

FINANCIAL RESOURCES SCRUTINY FORUM

2010/11 Budget Issues	Outlook for 2011/12
<p>Community Resources : Facilities / Environmental - Employee Costs General underspends in Basic Pay and related costs have been experienced primarily within Facilities Services and Environmental Services.</p> <p>The underspend in Facilities Concierge and Public Conveniences is due to vacancies partially offset by additional overtime to cover the vacancies. There is also a corresponding under-recovery of income from recharges. In addition, there is a service which is no longer required which also results in an underspend.</p>	<p>The employee budget is based on the established posts within each Service. Vacancies which may arise during the course of the financial year are managed across the Services.</p> <p>Some realignment has been included for permanent additions to service, however, any ad-hoc requests for service during the year will result in overtime with additional income offsetting this cost.</p>
<p>Community Resources : Land – Transport & Plant Costs Variances in Charges for Leased Vehicles (underspend due to contract changes), Hired Vehicles (overspend due to hire levels re refuse collection vehicles) and Contract Hire Vehicles (underspend due to charges anticipated but not realised).</p>	<p>Transport budgets have been re-aligned as part of the 2011/12 budget setting process. This should reduce the likelihood of recurring variances in this area.</p>
<p>Community Resources : Land Services - Payment to Private Contractors An overspend against Environmental Services as a result of expenditure on pest control services, dog warden services and demand for clinical waste uplift services.</p> <p>An underspend in Land Services reflects underspend in recycle and bulky uplifts partly offset by green waste and domestic disposal.</p>	<p>Budget levels have been reviewed as part of the 2011/12 budget setting process and this should reduce the likelihood of recurring variances in this area.</p> <p>The year end position reflected a over-spend due to domestic and green waste partly offset by bulky uplifts and re-cycle.</p>

FINANCIAL RESOURCES SCRUTINY FORUM

2010/11 Budget Issues	Outlook for 2011/12
<p>Community Resources : Projects - Income The over recovery of income in Projects reflects unbudgeted funding for the Future Jobs Fund and Air Quality project. This offsets additional spend across a number of lines within the Service.</p>	<p>The budgets for the Air Quality have been re-aligned as part of the 2011/12 budget setting process. This should reduce the likelihood of recurring variances in this area.</p>

FINANCIAL RESOURCES SCRUTINY FORUM

2010/11 Budget Issues	Outlook for 2011/12
<p>Corporate Resources : Services & Support - Employee Costs – Basic/Superannuation and National Insurance</p> <p>There has been an underspend against basic pay and on-costs across both Support and Services.</p>	<p>A number of structural changes across the Council have resulted in certain functions being centralised within Corporate Resources. This was designed to produce efficiencies, streamline service provision and, where appropriate, make greater use of online facilities. The savings generated have been offered as part of the savings package for 2011/12. The opportunity will be taken over the next 2 years to review processes and establish improved working practices within the centralised function with a view to generating further efficiencies.</p>
<p>Corporate Resources : Services & Support – Supplies and Services / Income</p> <p>An over-recovery in Supplies for Clients in relation to spend on outsourced print-room work. This is offset by underspends in materials and also by additional income.</p>	<p>The additional expenditure in Supplies and Services is for outsourced work. This is difficult to quantify as it is demand led, specialised work that cannot be undertaken in-house. It is fully recharged through the Print Room. However, this is offset by an under recovery in general printing income. The budget provision in 2011/12 will be reviewed.</p>

FINANCIAL RESOURCES SCRUTINY FORUM

2010/11 Budget Issues	Outlook for 2011/12
<p>Education Resources : Employee Costs – APT&C Basic Salaries and On-Costs Overspends against APT&C salaries and on-costs are a result of the previous increase to average salaries relating mainly to School Support and Early Years employees.</p>	<p>Budget of £0.200m has been moved into the APT&C budget line by Education Resources as part of the 2011/12 budget process to try and address this issue. Pressure will continue to exist within this budget and will be monitored throughout the year, with budget being vired into these lines, if required.</p>
<p>Education Resources : Property Costs – Various Overspends against various areas of property costs are a result of increase in costs associated with new modernised schools. This includes water, janitorial provision and cleaning contract. This has been managed with underspends in other areas of the Education budget.</p>	<p>Projected overspend in areas of property costs due to the increased costs for the new modernised schools. Affected budget areas include Water costs, Janitorial provision and Cleaning Contract. Pressure will continue to exist within this budget and will be monitored throughout the year, with budget being vired into these lines, if required.</p>
<p>Education Resources : Property Costs – Other Property Costs The underspend in Other Property Costs is in relation to savings which will be used in-year to manage budget pressures elsewhere in the Resource. The savings are in respect of the budget for the PPP unitary charge which will not be fully required in 2010/11.</p>	<p>The majority of the budget within Other Property Costs has now been realigned to pay for the unitary charge in 2011/12 in relation to the Secondary Schools Modernisation however; the balance will be used to assist with budget pressures elsewhere within the Resource.</p>

FINANCIAL RESOURCES SCRUTINY FORUM

2010/11 Budget Issues	Outlook for 2011/12
<p>Education Resources : Transport and Plant – Strathclyde Passenger Transport</p> <p>The underspend reflects a demand led service. However, there have also been improvements in contract management including better alignment of geographical contract renewals and a review of the entitlement to the service.</p>	<p>2011/12 efficiency savings will remove the underspend within Fleet and SPT transport budgets.</p>
<p>Education Resources : Payment to Other Bodies – Independent Schools</p> <p>The underspend reflects a demand led service with the underspend being used to manage budget pressures elsewhere within the Resource.</p>	<p>This is a demand led service and will be closely monitored in 2011/12.</p>

FINANCIAL RESOURCES SCRUTINY FORUM

2010/11 Budget Issues	Outlook for 2011/12
<p>Enterprise : All Services - Employee Costs - Basic Salaries and On-Costs, Other Employee Costs and Income Underspends in basic salaries across Planning and Building Standards, Regeneration, Support and Roads, due to turnover of staff and the non-filling of vacant posts which have arisen during the year.</p>	<p>The underspends on employee costs will significantly reduce in 2011/12 due to vacant posts being removed as a result of the 2011/12 savings exercise.</p>
<p>Enterprise : Roads - Payment to Contractors / Income Underspend in payment to Trading Service offset by an overspend on payment to private contractor and an under recovery of income from rechargeable works.</p> <p>The underspend in the Payment to Trading contractor is due to a reduction in the level of Revenue works carried out as more work has been carried out on capital programme jobs.</p> <p>The overspend in private contractors is a result of higher than anticipated rechargeable works carried out. This offsets the underspend in Payment to Trading Contractor and is offset by an over recovery of income.</p>	<p>The variance against budget is due to changes in the level and type of work carried out by the Trading Service. No realignment has taken place for 2011/12.</p> <p>The variances against budget are again the result of the unpredictable level of rechargeable work which is generated from other Resources, Scottish Government and external bodies. The budgets have not been realigned for 2011/12 as a significant proportion of the rechargeable private contractors work is demand led / ad hoc and thus not easily predicted.</p>

FINANCIAL RESOURCES SCRUTINY FORUM

2010/11 Budget Issues	Outlook for 2011/12
<p>Enterprise Resources : Roads - Income An over-recovery of income from Contributions from Other bodies reflects income from Scottish Coal to offset additional expenditure in road maintenance in relation to a mineral extraction agreement.</p> <p>Fee and Charges General shows an under recovery due to parking income being lower than anticipated reflecting a reduction in car park usage.</p>	<p>Contributions from Scottish Coal are anticipated in 2011/12 and will be offset by additional expenditure. No budget has taken place.</p> <p>Parking income was reduced in 2010/11 due to reduced footfall to town centres as a result of the economic downturn. It is difficult to predict the impact of this in 2011/12 therefore budgets will remain as is and be closely monitored as part of the budgetary control process.</p>
<p>Enterprise: Planning & Building Standards – Fees and Charges/ Other Income</p> <p>Income was under-recovered as a result of a reduced level of planning applications and building warrants. Other income was also under recovered as a result of a reduction in property inquiries.</p>	<p>An under-recovery is anticipated in Planning & Building Standards income as a result of a reduced level of planning applications and building warrants.</p>

FINANCIAL RESOURCES SCRUTINY FORUM

2010/11 Budget Issues	Outlook for 2011/12
<p>Finance and IT Resources : Finance Services / IT Services / Procurement - Employee Costs - Basic Salaries and On-Costs Underspend as a result of vacancies across the Resource.</p>	<p>The underspend during 2010/11 was the result of vacancies and turnover of staff throughout the year.</p> <p>In 2011/12, there will continue to be an underspend as a result of vacancies across the Resource throughout the year.</p>

FINANCIAL RESOURCES SCRUTINY FORUM

2010/11 Budget Issues	Outlook for 2011/12
<p>Housing and Technical Resources Non HRA : All Services - Employee Costs Variances in Basic Salaries and related costs in Area Services (underspend due to vacancies), Property Services (underspend due to vacancies) and Finance, Benefits and Revenues (overspend due to the delayed implementation of the Benefits and Revenues Review and the Cash Hall Review).</p>	<p>The underspend is a combination of turnover and non-filling of vacancies to manage budget pressures. Area Services is subject to review and savings in 2011/12. The vacancies in Property Services have been filled where possible and this service is also subject to review for savings in 2012/13. The Best Value Review for Benefits and Revenues is progressing and implementation has begun with a view to achieving the savings targets set.</p>
<p>Housing and Technical Resources Non HRA : Area Services - Property Costs - Grounds Maintenance / Other Accommodation Costs / Housing Rent Written Off Unlet Periods Variances across Other Accommodation Costs (underspend due to a number of units not yet identified), Grounds Maintenance (overspend reflecting the costs of the Care of Gardens Scheme to owner occupiers) and Housing Rent Written Off for Unlet Periods (due to the high demand for these units, the length of time they lie vacant is lower than budgeted).</p> <p>The Other Accommodation Costs underspend is offset by an income under recovery.</p>	<p>At the start of each year the homeless service is set a target for homeless accommodation which it is estimated is required to meet demand. In 2010/11 this service met demand with less units than estimated, resulting in an underspend in expenditure in areas such as accommodation costs and rent for unlet periods, which is off-set by an under recovery in income. Targets for 2011/12 are currently being reviewed and budgets will be re-aligned to match these new targets.</p> <p>The Care of Gardens Scheme for Owner Occupiers is now subject to full recovery through charges, and as a result this budget line will no longer overspend.</p>

FINANCIAL RESOURCES SCRUTINY FORUM

2010/11 Budget Issues	Outlook for 2011/12
<p>Housing and Technical Resources Non HRA : Area Services / Supporting People – Payments to Other Bodies / Supporting People External Provider</p> <p>Variances across Payments to Other Bodies (underspend due to the re-provisioning of the homelessness support service contracts) and Supporting People External Provider (underspend due to the contracts currently in place for Supporting People Services).</p>	<p>Savings have been experienced within this area as a result of the re-provisioning of the homelessness support contract and also the negotiation of supporting people contracts. These savings will continue in 2011/12 and have been subject to budget re-alignments and savings submissions in 2011/12 and 2012/13.</p>
<p>Housing and Technical Resources / Non HRA : Transfer Payments and Income</p> <p>Overspend in Rent Allowances and Rent Rebates which reflects demand for housing benefit payments. There are corresponding over recoveries of the Rent Allowance and Rent Rebate Subsidy income.</p>	<p>The 2011/12 budget has been realigned based on predicted demand. However, due to the demand led nature of these payments and the current economic situation further variances are likely in 2011/12. This will be closely monitored.</p>

FINANCIAL RESOURCES SCRUTINY FORUM

2010/11 Budget Issues	Outlook for 2011/12
<p>Housing and Technical Resources; HRA – Employee Costs Underspend in Basic, Superannuation and National Insurance due to vacancies across the Service including within the Rent Team who transferred to HRA during the year.</p>	<p>Front line service delivery remains a key priority, and the majority of these savings are as a result of staff turnover. This will continue to be closely monitored in 2011/12 and it is anticipated that under spends in this area should be much less.</p>
<p>Housing and Technical Resources; HRA – Property Costs An underspend in Repairs and Maintenance (Internal and External Contractors) mainly as a result of the impact on the service of the winter weather.</p> <p>There is also an overspend in Rent Written Off – Unlet Periods due to void periods for garages and houses.</p>	<p>Repairs and Maintenance of Housing Stock is a demand led service, and budgets have been set which aim to meet this demand, however this service needs to re-act to changes in demand and this is managed within the overall HRA budget. This budget underspent last year as a result of the winter weather and the implications this had on this services ability to meet demand for responsive repairs and also the costs of work done on behalf of owners participating in external fabric work. This underspend has been carried forward in the surplus to enable these commitments to be funded in 2011/12.</p> <p>The overspend in this area is mainly as a result of an increased level of void rent loss in garages. This is currently under review.</p>
<p>Housing and Technical Resources / HRA : Income There is an over recovery of house rent income due to house sales being less than anticipated.</p>	<p>House Rent Figures are set each year based on assumptions about house sales, house demolitions and new builds. As a result of delays in our demolition and also a reduction in house sales, additional rent was secured in 2010/11. Revised targets have been set for 2011/12, based on our most update information.</p>

FINANCIAL RESOURCES SCRUTINY FORUM

2010/11 Budget Issues	Outlook for 2011/12
<p>Social Work Resources : All Services - Employee Costs (Basic, Superannuation, National Insurance and Overtime) Variances across all categories of staff in respect of basic salaries, on-costs and overtime.</p> <p>The underspend in Children & Family is a result of vacancies and home closures offset by turnover not being at the budgeted level.</p> <p>The overspend in Older People is mainly the result of the Supporting Your Independence Approach (previously Homecare Re-ablement).</p> <p>The underspend in Adult, Justice and Performance & Support Services are due to vacancies and turnover being less than budgeted.</p>	<p>The Children and Family underspend will recur in 2011/12 as a result of the closure of a second children's home.</p> <p>It is anticipated that any overspend in Home Care staff will be funded from the Change Fund monies</p>
<p>Social Work Resources : Children & Family / Adults / Older People : Payment to Private Contractor – Miscellaneous, Long Term Care and Home Support Overspend in Children and Families as a result of an increase in the number of children with a disability being placed within residential schools.</p> <p>Underspend in Older People/Adults in respect of Long Term Care reflecting the current assessment of needs.</p> <p>Overspend in Adults in respect of Home Support which reflects the current demand for the service based on assessed need.</p>	<p>The overspend in children and families will recur in 2011/12 and may increase due to additional placements being made. The budget provision will therefore continue to be monitored.</p> <p>The position in respect of long term care for Older People/Adults will be dependant on the assessed level of care, the service users contribution towards their care and the level of decrements.</p> <p>The Home Support service is currently being reviewed and the outcome of the review will inform future budget provision.</p>

FINANCIAL RESOURCES SCRUTINY FORUM

2010/11 Budget Issues	Outlook for 2011/12
<p>Social Work Resources : Adults – Income Under recovery of fees and charges income within Adults due to less than anticipated income from service users for assessed supported living services.</p>	<p>The under recovery should improve upon the implementation of the revised financial assessment framework. A financial assessment team has been set up temporarily and are now in place to progress this work.</p>