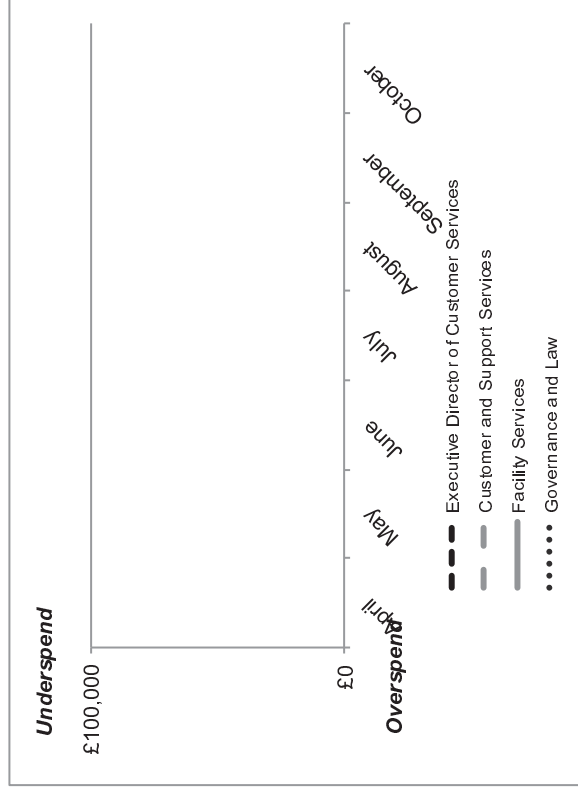
#### Forecast Outturn Variance by Service:

The chart below shows the current forecast outturn variance by service. A negative value indicates a forecast overspend.



#### Forecast Outturn Trend:

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



### Red Variances

A red variance is a forecast outturn variance which is greater than +/- £25,000.

Detail of the red variances for the department are detailed in the table below:

Service Area	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
			0	0.00%	
			0	0.00%	
			0	0.00%	
			0	0.00%	
	0	0	0		

**THERE ARE CURRENTLY NO FORECAST OUTTURN VARIANCES FOR THE DEPARTMENT, AND THEREFORE NO RED VARIANCES TO REPORT.**

## Budget/Efficiency Savings

Overall the department is on track to deliver the savings required, with 99.8% of savings achieved to date and 100% of the efficiency savings and other savings being achieved.

### Progress with Savings:

The table below details the savings target for the department together with the progress to date:

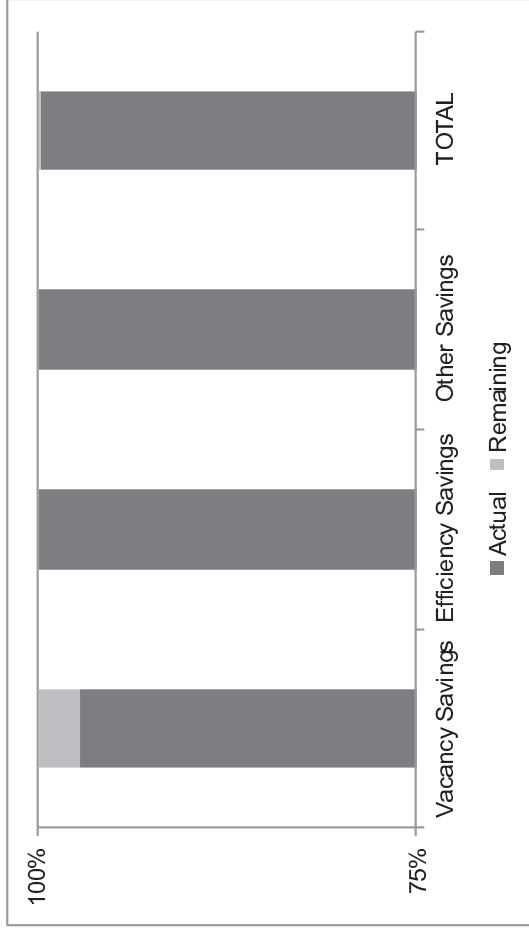
Type of Saving	Target £	Actual £	Remaining £
Vacancy Savings	81,681	79,473	2,208
Efficiency Savings	731,222	731,222	0
Other Savings	446,906	446,906	0
<b>Totals</b>	<b>1,259,809</b>	<b>1,257,601</b>	<b>2,208</b>

The Efficiency Savings and Other Savings are the savings amounts removed from service budgets as per the approved 2013-14 budget. These will include any savings options for Year 2 and Year 3 service reviews agreed as part of the 2011-12 and 2012-13 revenue budgets where the amount of the saving was to increase in 2013-14 and also any budget savings agreed as part of the 2013-14 budget process.

Vacancy Savings are baselined into the department budget.

### Savings Chart:

The chart below highlights the progress with savings made to date against the savings target. The dark area represents the savings achieved to date as a proportion of the total target with the lighter area at the top showing the remaining savings to be achieved as a percentage of the total target.



## Financial Risk Analysis

As part of the budget process for 2013-14 an exercise was undertaken for each service to look at each of the main activities/teams/business units to identify risks related to cost levels, service demands and income. The probability, service impact and financial impact of each risk was assessed, this position has been updated in the table below which notes the top three financial risks for each category for the department.

Service	Description	Probability and Service Impact	Budget Impact £000	Management/Control
<b>Cost Risks:</b>				
Facility Services	NDC-unapportioned overheads surplus properties - Ongoing market difficulties lead to increased numbers of surplus properties. Potential additional security costs.	Medium - 6	200	Asset management strategy.
Facility Services	Pupil Transport - Increased Provider Charges	Low - 4	151	Joint strategy with Procurement colleagues to reduce potential impact.
Customer Services	NPDO - Increased contractual costs i.e. Change in law	Low - 2	137	Ongoing contract monitoring - evaluation of contract change and mitigation through financial forecasting and existing budget.
<b>Demand Risks:</b>				
Governance and Law	Central Governance - Changes in political management arrangements resulting in increased number of Committees and meetings with additional support required for Members.	High - 20	70	Liaise with Members to maximise council facilities/resources in the first instance.
Governance and Law	Area Governance - Changes in political management arrangements resulting in increased number of Committees and meetings with additional support required for Members.	High - 20	128	Liaise with Members to maximise council facilities/resources in the first instance.
Facility Services	School Meals Uptake - Reduction in numbers paying for School Meals due to current economic climate.	Medium - 9	78	Joint marketing strategy with Community Services colleagues to maintain and increase uptake. Note impact of this risk ultimately rests with Community Services.
<b>Income Risks:</b>				
Customer and Support Services	Housing Benefits - Private Benefit afforded - Error rates lead to penalties/withheld subsidy.	Low - 2	59	Ensure Benefit take-up is maximised, and benefits are paid promptly whilst minimising fraud
Customer and Support Services	Benefits Administration - Ongoing Benefits legislation changes with a resultant reduction in administration grant. In advance of Universal Credit changes.	Medium - 12	68	Flagged as a cost pressure within service review. Ongoing input to Universal Credit discussions/consultation.
Facility Services	Property - Shared Offices Income	Medium - 9	61	Liaison with ACHA to agree requirements - link with ongoing review of Council property requirements.

The probability and service impact is a combination of the likelihood of an event happening and the impact that it would have. The financial risks have been categorised as low, medium and high, with low being a score of between 1 and 5, medium between 5 and 12 and high between 13 and 25.

## OBJECTIVE SUMMARY AS AT 30 SEPTEMBER 2013

Service Outcome	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Special Projects	£5,421,921	£4,639,818	£782,104	14.42%	£12,884,189	£12,884,189	£0	0.00%	Year to date underspend is mainly due to the NPDO where payments are behind the original anticipated year to date spend.
Central/Management Costs	£130,117	£110,760	£19,357	14.88%	£282,421	£282,421	£0	0.00%	
<b>Executive Director of Customer Services</b>	<b>£5,552,038</b>	<b>£4,750,577</b>	<b>£801,460</b>	<b>14.44%</b>	<b>£13,166,611</b>	<b>£13,166,611</b>	<b>£0</b>	<b>0.00%</b>	
CS01 - Benefits	(£169,874)	(£460,079)	£290,205	(170.84%)	£792,641	£792,641	£0	0.00%	Year to date underspend is mainly due to profiling issues within Housing Benefits where additional grant monies have been received and the Scottish Welfare Fund where expenditure is behind original anticipated spend. There are also ytd underspends within the customer Service Centre as a result of timing differences between budget transfers and actual spend transfers. However, the forecast outturn remains in line with the annual budget, so there are no concerns at this stage.
CS02 - NDR Disc Relief	(£51,026)	(£57,036)	£6,010	0.00%	£98,811	£98,811	£0	0.00%	
CS03 - Creditors	£106,082	£98,958	£7,123	6.71%	£229,925	£229,925	£0	0.00%	
CS04 - Print and Mail Room	£26,587	£26,802	(£215)	(0.81%)	£61,949	£61,949	£0	0.00%	
CS05 - Debtors and Local Tax Income	£390,764	£352,591	£38,173	9.77%	£597,030	£597,030	£0	0.00%	
CS06 - Procurement	£300,502	£286,543	£13,959	4.65%	£682,811	£682,811	£0	0.00%	
CS07 - Customer Service and Registrars	£551,767	£451,241	£100,526	18.22%	£1,234,049	£1,234,049	£0	0.00%	
CS08 - ICT Applications and Infrastructure	£1,291,555	£1,307,836	(£16,281)	(1.26%)	£2,751,552	£2,751,552	£0	0.00%	
Central/Management Costs	£139,033	£130,701	£8,332	5.99%	£302,910	£302,910	£0	0.00%	
<b>Customer and Support Services</b>	<b>£2,585,390</b>	<b>£2,137,558</b>	<b>£447,832</b>	<b>17.32%</b>	<b>£6,751,679</b>	<b>£6,751,679</b>	<b>£0</b>	<b>0.00%</b>	
FS01 - School Meals	(£357,081)	(£314,784)	(£42,297)	11.85%	(£478,071)	(£478,071)	£0	0.00%	The net year to date overspend is outwith reporting requirements. However, there are 3 main areas with a variance - Property Design where fees have yet to be processed, Shared Offices where repairs spend is behind anticipated budget ytd spend and Pupil/Public Transport where savings are being achieved earlier than originally anticipated. The profile will be reviewed as part of the on-going budget monitoring process and a forecast variance will be uploaded during October.
FS02 - Safer Communities and Facilities	£336,168	£582,811	(£246,643)	(73.37%)	£1,516,564	£1,516,564	£0	0.00%	
FS03 - Sustainability	£65,925	£38,301	£27,624	41.90%	£131,904	£131,904	£0	0.00%	
FS04 - School and Public Transport	£4,140,666	£3,950,625	£190,041	4.59%	£9,257,897	£9,257,897	£0	0.00%	
Central/Management Costs	£237,981	£255,782	(£17,801)	(7.48%)	£806,879	£806,879	£0	0.00%	
<b>Facility Services</b>	<b>£4,423,660</b>	<b>£4,512,736</b>	<b>(£89,076)</b>	<b>(2.01%)</b>	<b>£11,235,173</b>	<b>£11,235,173</b>	<b>£0</b>	<b>0.00%</b>	
GL1 - Democratic Services	£245,883	£221,726	£24,157	9.82%	£533,603	£533,603	£0	0.00%	Year to date underspend is mainly due to profiling issues where expenditure is behind anticipated spend however, the forecast outturn remains in line with the annual budget, so there are no concerns at this stage.
GL2 - Governance	£41,300	£42,238	(£939)	(2.27%)	£87,329	£87,329	£0	0.00%	
GL3 - Member's Services	£51,251	£59,131	(£7,880)	(34.89%)	£111,045	£111,045	£0	0.00%	
GL4 - Community Safety	£24,010	£24,105	(£95)	(0.40%)	£51,879	£51,879	£0	0.00%	
GL5 - Elections	£27,417	£915	£26,502	96.66%	£54,802	£54,802	£0	0.00%	
GL6 - Children's Panel	£21,660	£14,202	£7,458	34.43%	£43,743	£43,743	£0	0.00%	
GL7 - Community Councils	£17,398	£11,630	£5,768	33.15%	£34,810	£34,810	£0	0.00%	
GL8 - Legal Services - Corporate	£142,194	£137,760	£4,434	3.12%	£306,093	£306,093	£0	0.00%	
GL9 - Legal Services - Commercial	£158,066	£149,211	£8,855	5.60%	£342,877	£342,877	£0	0.00%	
GL10 - Licensing	(£95,261)	(£124,383)	£29,121	(30.57%)	(£107,396)	(£107,396)	£0	0.00%	
Central/Management Costs	£88,746	£82,149	£6,597	7.43%	£189,616	£189,616	£0	0.00%	
<b>Governance and Law</b>	<b>£722,662</b>	<b>£628,684</b>	<b>£93,978</b>	<b>13.00%</b>	<b>£1,648,401</b>	<b>£1,648,401</b>	<b>£0</b>	<b>0.00%</b>	
<b>Grand Total</b>	<b>£13,283,749</b>	<b>£12,029,555</b>	<b>£1,254,194</b>	<b>9.44%</b>	<b>£32,801,863</b>	<b>£32,801,863</b>	<b>£0</b>	<b>0.00%</b>	

## SUBJECTIVE SUMMARY AS AT 30 SEPTEMBER 2013

Subjective Category	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Employee	£6,978,582	£6,884,105	£94,477	1.35%	£15,448,829	£15,448,829	£0	0.00%	Outwith reporting criteria.
Premises	£900,554	£894,035	£6,519	0.72%	£2,544,788	£2,544,788	£0	0.00%	Outwith reporting criteria.
Supplies & Services	£1,730,626	£1,502,400	£228,226	13.19%	£3,830,933	£3,830,933	£0	0.00%	There are minor variances over a wide range of cost centres where payments are behind the original budget profile.
Transport	£6,591,654	£6,446,420	£145,234	2.20%	£7,184,780	£7,184,780	£0	0.00%	Year to date underspend is mainly due to internal hire charges where payments are behind the profiled budget.
Third Party	£22,865,729	£21,736,884	£1,128,845	4.94%	£47,013,199	£47,013,199	£0	0.00%	Mainly due to NPDO payments (£776k), Benefits (£176k) and Pupil/Public Transport (£165k) which are behind the anticipated year to date budget.
Income	(£25,783,396)	(£25,434,289)	(£349,107)	(1.35%)	(£43,220,666)	(£43,220,666)	£0	0.00%	Mainly due to Property Design (£315k) where income is behind the profiled year to date budget as fees have yet to be recharged, the profiling will be refined as part of the ongoing budget monitoring process.
<b>Totals</b>	<b>£13,283,749</b>	<b>£12,029,555</b>	<b>£1,254,194</b>	<b>9.44%</b>	<b>£32,801,863</b>	<b>£32,801,863</b>	<b>£0</b>	<b>0.00%</b>	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget.

A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or actual or forecast income is less than budget.

An explanation is given for any variance which exceeds £50,000 or 10%.

## REVENUE BUDGET MONITORING REPORT – SEPTEMBER 2013-14 – DEVELOPMENT AND INFRASTRUCTURE SERVICES

### Summary of Key Points:

- The department are currently forecasting an overspend of £225,000, there were no forecast outturns reported in the previous monitoring period.
- Net expenditure for the year to date spend is £870,488 less than the profiled to date budget – an underspend to date of 6.3%

### Recommendations:

Note the contents of this financial summary

	<b>Risks and Proposed Actions</b>
<b>Identified Risk or Challenge:</b>	<b>Proposed Actions:</b>
Identification of acceptable service reductions within Roads and Amenity Services to meet agreed Council savings	Programme of member workshops to identify preferred options and undertake consultation
Trunking of A83 Kennacraig to Campbeltown	Development of Business Case
Shortfall in projected building standards income, risk that provision made in 2013-14 budget to accommodate this is not sufficient	Close monitoring of income levels to ensure that any further shortfall in income recovered is reported
Reduction in car parking income	Enforcement plan has been put in place for 2013-14
Renegotiation of shellfish biotoxin monitoring contract with the Food Standards Agency, risk that the income will not meet expenditure	Ongoing contract negotiations
Introducing co-mingled alternate weekly recycling collections within the Waste PPP project, risk of non-delivery of service review savings	Contractual negotiations with Shanks and the introduction of a co-mingled collection supported by the Special Projects Team
Dangerous buildings, there is no budget for this expenditure and the council have no control over the demand for the service and the recovery rate for the debt is low.	Building Standards, Legal Services and Strategic Finance are working closely to manage debt recovery and to consider other options to minimise corporate risk exposure.



Future costs of Winter Maintenance cannot be estimated and the costs of severe weather events and damage cannot be funded from planned maintenance budgets.

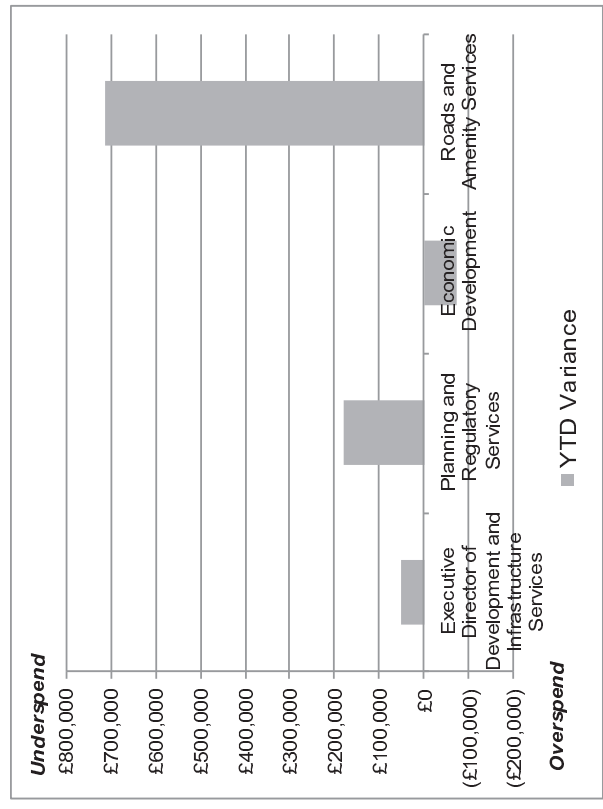
Close monitoring of Winter Maintenance spend and reporting of the financial implications through budget monitoring process.

**Current Year to Date Position**

Net expenditure for the year to date spend is £870,488 less than the profiled to date budget – an underspend to date of 6.3%. The main reason for this being the profiling of budget, this will be reviewed and the profile updated.

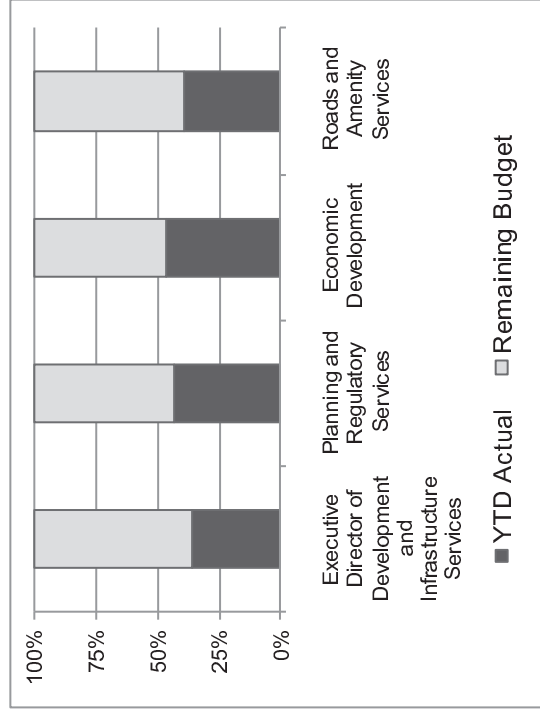
**YTD Variance by Service:**

The chart below shows the YTD variance by service, a negative value indicates a YTD overspend.



**YTD Budget v Actual Graph:**

The graph below highlights the expenditure to date against the remaining budget per service. The dark area represents the actual expenditure to date as a proportion of the total budget and the lighter area at the top displays the remaining available budget as a percentage of the total budget.

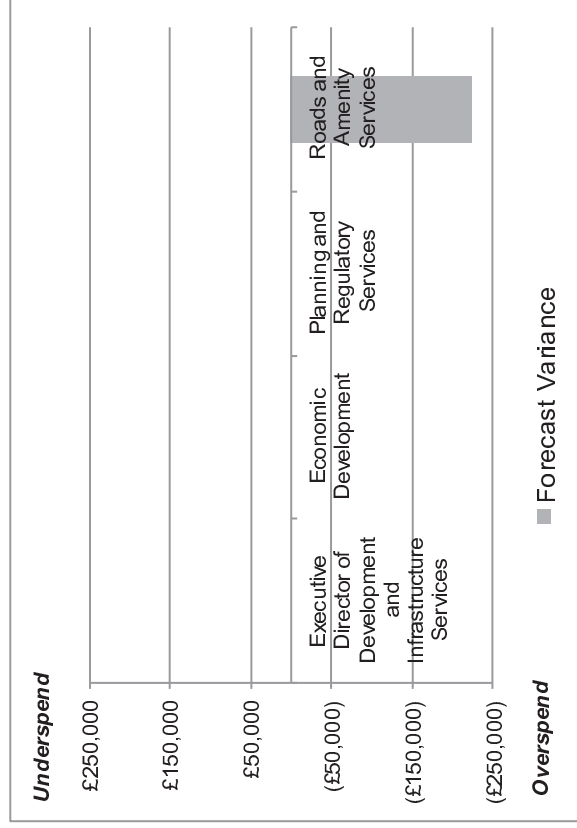


### Current Year Forecast Outturn

The department are currently forecasting an overspend of £225,000.

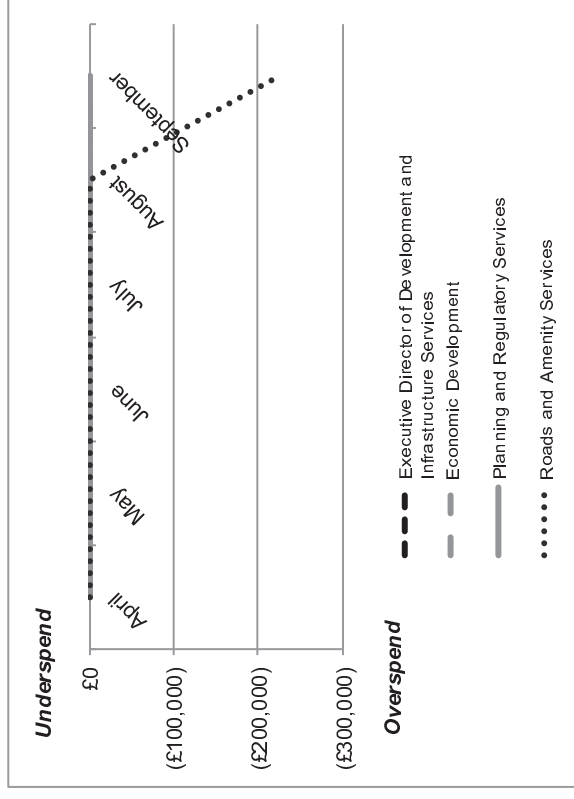
#### Forecast Outturn Variance by Service:

The chart below shows the current forecast outturn variance by service. A negative value indicates a forecast overspend.



#### Forecast Outturn Trend:

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



### Red Variances

A red variance is a forecast outturn variance which is greater than +/- £25,000.

Detail of the red variances for the department are detailed in the table below:

Service Area	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Street Lighting	1,467,100	1,692,100	(225,000)	(15.34%)	This is based on last year's actual outturn and reflects the fact that price increases have exceeded budget increases by 11% and it is anticipated that there will be a shortfall in budget for 2013/14. A full inventory review is currently being completed to enable further discussions with power suppliers with a view to reducing costs.
	0	0	0		

## Budget/Efficiency Savings

Overall the department is on track to deliver the savings required, with 68.3% of savings achieved to date and 100% of the departmental vacancy savings target being achieved, with vacancy savings to date being £83k in excess of the target.

### Progress with Savings:

The table below details the savings target for the department together with the progress to date:

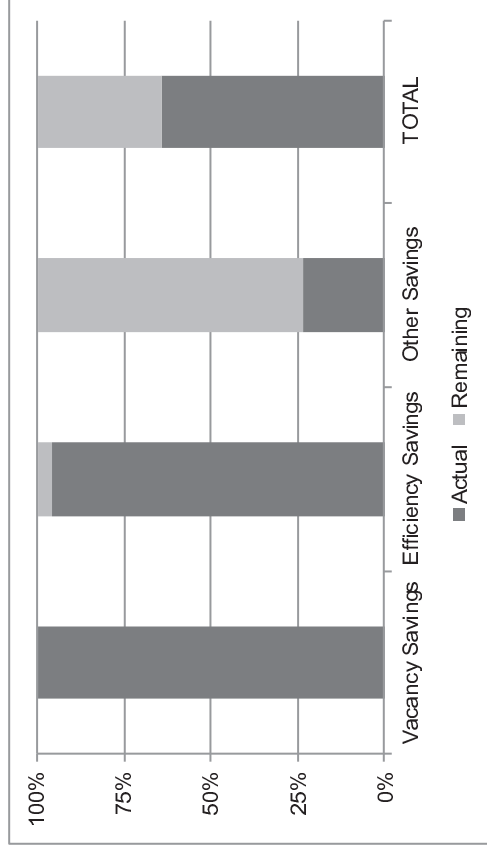
Type of Saving	Target £	Actual £	Remaining £
Vacancy Savings	130,091	212,599	0
Efficiency Savings	522,767	499,600	23,167
Other Savings	595,000	140,000	455,000
<b>Totals</b>	<b>1,247,858</b>	<b>852,199</b>	<b>478,167</b>

The Efficiency Savings and Other Savings are the savings amounts removed from service budgets as per the approved 2013-14 budget. These will include any savings options for Year 2 and Year 3 service reviews agreed as part of the 2011-12 and 2012-13 revenue budgets where the amount of the saving was to increase in 2013-14 and also any budget savings agreed as part of the 2013-14 budget process.

Vacancy Savings are baselined into the department budget.

### Savings Chart:

The chart below highlights the progress with savings made to date against the savings target. The dark area represents the savings achieved to date as a proportion of the total target with the lighter area at the top showing the remaining savings to be achieved as a percentage of the total target.



## Financial Risk Analysis

As part of the budget process for 2013-14 an exercise was undertaken for each service to look at each of the main activities/teams/business units to identify risks related to cost levels, service demands and income. The probability, service impact and financial impact of each risk was assessed, this position has been updated in the table below which notes the top three financial risks for each category for the department.

Service	Description	Probability and Service Impact	Budget Impact £000	Management/Control
<b>Cost Risks:</b>				
Economic Development	Airfields and Air Services - Increased fuel costs on PSO flights being passed on to the Council	Medium - 9	30	Scrutinise all claims for increased costs to ensure that they are in accordance with the contract.
Economic Development	Ferries - Increased maintenance costs due to the age of the fleet.	Medium - 12	200	Monitor the cost of maintaining the fleet and if necessary prepare business cases for the procurement of replacement ferries.
Roads and Amenity Services	Waste Collection - Unable to introduce co-mingled collections due to an unsatisfactory outcome of negotiations with Shanks.	Low - 3	187	Devote the necessary resources to complete the variation process and the introduce change to service delivery
<b>Demand Risks:</b>				
Planning and Regulatory Services	Building Standards - Dangerous Building Enforcement	Medium - 9	180	Monitor activity and seek to recover costs from the owner
Roads and Amenity Services	Winter Maintenance - Adverse weather conditions which require greater than budgeted number of gritting runs	High - 16	1,199	Monitor weather conditions and apply gritting policy to minimise costs.
Roads and Amenity Services	Roads Maintenance - Adverse weather conditions result in deterioration of the road network necessitating greater spend on repair of defects.	Medium - 9	235	Manage maintenance budgets to ensure that spend is prioritised to deal with safety defects.
<b>Income Risks:</b>				
Planning and Regulatory Services	Planning and Building Standards - Increase in numbers of Planning and Building Warrant Applications would result in an increase in the number of staff required to process applications	Medium - 12	100	Monitor number of applications received and adjust staffing to deal with the increase
Planning and Regulatory Services	Planning and Building Standards - Decrease in numbers of Planning and Building Warrant Applications would result in less income recovered	Medium - 12	203	Monitor number of applications received and adjust staffing to deal with the decrease
Roads and Amenity Services	Car Parking - Reduced use of car parks results in loss of income	Medium - 12	301	Ensure that there is an enforcement regime in place to collect all income due.

The probability and service impact is a combination of the likelihood of an event happening and the impact that it would have. The financial risks have been categorised as low, medium and high, with low being a score of between 1 and 5, medium between 6 and 12 and high between 13 and 25.

## OBJECTIVE SUMMARY AS AT 30 SEPTEMBER 2013

Service Outcome	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Central/Management Costs	£777,810	£725,682	£52,128	6.70%	£2,032,089	£2,032,089	£0	0.00%	Outwith reporting criteria
<b>Executive Director of Development and Infrastructure Services</b>	<b>£777,810</b>	<b>£725,682</b>	<b>£52,128</b>	<b>6.70%</b>	<b>£2,032,089</b>	<b>£2,032,089</b>	<b>£0</b>	<b>0.00%</b>	
ET01 - Economic Growth	£814,276	£605,148	£209,128	25.68%	£1,786,291	£1,786,291	£0	0.00%	The YTD variance within Economic Growth relates to unbudgeted non recurring income. The YTD overspend in Strategic Transportation and Attractive Communities
ET02 - Strategic Transportation & Attractive Communities	£587,170	£881,342	(£294,172)	(50.10%)	£1,376,305	£1,376,305	£0	0.00%	relate to the profiling of income not being aligned to actuals, this will be reviewed
ET03 - Renewables	£14,994	£2,651	£12,343	82.32%	£30,000	£30,000	£0	0.00%	
ET04 - Third Sector	£70,055	£68,406	£1,649	2.35%	£150,659	£150,659	£0	0.00%	
Central/Management Costs	£44,364	£46,178	(£1,814)	(4.09%)	£96,247	£96,247	£0	0.00%	
<b>Economic Development</b>	<b>£1,530,859</b>	<b>£1,603,725</b>	<b>(£72,866)</b>	<b>(4.76%)</b>	<b>£3,439,502</b>	<b>£3,439,502</b>	<b>£0</b>	<b>0.00%</b>	
PR01 - Development Management	£194,380	£149,852	£44,527	22.91%	£555,569	£555,569	£0	0.00%	The YTD in Development Management relate to the profiling of income not being aligned to actuals. The YTD variance within Environmental
PR02 - Trading Standards	£227,480	£231,292	(£3,812)	(1.68%)	£506,370	£506,370	£0	0.00%	Safety relates to Private Water supplies where the expenditure to third parties is not aligned to budget.
PR03 - Environmental Health	£501,557	£482,536	£19,021	3.79%	£1,105,539	£1,105,539	£0	0.00%	
PR04 - Building Standards	£23,085	£53,156	(£30,072)	(130.27%)	£86,213	£86,213	£0	0.00%	
PR05 - Corepath Plan	£63,137	£64,631	(£1,494)	(2.37%)	£135,934	£135,934	£0	0.00%	
PR06 - Environmental Safety	£219,724	£75,359	£144,365	65.70%	£97,769	£97,769	£0	0.00%	
PR07 - Development Policy	£270,482	£267,055	£3,427	1.27%	£554,541	£554,541	£0	0.00%	
Central/Management Costs	£114,485	£112,258	£2,227	1.95%	£300,286	£300,286	£0	0.00%	
<b>Planning and Regulatory Services</b>	<b>£1,614,329</b>	<b>£1,436,139</b>	<b>£178,190</b>	<b>11.04%</b>	<b>£3,342,220</b>	<b>£3,342,220</b>	<b>£0</b>	<b>0.00%</b>	
RA01 - Roads & Lighting	£3,858,119	£3,635,914	£222,205	5.76%	£8,189,351	£8,414,351	(£225,000)	(2.75%)	The forecast variance relates to a projected overspend on street lighting electricity. This is based on last year's actual outturn and reflects the fact that price increases have exceeded budget increases by 11% and it is anticipated that there will be a shortfall in budget for 2013/14.
RA02 - Network & Environment	(£43,164)	(£310,918)	£267,754	(620.31%)	(£128,539)	(£128,539)	£0	0.00%	
RA03 - Fleet	(£144,764)	(£243,964)	£99,200	(68.53%)	(£221,219)	(£221,219)	£0	0.00%	
RA04 - Roads Design	£157,812	£98,497	£59,314	37.59%	£459,908	£459,908	£0	0.00%	A full inventory review is currently being completed to enable further discussions with power suppliers with a view to reducing costs.
RA05 - Streetscene	£2,230,060	£2,221,744	£8,316	0.37%	£4,370,423	£4,370,423	£0	0.00%	The YTD variance is within Road and Lighting is due to the profiling of expenditure not being aligned to actuals. The YTD variance is within Network and Environment is due to the profiling of expenditure not being aligned to actuals.
RA06 - Waste Management	£3,778,713	£3,719,000	£59,713	1.58%	£10,366,348	£10,366,348	£0	0.00%	
Central/Management Costs	£48,438	£51,905	(£3,467)	(7.16%)	£105,092	£105,092	£0	0.00%	
<b>Roads and Amenity Services</b>	<b>£9,885,214</b>	<b>£9,172,178</b>	<b>£713,036</b>	<b>7.21%</b>	<b>£23,141,364</b>	<b>£23,366,364</b>	<b>(£225,000)</b>	<b>(0.97%)</b>	
<b>Grand Total</b>	<b>£13,808,212</b>	<b>£12,937,725</b>	<b>£870,488</b>	<b>6.30%</b>	<b>£31,955,175</b>	<b>£32,180,175</b>	<b>(£225,000)</b>	<b>(0.70%)</b>	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget.

A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or forecast income is less than budget.

An explanation is given for any variance which exceeds £50,000 or 10%.

## SUBJECTIVE SUMMARY AS AT 30 SEPTEMBER 2013

Subjective Category	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Employee	£10,608,687	£9,976,990	£631,697	5.95%	£23,367,404	£23,367,404	£0	0.00%	YTD variance relates to the profiling of expenditure not being aligned to actuals, this will be reviewed.
Premises	£1,152,391	£953,317	£199,074	17.27%	£2,423,079	£2,648,079	(£225,000)	(9.29%)	YTD variance relates to the profiling of expenditure not being aligned to actuals, this will be reviewed.
Supplies & Services	£3,702,450	£3,647,011	£55,439	1.50%	£7,440,694	£7,440,694	£0	0.00%	Outwith reporting Criteria
Transport	£5,278,487	£4,554,864	£723,623	13.71%	£10,701,927	£10,701,927	£0	0.00%	YTD variance relates to the profiling of expenditure not being aligned to actuals, this will be reviewed.
Third Party	£11,296,077	£11,342,828	(£46,751)	(0.41%)	£24,834,896	£24,834,896	£0	0.00%	YTD variance relates to the profiling of expenditure not being aligned to actuals, this will be reviewed.
Capital Financing	£125	(£98,999)	£99,124	0.00%	£251	£251	£0	0.00%	Outwith reporting Criteria
Income	(£18,230,004)	(£17,438,286)	(£791,718)	(4.34%)	(£36,813,076)	(£36,813,076)	£0	0.00%	YTD variance relates to the profiling of income not being aligned to actuals, this will be reviewed.
<b>Totals</b>	<b>£13,808,213</b>	<b>£12,937,725</b>	<b>£870,488</b>	<b>6.30%</b>	<b>£31,955,175</b>	<b>£32,180,175</b>	<b>(£225,000)</b>	<b>(0.70%)</b>	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget.

A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or actual or forecast income is less than budget.

An explanation is given for any variance which exceeds £50,000 or 10%.