
Report to Audit and Finance Committee

Date of Meeting: 19 January 2017

Subject: Council Financial Performance 2016/17 – October Outturn

Report by: Chief Accountant

1.0 Purpose

- 1.1 This paper provides an update on the financial performance of the Council in respect of both revenue and capital spend for the current financial year, 2016/17.

2.0 Recommendations

2.1. The Committee is asked to note:

2.1.1 The draft General Fund revenue underspend for the year of £0.687m.

2.1.2 Progress on delivering 67% of the planned savings in the year.

2.1.3 The draft favourable outturn of £0.626m on the Housing Revenue Account.

2.1.4 The draft underspend in General Services capital of £3.035m of which £0.425m are savings in delivery of programme with the remainder carried forward to 2017/18.

2.1.5 The draft underspend on HRA capital of £5.272m of which £2.563m is additional income from house & land sales and £0.336m are savings in delivery of programme with the remainder carried forward to 2017/18.

3.0 Background

- 3.1. This report summarises the financial position of the Council. This report consolidates all of the detailed service financial data to provide a corporate position. The report also provides detail of individual Service positions showing the overall variance and the movement from the previous reported projected outturn. The draft Outturn position reflected in this report is based on rigorous reviews of service spending activity by accountants and service managers.

4.0 General Fund Revenue

- 4.1 Appendix A to this paper sets out the actual spend for each service area.
- 4.2 Overall the Council's net expenditure this year is expected to record an underspend of (£0.687m) for the year ended 31st March 2017. This is a favourable movement on the previously reported outturn of £0.144m in August.
- 4.3 Although most Services are reporting an underspend there is an overspend in Social Services of £1.478m which is a reduction in the overspend of £0.685m. This is mainly due to overspends within Adult Services of £0.901m primarily due to unachievable savings of £0.494m, Reablement service staffing of £0.221m with the balance being increased activity in Care at home and long term placements. Residential schools overspend of £0.695m has reduced by £0.218m since last reported. A separate report to this Committee details the overspend and progress on the management recovery plan.
- 4.4 Table 1 below provides an overview of the Council's outturn position within each Service Expenditure area. The commentary aims to flag the **key** reasons for material variances from the approved budget.

Table 1: Summary of Service Budget Variances

Service	Annual Budget 2016/17	Projected Over/(under spend) at 31 st March 2017	Previous reported over/(under) spend at August	Movement
Resources & Governance	£22.644m	(£0.559m)	(£0.729m)	£0.170m
<p>Resources and Governance is projecting a net underspend of (£0.559m) resulting in an adverse movement of £0.170m since last outturn. The underspend and material movements are explained as follows:</p> <p>Accountancy is reporting an underspend of (£0.110m), movement £0.022m. The underspend is attributable to cash savings on staff seconded to the Tech One project and vacancy management.</p> <p>Asset Management is forecasting an overspend of £0.099m, movement £0.009m. The overspend is due to unachievable savings on rental income and staffing.</p> <p>Catering is reporting an underspend of (£0.417m), movement (£0.008m). This underspend is mainly attributable to efficiencies in staff and food purchases for P1-P3 free school meals. A related budget saving is being put forward for consideration for 17/18.</p> <p>IT is projecting an overspend of £0.024m, movement £0.070m. The overspend is made up of a forecasted overspend within Central IT of £0.090m. This is primarily due to Licence costs which were initially thought to reduce due to reduced employee numbers. However, a net increase in costs is expected as a result of unfavourable exchange rates on purchases. This is offset by an underspend (cash saving) of</p>				

(£0.066m) due to secondments, reduced hours and staff absence.

Governance is reporting underspend of (£0.095m), movement £0.020m. The underspend is mainly due to vacancies as a result of VS offset by the Corporate saving and cash savings in relation to the management of staffing vacancies.

Property Maintenance is projecting overspend of £0.145m, movement £0.058m. The overspend is mainly due to unachievable savings that were based on renegotiation of employee's terms and conditions, retirement and vacation of some properties that are still in use.

Schools PPP is projecting a net underspend of (£0.204m) for the year, no movement. The underspend is a cash saving largely due to an insurance rebate of (£0.230m).

Service	Annual Budget 2016/17	Projected Over/(under spend) at 31st March 2017	Previous reported over/(under) spend at August	Movement
Strategy and Customer Services	£5.684m	(£0.075m)	£0.005m	(£0.080m)

The service is forecasting a net underspend of (£0.075m) compared to the previous forecast overspend of £0.005m. This is mainly due to having more information regarding Business Support payroll forecasts. There has also been an increase in the amount of income projected to be received in Customer Services.

There is an underspend in Business Support (£0.114m) due to salary variations with the main underspend in Business Support Adult Care (£0.053m) as two staff members are on secondment and one on long term sick. Business Support Child Care also has an underspend of (£0.034m). This mainly as a result of a VS saving (£0.013m) and a vacancy which is a proposed budget saving for 17/18 (£0.019m). There are other underspends in salaries as a result of vacancies not being filled on a temporary basis, reduction in hours related to the budgeted family friendly saving for 16/17 and flexi retirement which is being put forward as a budget saving for 17/18. These various payroll factors have resulted in an increased underspend of (£0.011m) compared to last forecast.

Strategy & Performance is reporting an overspend of £0.032m due to an unachieved saving from targeted VR, where staff declined the offer. There is a slight movement from the last forecast of (£0.002m) due to updated forecasts for Payments to Contractors for the Corporate Newspaper.

Customer Services/Leisure is forecasting an overspend of £0.007m and movement of (£0.086m) made up as follows:

The Customer Services function is reporting an underspend of (£0.052m). This cash saving is as a result of salary underspends arising from a delay in filling vacancies and increased income projections. This underspend has increased since the last forecast by (£0.039m). Scottish Certificates income has increased by (£0.007m)

based on improving weekly calculations and Registrars income has increased by (£0.015m) due to a new service being provided through Scotland's People. Income budgets will be reviewed in line with the income and charging policy for 17/18. The remainder of the variance is made up of (£0.014m) as a result of staff roles anticipated being vacant for two months. There has also been a (£0.003m) reduction in the Loomis payments within the CAP offices from fewer pick ups.

Leisure is reporting an overspend of £0.059m, which is a movement of (£0.027m) from the previous forecast. The overspend is mainly a result of a historic £0.095m unallocated saving. The service have judged that to rectify this in one step would be counterproductive in terms of income, therefore, a phased approach is being adopted, which so far seems to be moving the deficit in the right direction. A marketing plan is being developed in partnership with Stirling University to increase usage of the leisure facilities, and the service has continued to pursue a range of actions to reduce costs whilst increasing income. The movement between this forecast and last (£0.027m) is mostly as a result of amended income projections in Leisure Schools PPP, Civic Halls and Community Centres based on the actual income received to October. The most notable increase is in the three PPP secondary schools' income which has increased by (£0.015m) since the last forecast. Community Centre income has increased by (£0.008m) and Leisure Civic Halls by (£0.002m).

Service	Annual Budget 2016/17	Projected Over/(under spend) at 31st March 2017	Previous reported over/(under) spend at August	Movement
Development & Environment Services	£11.013m	(£0.505m)	(£0.244m)	(£0.261m)

D&E is reporting a net underspend of (£0.505m) resulting in a movement of (£0.261m) since last quarter. The projected underspend and material movements are explained as follows:

Roads & Transportation is forecasting an underspend of (£0.122m) in the year, movement £0.083m. The projected underspend relates to cash savings and is as a result of cost control within Street Lighting Maintenance and staff savings due to vacancies.

Environmental Services is reporting an underspend of (£0.379m), movement (£0.372m). The projected underspend and movement is mainly due to reduction in forecast payments to contractors, reduction in fuel price and vacancies within staffing. Whilst these are expected to be budget savings, Budget realignments within the service may be required to offset 17/18 pressures.

Regulatory Services is projecting an underspend of (£0.025m), no movement. The underspend is a cash saving mainly due to temporary vacancies on grade six and seven posts. Revision of miscellaneous forecasts within Environmental Health also contributed to the projected underspend.

Development Services is forecasting an overspend of £0.017m, movement £0.026m. This overspend and movement is due to unachievable 2016/17 savings mainly in relation to removing a GIS post £0.016m which is no longer a viable option.

Service	Annual Budget 2016/17	Projected Over/(under spend) at 31st March 2017	Previous reported over/(under) spend at August	Movement
Social Services	£27.743m	£1.478m	£2.163m	(£0.685m)

Social Services is forecasting an overspend of £1.478m. This is a reduction of (£0.685m) compared to the last report.

The number of high cost Children's External Placements has reduced by 2 since the previous report resulting in a reduction in the projection of (£0.218m).

External Foster Placements have reduced by 3 since the previous report resulting in a reduction in the projection of (£0.275m).

The projection for Adult Services has reduced by (£0.200m). This is a result of a net reduction in the cost of external care provision.

The full detail of the Social Services overspend is provided in the Finance Report also on the agenda of this Committee.

Service	Annual Budget 2016/17	Projected Over/(under spend) at 31st March 2017	Previous reported over/(under) spend at August	Movement
Education	£36.929m	(£0.098m)	(£0.199m)	£0.101m

The Service is forecasting an underspend of £0.098m which is £0.101m less than previously forecast. The projected underspend and movement from the previous forecast can be summarised as follows:

Business Management is currently showing an underspend of (£0.060m) due to last shared service costs being forecasted up to December 2016. This is a movement of (£0.053m) as this was previously forecasted till the end of the financial year.

Early Years Non Devolved is forecasting to overspend by £0.099m mainly due to increased Early Years supply cover, £0.074m and current staffing within Out of School Care, £0.088m. There are underspends of (£0.045m) relating to payments to Early Years establishments and (£0.019m) relating to staffing costs. This has resulted in a movement of £0.132m from the previous outturn due to updated staffing costs within Out of School Care £0.050m and £0.099m Early Years supply cover. There is also additional income of (£0.020m) for nursery placements not previously

accounted for.

Primary Non Devolved is forecasting to overspend by £0.162m of which £0.064m relates to supply cover and £0.053m relating to additional expenditure by primary schools. This additional expenditure has been agreed by the service. Staffing costs are forecasting to overspend by £0.014m due to staffing savings not being achieved along with £0.019m severance payments. There is also £0.015m of savings which are still to be allocated to primary devolved budgets. The movement from the previous outturn is £0.084m of which £0.064m relates to supply cover and £0.019m severance payments.

Secondary Non Devolved is forecasting an underspend of (£0.206m) of which (£0.236m) relates to Secondary supply cover. This is offset by an overspend of £0.048m due to unachievable savings relating to HSLO post and (£0.009m) income under forecasted for EMA and (£0.009) relating to SQA fees.

ASN Non Devolved is overspent by £0.144m mainly due to increased staffing costs based on current payroll data. These staff included: Learning Support, Learning Assistants, ASN Primary and Secondary Teaching staff. This has resulted in a movement of £0.178m which again relates to increased staffing costs for ASN primary £0.074m and Learning Assistants £0.096m.

ASN Devolved is showing additional income of (£0.026m) relating to income from local authorities who have children placed within Clacks education. This was not in the previous forecast.

Sports Development is forecasting an underspend of (£0.045m) of which (£0.018m) relates to additional income received from Active Communities. There are two vacant posts contributing (£0.028m) towards the underspend. The (£0.025m) movement to the previous outturn relates to small net underspends within cost centers in the service are.

There are small underspends within Education Psychology Service and School Crossing Patrols totalling (0.019m). There are small immaterial net movements within service areas from the previous outturn totalling (£0.041m)

Further analysis is to be carried out with regards to individual staffing budgets, in particular Learning Assistants and Early Years Workers.

Service	Annual Budget 2016/17	Projected Over/(underspend) at 31st March 2017	Previous reported over/(underspend) at August	Movement
Housing	£2.959m	(£1.338m)	(£0.870m)	(£0.468m)

The service is forecasting an underspend of £1.338m. This is £0.468m more than previously forecast. This is in line with the final outcome for last financial year where an underspend of £0.987m was recorded which due to the timing of the income being confirmed this was not able to be included in the 2016/17 budget process. The underspend trend is being reviewed with any potential amendment to budget being addressed as part of 2017/18 budget process.

The main reason for the underspend is in the Rent Allowances of £0.350m and Rent Rebates of £0.659m. The expenditure and income in both of these cost centre has been forecast based on the current levels of expenditure which is significantly lower than budget. This has resulted in reducing the net expenditure this forecast by £0.237m. The unavailability of the benefits system has resulted in some difficulty in confirming this position.

An underspend of £0.341m is forecast within staffing as the Service continues to examine all vacancies in line with the ongoing restructure in conjunction with Housing Revenue Account. This is an increase of £0.108m from the previous forecast. There have been additional voluntary severances and these costs have been accounted for corporately. All vacant posts have now been forecast not to be filled this financial year.

An underspend of £0.299m in Billing & Assessment is forecast. This is £0.120m greater than previously reported and is as a result of examination of the classification of Council Tax Paid costs income which has increased the amount being accounted for this year and last year.

The Scottish Welfare Fund received an additional in year allocation of £0.150m to cover an Increase in the number of awards being made. The service also undertook mitigating action on the overspend and this has resulted in the service only projecting to use £0.100m of the in year demand pressure.

These underspends are offset by reduced income in Homeless Accommodation which is indicating an overspend of £0.207m.

Service	Annual Budget 2016/17	Projected Over/(under spend) at 31st March 2017	Previous reported over/(under) spend at August	Movement
Executive Team	£0.432m	£0	£0	£0m

The Executive Team are projecting spend in line with budget.

Service	Annual Budget 2016/17	Projected Over/(under spend) at 31st March 2017	Previous reported over/(under) spend at August	Movement
Corporate Adjustments	(£0.348m)	£0.563m	£0.018m	£0.545m

There is an overspend in the Corporate Budget of £0.563m which is a movement of £0.545m compared to the nil variance reported in the previous report.

The overall overspend relates to the unachievement of savings, mainly review of the working week have now been forecast as unachievable following the recent Council decision not to take this forward, overall overspend £0.513m, movement of £0.91m.

Also contributing to the variance and movement is R&G113 – Corporate VS saving of £0.400m of which £0.309m is forecast as unachievable and the £0.091m saving is now being forecast within individual service areas.

HCS016 - Review of general fund debtors is also now projected as unachievable, increasing the movement and overspend by £0.046m.

This overspend is offset by an underspend on the Universal Credit budget of (£0.400m) due to delays in full implementation of the scheme by the DWP and the change fund of (£0.006m) in relation to the timing of an employee exiting a funded post slightly earlier than expected.

Service	Annual Budget 2016/17	Projected Over/(under spend) at 31st March 2017	Previous reported over/(under) spend at August	Movement
Non Distributed Costs	£1.215m	£0	£0	£0

The Service is projecting spend in line with budget.

Service	Annual Budget 2016/17	Projected Over/(under spend) at 31st March 2017	Previous reported over/(under) spend at August	Movement
Total	£108.271m	(£0.534m)	£0.144m	(£0.678m)

- 4.5 Appendix A also highlights a number of non-service expenditure and income areas of the Council budget (not detailed in Table 1). This includes a projected overspend within Loan charges of £0.061m reflecting an unbudgeted premium for debt rescheduling £0.204m offset by an underspend due to slippage on previous years capital programme £0.143m. This is also offset by an estimate of additional revenue funding of £0.214m from redeterminations notified in the latest finance circular.
- 4.6 The above projections for Education and Social Services will be updated to reflect the apportionment of the net costs of shared service decoupling once these have been finalised.
- 4.7 The 2016/17 budget incorporated approved savings of £7.501m. 67% are forecast to be achieved in the year. Table 2 below sets out the position for each council service portfolio.

Table 2: Budgeted 2016/17 savings progress

Department	Savings full year 16/17 (£000)	Draft full Year Saving (£000)	(Under)/ Over Achievement (£000)	Comments and Reason for Variance
Resources & Governance	1,532	1,220	(312)	Compensatory budget savings of £417k that would allow full savings to be achieved.
Strategy and Customer	839	714	(125)	Underachievement in relation to: Reconfiguration of Customer Services and TVR.
Development & Environment	1,126	1,140	14	Under-achievements have been covered through overachievement of other approved savings.
Social Services	2,025	845	(1,180)	Progress has been made on a number of savings however, a significant proportion of savings are not expected to be achieved.
Education	611	439	(172)	A number of small savings are deemed not to be achievable within the year. Compensatory budget savings of £85k have been identified.
Housing	417	418	1	All savings are forecast to be achieved.
Corporate	951	268	(683)	Underachievement in relation to: Corporate severance, review of working week and pursuit of debtors.
Total	7,501	5,044	(2,457)	

4.8 Of the £7.501m savings approved by Council, £5.044m are forecast to be achieved. Compensatory savings of £0.502m that do not require a policy decision have been identified; £0.085m within Education and £0.417m in Resources & Governance. These savings have been included within the service projections in table 1 and have been put forward as budget savings for 17/18. Appendix E provides further detail of the unachievable savings within each service.

5.0 Housing Revenue Account

5.1 Appendix B to this paper sets out the summary budget for the Housing Revenue Account for this year in accordance with its Business Plan. It is forecast that the Service will achieve a surplus in the year of £5.544m which is £626k greater than budgeted. This is an increase of £30k from that previously forecast.

5.2 Repairs and Maintenance are forecasting an underspend of £463k, the main reason for this is an underspend of £283k for the Central Support Allocation due to a revision of the charge allocation basis. The forecast of expenditure

on Private Contractors and Voids is now £123k less than budget as the Service continues to examine all work that is placed with external firms. This underspend has increased from that previously forecast as expenditure continues to reduce. Supervision & Management is forecasting an underspend of £401k, this is £64k more than previously forecast. There is an underspend of £268k forecast in staffing costs, vacancies are now being filled in line with the revised structure but a delay in this process taking place has resulted in the forecast underspend increasing. Examination will continue during the year with the forecast being updated as new staff are appointed. Central Support is forecasting an underspend of £101k as the revised basis of allocation is less than HRA had initially allowed in the budget.

- 5.3 There has been a spike in void numbers, resulting in a potential overspend on void rent loss of £198k if numbers continue at the current level. The budget had been significantly reduced reflecting last year's performance. The current cost of Special Uplifts is now forecasting an overspend of £34k as the costs are now coming through. There is also a projected shortfall in Rental Income of £62k due to a higher than estimated number of house sales. Examination of the current level of debt has led to the forecast contribution to the bad debt provision being £54k less than the budget.

6.0 Capital

6.1 General Services

- 6.2 Appendix C to this paper details the General Services capital programme for the period ended 31st October 2016 where individual projects are listed within the various asset management plans.

- 6.3 Overall, the General Services capital programme is expected to record an underspend of £3.035m against the £11.325m gross budget. Budget has been brought forward from 2019/20 for the streetlighting LED project which has increased the previous reported gross budget reported to this Committee in August by £0.400m. Of the £3.035m underspend, £2.610m is expected to be carried forward to 2017/18 due to revised timing of project expenditure. Overall there is a movement of £0.028m from the previous reported underspend projected as at August of £3.007m.

- 6.4 A summary of the projected outturn position and movement for each of the Asset plans is shown in the table below.

Table 3 General Services Capital Budget Variances

Asset Plan	Budget (£000)	Projected to 31st March 2017 (£000)	Over / (under) Spend (£000)	Comments
Community Investment Strategy	6,026	4,075	(1,951)	Land in Dollar to settle before development can commence £0.3m, Ongoing review of school estate and early years strategy £1.5m
Property	1,040	51	(989)	Childcare Residential Unit – Concept

Asset Plan	Budget (£000)	Projected to 31st March 2017 (£000)	Over / (under) Spend (£000)	Comments
				design to identify potential sites has been completed. Ongoing further assessments required.
Roads	2,703	2,703	0	Spend is projected to be in line with budget.
Lands	30	30	0	Spend is projected to be in line with budget.
Fleet	726	726	0	Spend is projected to be in line with budget but will depend on the outcome of the fleet review.
IT	800	705	(95)	Due to staff reprioritisation in other digital transformation projects, projects delayed into 17/18.
Total Capital Programme	11,325	8,290	(3,035)	

Housing Revenue Account

6.5 Appendix D to this paper details the HRA capital programme for the current year where individual projects are listed within the various asset management plans.

6.6 The current net HRA Capital Budget is £11.754m. The expenditure forecast is £6.482m showing a projected underspend of £5.272m, £2.563m of which relates to additional income from house and land sales and £0.336m project savings. It is also anticipated that £2.373m will be required to be carried forward to next year.

Of this carry forward, £0.527m relates to Roof and Render where significant delays are forecast where the work involves private owners and landlords, £0.828m relates to the new build at The Orchard, Tullibody, where a final decision regarding this site has still to be confirmed

There is now a forecast carry forward in respect of £0.987m for Off the Shelf Purchase and Refurbishment. This budget was identified to maximise spend on the affordable housing grant programme. That target will now be met without using the full budget, which has already resulted in an additional eight units being acquired. Any underspend is proposed to be carried forward to allow for ongoing support for the Strategic Housing Investment Plan if required and for the refurbishment of any units that are bought later in the year. There is also a carry forward of £0.031m required for the retention at Fairfield.

6.7 The significant projects that contribute to the savings underspend of £2.899m are detailed in Table 4 below and comments are also recorded in Appendix D:

Table 4 HRA Capital Budget Variances

Project	Variance (£000)	Comments
Structural Works	(80)	Less expenditure on Asbestos as programme moves away from Kitchens & Bathrooms
Fairfield School New Build	(122)	Project now handed over to Housing with less costs than expected.
Tillicoultry Community Centre	(134)	Project now handed over to Housing with less costs than expected.
Income from Sale of Council Property & Land	(2,563)	More sales materialised than predicted. The deadline for applying has now passed.

7.0 Conclusions

7.1 General Services revenue spend is anticipated to record an underspend of £0.687m.

7.2 Of the £7.501m approved savings, £5.044m is expected to be achieved in the year.

7.3 The Housing Revenue Account is anticipating an underspend of £0.626m.

7.4 The current review of the capital programme indicates a projected underspend in the year (including carry forwards) of £3.035m on General Services Capital. Detail on each project is shown in appendix C.

7.5 The HRA Capital Programme indicates an underspend of £5.272m, including additional income from house & land sales £2.563m and in year savings of £0.336m. A carry forward of £2.373m is also proposed.

8.0 Sustainability Implications

8.1 None

9.0 Resource Implications

9.1 Financial Details

9.2 The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes

9.3 Finance have been consulted and have agreed the financial implications as set out in the report. Yes

9.4 Staffing

9.5 None

10.0 Exempt Reports

10.1 Is this report exempt? Yes (please detail the reasons for exemption below) No

11.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box)

- | | |
|--|-------------------------------------|
| The area has a positive image and attracts people and businesses | <input type="checkbox"/> |
| Our communities are more cohesive and inclusive | <input type="checkbox"/> |
| People are better skilled, trained and ready for learning and employment | <input type="checkbox"/> |
| Our communities are safer | <input type="checkbox"/> |
| Vulnerable people and families are supported | <input type="checkbox"/> |
| Substance misuse and its effects are reduced | <input type="checkbox"/> |
| Health is improving and health inequalities are reducing | <input type="checkbox"/> |
| The environment is protected and enhanced for all | <input type="checkbox"/> |
| The Council is effective, efficient and recognised for excellence | <input checked="" type="checkbox"/> |

(2) **Council Policies** (Please detail)

12.0 Equalities Impact

12.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?
Yes No

13.0 Legality

13.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

14.0 Appendices

14.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

Appendix A Council summary of expenditure

Appendix B HRA Revenues

Appendix C General Services Capital

Appendix D HRA Capital

Appendix E Corporate Savings Position

15.0 Background Papers

15.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes (please list the documents below) No

Author(s)

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Elizabeth Hutcheon	Management Accountancy Team Leader	6214

Approved by

NAME	DESIGNATION	SIGNATURE
Stephen Coulter	Head of Resources & Governance	Signed: S Coulter
Nikki Bridle	Depute Chief Executive	Signed: N Bridle

Council Summary

Appendix A

	Annual		Previous	Variance	
	Budget	Forecast to	Variance	Variance	movement
	2016/17	March 17	Variance	Variance	movement
Strategy & Customer Services	5,684	5,609	(75)	5	(80)
Resources & Governance	22,644	22,085	(559)	(729)	170
	28,328	27,694	(634)	(724)	90
less Allocated to Non General Fund	(1,305)	(1,305)	0	0	0
	27,023	26,389	(634)	(724)	90
Executive Team	432	432	0	0	0
Development & Environmental	11,013	10,508	(505)	(244)	(261)
Education	36,929	36,831	(98)	(199)	101
Housing & Community Safety	2,959	1,621	(1,338)	(870)	(468)
Social Services	27,743	29,221	1,478	2,163	(685)
Corporate	(348)	215	563	18	545
Misc Services - Non Distributed Costs	1,215	1,215	0	0	0
Service Expenditure	106,966	106,432	(534)	144	(678)
Add Requisitions from Joint Boards					
Central Scotland Valuation	321	321	0	0	0
	107,287	106,753	(534)	144	(678)
Add / (Deduct)					0
Interest on Revenue Balances	(52)	(52)	0	0	0
Loan Charges	9,401	9,462	61	0	61
Contribution to Bad Debt Provision	200	200	0	0	0
	116,836	116,363	(473)	144	(617)
Sources of Funding					
General Revenue Funding/Non-Domestic Rates	(90,603)	(90,817)	(214)	0	(214)
Council Tax	(18,758)	(18,758)	0	0	0
Council Tax Reduction Scheme	(3,520)	(3,520)	0	0	0
Contribution from Reserves	(1,523)	(1,523)	0	0	0
Application of unapplied Capital receipt	0	0	0	0	0
Contribution from/to HRA			0	0	0
Contribution from Earmarked Reserves	(432)	(432)	0	0	0
Contribution from Uncommitted Reserves	(2,000)	(2,000)	0	0	0
	(116,836)	(117,050)	(214)	0	(214)
Projected (Surplus) / Shortfall	0	(687)	(687)	144	(831)

HRA Budget v Forecast
As at October 2016

APPENDIX B

The Service has the ambition to become one of Scotland's leading providers of local authority housing. To help achieve this Vanguard consultants have been engaged as part of the housing business management system improvement project to work with staff to redesign work. The aim is to transform the service by involving people in the organisation in the redesign of the process.

As a result of this the restructuring of the roles and responsibilities of the staff members is progressing during this year.

	Budget 16-17 £'000	Forecast 16-17 £'000	Variance 16-17 £'000	Previous Forecast 16-17 £'000	Forecast Variance £'000
Housing Revenue Account	-4,918	-5,544	-626	-5,514	-30
Private Contractors - continued less expenditure placed with outside firms.	295	178	-117	223	-45
Void Houses	42	36	-6	36	0
General Maintenance - Income in respect of rechargeable repairs help offset costs.	-13	-15	-2	-14	-1
Property Factors -Income now generated charging for common repairs	-25	-19	6	-24	5
Gas Contract	11	11	0	11	0
Property Contracts - Reduction in Central Support allocation and vacant posts now starting to be filled.	5,464	5,120	-344	5,013	107
Service Manager -Reduced costs for Central Support from that included in original budget	1,392	1,288	-104	1,284	4
Tenancy & Estate Management - Restructuring has identified need for extra staff in this area. Appointment of these staff now progressing.	810	1,014	204	986	28
Housing Business Management - Vacant post has resulted in staffing saving.Post holder left during the year.	307	231	-76	229	2
Housing Options -Vacant post identified as resource for restructuring. Increased allocation of staff to VPR and transfer of staff to Tenancy	474	227	-247	287	-60

HRA General Staff - Vacant post identified as resource for restructuring. Dealy in filling vacant posts.	179	109	-70	143	-34
Housing Investment Team - Current staff vacancies that are being reviewed as part of restructure. Will be taken up by increase in number of Grade 6 Housing Officers.	353	269	-84	274	-5
Community Engagement - Lower cost anticipated on Tenants Survey	49	24	-25	21	3
Housing Capital -	3,130	3,128	-2	3,130	-2
Tenancy Overheads - Now predicting an overspend on Void Rent Loss of £198k as levels of Voids have increased. Reduced provision made for contribution to bad debt provision.	1,102	1,271	169	1,306	-35
Rents - Increased prediction in the number of house sales results in shortfall of income	-18,488	-18,416	72	-18,419	3
	<u><u>-4,918</u></u>	<u><u>-5,544</u></u>	<u><u>-626</u></u>	<u><u>-5,514</u></u>	<u><u>-30</u></u>

			Approved Budget Feb 16/17 £	Additional Carry Forwards from 15/16 £	Approved amendments in 16/17 £	Amended Budget 16/17 £	Expenditure as at 31.10.16 £	Income as at 31.10.16 £	Net Expenditure as at 31.10.16 £	Projection of estimated total capital spend to 31.3.17 £	(Under) / Over spend as at 31.3.17 £	August Outturn £	Movement from August out-turn £	Notes	Saving in 16/17 £	C/fwd to future years £	(Under) / Over spend as at 31.3.17 £
(A) Community Investment Strategy :																	
Project code Alloa Cluster																	
10000	A1	Schools ICT Replacement	46,000			46,000	22,273	0	22,273	46,000	0	46,000	0	Project complete - Final invoices only			0
10010	A11	Kilncraigs		16,230		16,230	0	0	0	16,230	0	16,230	0	Project complete - Final invoices only			0
10006	A3	Park Primary School	248,000	22,980		270,980	127,860	0	127,860	173,000	(97,980)	173,000	0	Lighting programmed into 17/18 due to ongoing other works in 16/17.		(97,980)	(97,980)
10005	A6	Park, Play Area & Open Space Improvements	50,000			50,000	6,816	0	6,816	50,000	0	50,000	0	On target for completion in 16/17			0
10116	A7	3-12 School Development	24,000			24,000	1,382	0	1,382	2,000	(22,000)	1,150	850	Park Primary Fire Alarms re-programmed to 17/18 due to ongoing other works in 16/17.		(22,000)	(22,000)
10008	A9	Heritage Improvements	330,000	40,200	(330,000)	40,200	14,040	(580)	13,459	40,200	0	40,200	0	Project complete - Final invoices and retention only			0
10133	A46	ALLOA SECONDARY SCHOOL SUPPORT		103,000		103,000	92,661	0	92,661	103,000	0	103,000	0	Project complete - Final invoices and retention only			0
10021	A48	Sunnyside Primary School		27,000		27,000	0	0	0	27,000	0	27,000	0	Fire Alarms in 16/17			0
10136	A51	Regeneration Speirs Centre		58,760	30,000	88,760	15,053	0	15,053	88,760	0	88,760	0	Working towards completion in 16/17 but due to re-tendering of the project there may be a delay into 17/18			0
10137	A53	Alloa Town Hall		55,440		55,440	43,861	0	43,861	55,440	0	55,440	0	Project complete - Retention only			0
10150	A54	Bowmar Area Enhancements		23,270		23,270	82,115	(100,000)	(17,885)	23,270	0	23,270	0	Final invoices due. Project completed. £100K grant funded.			0
10138	A55	Kelliebank				0	(1,062)	0	(1,062)	0	0	0	0	Final invoices due. Project completed			0
10144	A56	Redwell Primary School				0	(62,819)	0	(62,819)	0	0	0	0	Final invoices due. Project completed			0
TOTAL Alloa Cluster			698,000	346,880	(300,000)	744,880	342,180	(100,580)	241,600	624,900	(119,980)	624,050	850		0	(119,980)	(119,980)
Lornhill Cluster																	
10011	A12	Schools ICT Replacement	47,000			47,000	44,538	0	44,538	47,000	0	47,000	0	Project complete - Final invoices only			0
10012	A13	Sauchie Hall Locality Hub	81,000			81,000	0	0	0	-	(81,000)	-	-	Project on Hold pending Councillors decision	(81,000)		(81,000)
10122	A14	Deerpark Primary School Roof		24,050	30,000	54,050	48,446	0	48,446	54,050	0	24,050	30,000	Project complete - Final invoices only. As per financial regulations Head of Service approved transfer of 30K from 3-12 School Development to cover fees.			0
10127	A17	St Serfs Primary School	173,000	29,060		202,060	17,384	0	17,384	30,060	(172,000)	97,060	(67,000)	Due to high risk asbestos, Heating project £105k and other works £67k are unlikely to commence in 16/17.	(172,000)		(172,000)
10017	A18	School Estate - Tullibody South Campus	125,000			125,000	0	0	0	125,000	0	125,000	0	Spend dependant on Council decision			0
10018	A19	Village and Small Town Initiative including safer routes to communities	190,000	201,750		391,750	413,268	(21,595)	391,673	391,750	0	391,750	0	Cost of Cambus/Tullibody cycle route of £155K is grant funded £80K from Sustran. Tender out in October for other works with works being completed November - March			0
10021	A22	3-12 School Development	120,000		(60,000)	60,000	0	0	0	60,000	0	90,000	(30,000)	£30K Budget transferred from underspends to Deerpark roof by Head of Service as per Council Financial Regulations.			0
10024	A25	Clackmannan Primary School Refurbishment/Locality Hub	623,000			623,000	57,065	0	57,065	200,000	(423,000)	200,000	0	Due to procurement issues with no responses to a tender, works in 16/17 are less than anticipated. Estimated spend is for Classroom upgrades & Auxilliary areas only	(423,000)		(423,000)
10149	A57	Clackmannan Regeneration Project	-			0	50,000	0	50,000	50,000	50,000			£2M Fully funded Clackmannan Regeneration Project which will be fully committed by end of March. £50K spend estimated for 16/17 with the £1.95m spend anticipated in 17/18			
10149 B	A57 B	Clackmannan Regeneration Project Grant Funding	-			0	0	0	0	(50,000)	(50,000)						
TOTAL Lornhill Cluster			1,359,000	254,860	(30,000)	1,583,860	630,700	(21,595)	609,105	907,860	(676,000)	974,860	(67,000)		(81,000)	(595,000)	(676,000)
Hillfoots Cluster (Alva/Tillicoultry/Dollar)																	
10030	A27	Village and Small Town Initiative including safer routes to communities	70,000			70,000	0	0	0	-	(70,000)	-	-	Unable to resource project in 16/17. Project delayed to future years		(70,000)	(70,000)
10026	A28	Hillfoots Glen - Upgrading	300,000			300,000	209,060	0	209,060	275,000	(25,000)	275,000	0	Project cost estimated to be lower than budgeted	(25,000)		(25,000)
10027	A29	Allotment Extension	12,000			12,000	1,255	0	1,255	1,800	(10,200)	12,000	(10,200)	Due to unexpected soil contamination, works on hold for further investigation, expected completion in 17/18		(10,200)	(10,200)
10028	A30	Flood Prevention Generator	25,000			25,000	0	0	0	20,000	(5,000)	20,000	0	Completion in 16/17	(5,000)		(5,000)
10029	A31	Street Lighting Improvements	975,000		400,000	1,375,000	258,159	0	258,159	1,375,000	0	975,000	400,000	Additional £400K brought forward from 20/21 as agreed at Council			0
10031	A32	Schools ICT Replacement	47,000			47,000	41,132	0	41,132	47,000	0	47,000	0	Project complete - Final invoices only			0
10032	A33	Alva Community Campus/Locality Hub/ Primary school	240,000			240,000	99,677	0	99,677	240,000	0	240,000	0	Completion in 16/17			0
10121	A38	Menstrie Primary School	36,000	20,000		56,000	4,851	0	4,851	56,000	0	56,000	0	Completion in 16/17			0
10038	A39	New Cemetery	200,000			200,000	0	0	0	-	(200,000)	-	-	Land is currently not at the point for works to be completed. Land requires to lie for 6 months before works can commence. Delay due to preparation of land by developers.		(200,000)	(200,000)
10039	A40	Village and Small Town Initiative including Playing field development & Temporary Changing facilities	125,000			125,000	0	0	0	25,000	(100,000)	25,000	0	Land to settle before development can commence.	(100,000)		(100,000)
10114	A41	3-12 School Development	64,000			64,000	35,067	0	35,067	64,000	0	64,000	0	Completion in 16/17			0
10119	A47	Strathdevon Primary		770		770	25,891	0	25,891	770	0	770	0	Completion in 16/17			0
10135	A52	Demolition of Alva Pool		94,360		94,360	96,177	0	96,177	94,360	0	94,360	0	Completion in 16/17			0
TOTAL Hillfoots Cluster (Alva/Tillicoultry/Dollar)			2,094,000	115,130	400,000	2,609,130	771,269	0	771,269	2,198,930	(410,200)	1,809,130	389,800		(30,000)	(380,200)	(410,200)
All Clackmannanshire Areas - not seperated into a Cluster																	
10041	A42	Schools ICT Replacement - All primaries	100,000			100,000	10,011	0	10,011	100,000	0	100,000	0	Full programme being reviewed to re-align to other agreed capital works.			0
10042	A43	Community Investment Grants	100,000		(50,000)	50,000	29,114	0	29,114	50,000	0	50,000	0	Based on current uptake of grants underspend projected	0		0
		Community Empowerment			63,000	63,000	0	0	0	53,000	(10,000)			The applications process for Community Matters funding is well underway, with applications form due back by the year end, at which time we will be in a better place to forecast outturns. Successful projects will be awarded funding in January 2017.	(10,000)		(10,000)
10043	A44	2yr Old School Development	514,000	26,550		540,550	0	0	0	100,000	(440,550)	100,000	0	Further review of early year strategy ongoing. Budget will be agreed per project.	0	(440,550)	(440,550)
10044	A45	3yr Old School Development	307,000		(13,000)	294,000	0	0	0	0	(294,000)	0	0		(294,000)	(294,000)	
10147	A50	Free School Meal Equipment		40,860		40,860	11,971	0	11,971	40,860	0	40,860	0	Works to be completed in 16/17 -awaiting Building warrant			0
TOTAL All Clackmannanshire Areas - not seperated into a Cluster			1,021,000	67,410	0	1,088,410	51,097	0	51,097	343,860	(744,550)	290,860	0		(304,000)	(440,550)	(744,550)
Total (A) Total Community Investment Strategy			5,172,000	784,280	70,000	6,026,280	1,795,246	(122,175)	1,673,071	4,075,550	(1,950,730)	3,698,900	323,650		(415,000)	(1,535,730)	(1,950,730)
(B) Property Asset Management Strategy :																	
10045	B1	Statutory Compliance DDA Schools	20,000			20,000	13,909	0	13,909	20,000	-	20,000	0	Projected as fully spent in 16/17			0
10046	B2	Compliance - Asbestos Removal (Schools)	20,000			20,000	0	0	0	20,000	-	20,000	0	St Serfs Primary School works commencing in 16/17. Projected as fully spent, although there may be a slight delay into 17/18 due to QS being appointed in new year for this project.			0

				Approved Budget Feb 16/17 £	Additional Carry Forwards from 15/16 £	Approved amendments in 16/17 £	Amended Budget 16/17 £	Expenditure as at 31.10.16 £	Income as at 31.10.16 £	Net Expenditure as at 31.10.16 £	Projection of estimated total capital spend to 31.3.17 £	(Under) / Over spend as at 31.3.17 £	August Outturn £	Movement from August out-turn £	Notes	Saving in 16/17 £	C/fwd to future years £	(Under) / Over spend as at 31.3.17 £
10047	B3	Childcare Residential Unit	tbc	990,000	10,000		1,000,000	11,000	0	11,000	11,000	(989,000)	10,000	1,000	Strategic Design brief agreed with Social Services. Concept design to identify potential sites completed. Using a site assesment matrix a quantitative assesment is now being undertaken to narrow down the number of potential sites identified. Qualitative assesment will then be undertaken by Social Services. Spend will therefore not be in 16/17			(989,000)
Total (B) Total Property Asset Management Strategy :				1,030,000	10,000	0	1,040,000	24,909	0	24,909	51,000	(989,000)	50,000	1,000		0	(989,000)	(989,000)
(C) Roads Asset Management Strategy :																		
10048	C1	- A907 Braehead	Alloa	50,000			50,000	50,000	0	50,000	50,000	-	50,000	0	Project Complete			0
10049	C2	- Flood Prevention	All Clackmannanshire	100,000	4,000		104,000	60,492	0	60,492	104,000	-	104,000	0	Works Programmed for 16/17. Contribution to be paid towards larger drainage project with Scottish Water in Jan/Feb			0
10050	C3	- Cycle Routes	All Clackmannanshire	65,000			65,000	64,696	0	64,696	65,000	-	65,000	0	Works carried forward from 15/16 to be completed in 16/17.			0
10051	C4	- Carriageways	All Clackmannanshire	1,450,000	9,000		1,459,000	1,160,208	0	1,160,208	1,459,000	-	1,459,000	0				0
10052	C5	- Footways	All Clackmannanshire	100,000			100,000	100,000	0	100,000	100,000	-	100,000	0				0
10053	C6	- Surface Treatment	All Clackmannanshire	100,000			100,000	100,000	0	100,000	100,000	-	100,000	0				0
10054	C7	- Bridge Improvements	All Clackmannanshire	50,000	46,000		96,000	10,621	0	10,621	96,000	-	96,000	0				0
10055	C8	- Road Safety	All Clackmannanshire	100,000	164,710		264,710	342,822	(77,098)	265,724	264,710	-	264,710	0				0
10056	C9	- Lighting Replacement	All Clackmannanshire	250,000	15,000		265,000	67,800	0	67,800	265,000	-	265,000	0				0
10057	C10	Road & Footpath Improvements	All Clackmannanshire	154,000			154,000	73,152	0	73,152	154,000	-	154,000	0				0
10058	C11	Road Safety (Claremont/Kellie Place)	Alloa	45,000			45,000	5,243	0	5,243	45,000	-	45,000	0				0
Total (C) Total Roads Asset Management Strategy :				2,464,000	238,710	0	2,702,710	2,035,033	(77,098)	1,957,935	2,702,710	-	2,702,710	-		0	0	0
(D) Lands Asset Management Strategy :																		
10061	D1	SWF/Wheeled Bins	Various	30,000			30,000	26,595	0	26,595	30,000	-	30,000	0	Fully committed in 16/17			0
Total (D) Total Lands Asset Management Strategy :				30,000	0	0	30,000	26,595	0	26,595	30,000	-	30,000	-		0	0	0
(E) Fleet Asset Management Strategy :																		
10145	E2	Electric Vehicles	N/A				0	0	(950)	(950)	0	-	0	0	Fully Grant Funded			0
10062	E1	Vehicle Replacement	N/A	726,000			726,000	111,186	(26,243)	84,943	726,000	-	726,000	0	Dependant on the outcome of the fleet review & replacement plan with Alternative procurement models - Lease v Purchase.			0
Total (E) Total Fleet Asset Management Strategy :				726,000	0	0	726,000	111,186	(27,193)	83,993	726,000	-	726,000	-		0	0	0
(F) IT Asset Management Strategy :																		
10064	F1	IT Infrastructure	tbc	160,000			160,000	96,838	0	96,838	160,000	-	160,000	0	Programme on target for completion in 16/17			0
10065	F2	Telecare	tbc	75,000			75,000	0	0	0	75,000	0	75,000	0				0
10066	F3	Social Services Integrated System	N/A	55,000	30,000	(60,000)	25,000	0	0	0	0	(25,000)			Project on Hold pending Management decision. Underspent Budget transferred to CCTV Kelliebank as approved at Council on 15th Dec 16	(25,000)		(25,000)
10067	F4	Digital Transformation	N/A	135,000			135,000	0	0	0	50,000	(85,000)	135,000	(85,000)	Due to staff reprioritisation of resources, projects for Roads & Leisure Systems have been delayed into 17/18		(85,000)	(85,000)
10068	F5	e-Building Standards	N/A	20,000			20,000	1,935	0	1,935	15,000	(5,000)	15,000	0	Project costs less than originally estimated	(5,000)		(5,000)
10069	F6	Managed Wi-fi	N/A	140,000			140,000	159,858	0	159,858	160,000	20,000	140,000	20,000	Phase One costs higher than expected. This will be offset by reduced costs in Phase three in 18/19.	20,000		20,000
10070	F7	Financial Management System Replacement	N/A	35,000	150,000		185,000	115,795	0	115,795	185,000	-	185,000	0				0
	F8	CCTV - Kelliebank	N/A			60,000	60,000	0	0	0	60,000	-	0	0				0
Total (F) Total IT Asset Management Strategy :				620,000	180,000	0	800,000	374,426	0	374,426	705,000	(95,000)	710,000	(65,000)		(10,000)	(85,000)	(95,000)
TOTAL CAPITAL PROGRAMME				10,042,000	1,212,990	70,000	11,324,990	4,367,394	(226,466)	4,140,928	8,290,260	(3,034,730)	7,917,610	259,650		(425,000)	(2,609,730)	(3,034,730)

Housing Capital Programme 2016-17 Period to March 2017	16-17 Net Budget	Gross Expenditure to 31/10/16	Income to 31/10/16	Net Expenditure to 31/10/16	Forecast as at 31/03/17	Budget to Forecast Variance	August Forecast	Movement from August Forecast	Comment	C/F to 2017-18
SCOTTISH HOUSING QUALITY STANDARD										
TACKLING SERIOUS DISREPAIR PRIMARY BUILDING ELEMENTS										
Structural Works										
Asbestos Testing for Council Houses 2013-17	25,000	5,979		5,979	20,000	(5,000)	20,000	0	Less work now being carried out as Capital	
Asbestos Removal Works for Council Houses 2013-17	125,000	15,403		15,403	50,000	(75,000)	50,000	0	Programme moves away from Kitchens & Bathrooms	
	150,000	21,382	0	21,382	70,000	(80,000)	70,000	0		
SECONDARY BUILDING ELEMENTS										
Damp/Rot										
2013-17 Damp & Rot Works	100,000	27,558		27,558	100,000	0	100,000	0	Investigation currently on going as to work required to be undertaken in Alva this financial year.	
	100,000	27,558	0	27,558	100,000	0	100,000	0		
Roofs / Rainwater / External Walls										
2014-17 Roof & Render Upgrading Works	2,527,000	531,602		531,602	2,000,000	(527,000)	1,527,000	473,000	Programme on going in Hutton Park. Extra work required from previously thought this year to put Canopies over sills and extra roofing as investigation has discovered water ingress in roofs.. As always weather dependent.	527,000
	2,527,000	531,602	0	531,602	2,000,000	(527,000)	1,527,000	473,000		
Doors										
External Door Replacement 2014-18	10,000	0		0	10,000	0	10,000	0	Property Contracts currently working on this.	
	10,000	0	0	0	10,000	0	10,000	0		
Windows										
Window Replacement 2014-18 Sidey	1,011,400	631,545		631,545	1,011,400	0	1,011,400	0	Contractor likely to be finished on Site in January.	
Window Replacement 2014-18 PCU	807,600	109,800		109,800	807,600	0	807,600	0	75 completed out of 229 in programme.	
	1,819,000	741,345	0	741,345	1,819,000	0	1,819,000	0		
	4,456,000	1,300,505	0	1,300,505	3,929,000	(527,000)	3,456,000	473,000		
ENERGY EFFICIENCY										
Full/Efficient Central Heating										
2013/16 Central Heating Replacement	1,854,000	963,918		963,918	1,854,000	0	1,854,000	0	390 houses completed 300 still to do. Grant applied for against those houses in areas of Multiple Deprivation where house currently does not meet EESH.	
Bowmar Community Energy Savings Programme (CESP)	183,000	0		0	183,000	0	183,000	0	Possibility that this work will not be done this financial year.	
Home Energy Efficiency Programme Area Based 2015-16 (HEEPS)	355,000	225,842		225,842	356,000	1,000	355,000	1,000	This project will be on site soon in Clackmannan & Hawkhill. Support for current HEEPS project.	
Energy Efficiency Works	250,000	0		0	250,000	0	250,000	0		
	2,642,000	1,189,760	0	1,189,760	2,643,000	1,000	2,642,000	1,000		
	2,642,000	1,189,760	0	1,189,760	2,643,000	1,000	2,642,000	1,000		
MODERN FACILITIES & SERVICES										

Kitchen Renewal										
Kitchen Replacement 2014-18	263,000	0	0	0	263,000	0	263,000	0	27 done to date by Property Contracts	
Kitchen Renewal	263,000	0	0	0	263,000	0	263,000	0		
Bathrooms										
2013-16 Bathroom Replacements PCU Team	50,000	0	0	0	50,000	0	50,000	0	Property Contracts completed but not yet invoiced.	
Bathrooms	50,000	0	0	0	50,000	0	50,000	0		
	313,000	0	0	0	313,000	0	313,000	0		
HEALTHY, SAFE & SECURE										
Safe Electrical Systems / CO Detectors										
Safe Electrical Rewire 2013-17	300,000	169,867	0	169,867	300,000	0	300,000	0	Amey currently on site. Programme will require increase in future years as requirement to test now every five years.	
Safe Electrical Systems	300,000	169,867	0	169,867	300,000	0	300,000	0		
Communal Areas (Environmentals)										
2011-15 Rep/Up Door Entry Systems	205,000	49,232	0	49,232	205,000	0	205,000	0	New contract will be in place for December with programme in place until year end.	
External Works : Fencing, Gates, Paths Door Entry Upgrade Term Contract 2016-20	125,000			0	125,000	0	125,000	0	Currently on site in Clackmannan & Coalsnaughton with work instructed for the year.	
Communal Areas (Environmentals)	330,000	49,232	0	49,232	330,000	0	330,000	0		
	630,000	219,099	0	219,099	630,000	0	630,000	0		
NON-SHS ELEMENTS										
PARTICULAR NEEDS HOUSING (CITC)										
Conversions & Upgradings										
Conversions & Upgradings	50,000		0	0	50,000	0	50,000	0	Possible used for houses in Nethergate, Alva.	
Conversions & Upgradings	50,000	0	0	0	50,000	0	50,000	0		
Disabled Adaptations										
Aids & Adaptations 2013-17	50,000			0	50,000	0	50,000	0		
Disabled Adaptations	50,000	0	0	0	50,000	0	50,000	0		
Demolitions										
Demolitions - The Orchard	2,000	410	0	410	2,000	0	2,000	0		
Demolitions	2,000	410	0	410	2,000	0	2,000	0		
Environmental Improvements										
HRA Roads & Footpaths Improvements	112,000			0	112,000	0	112,000	0		
MCB Tenant Community Improvement Fund	268,000	26,682	0	26,682	268,000	0	268,000	0		
Fencing Replacement Contract 2015-19	0									
Environmental Improvements	380,000	26,682	0	26,682	380,000	0	380,000	0		
	482,000	27,092	0	27,092	482,000	0	482,000	0		
Council New Build Housing (Transforming Communities)										
Hallpark New Build	35,000	2,025		2,025	35,000	0	35,000	0		
New Build - Fairfield School	516,000	337,771		337,771	363,000	(153,000)	363,000	0	Project now completed excluding retention	31,000
New Build - Tilly Community Centre Phase 1a	119,000	147,177		147,177	178,000	59,000	178,000	0	Project now completed	
New Build - Tilly Community Centre Phase 1b/OTSP Refurbishment	193,000	0		0	0	(193,000)	0	0	Phase 1b sold to Kingdom HA	
New Build - Tilly Community Centre Phase 2	20,000	0		0	20,000	0	20,000	0	Land assembly to be completed	

The Orchard	828,000	0	0	0	(828,000)	0	0	Expenditure on hold pending final decision	828,000
Off The Shelf Purchase	1,300,000	179,968	179,968	313,000	(987,000)	1,300,000	(987,000)	Forecast to acquire 8 with possible increase. Carry forward to support future investment in SHIP and refurbishment of properties acquired late in financial year.	987,000
Off The Shelf Refurbishment	230,000	142,522	0	142,522	230,000	0	230,000		
Council New Build Housing (Transforming Communities)	3,241,000	809,463	0	809,463	1,139,000	(2,102,000)	2,126,000	(987,000)	
	3,241,000	809,463	0	809,463	1,139,000	(2,102,000)	2,126,000	(987,000)	
Other Costs / HBMS									
Computer Equipment - New (HBMS)	60,000	0	0	0	60,000	0	60,000	0	
Construction Design Management	20,000				20,000	0	20,000	0	
Other Costs / HBMS	80,000	0	0	0	80,000	0	80,000	0	
	80,000	0	0	0	80,000	0	80,000	0	
TOTAL CAPITAL EXPENDITURE	11,994,000	3,567,301	0	3,567,301	9,286,000	(2,708,000)	9,799,000	(513,000)	
Sale of Council Property									
Sale of Council Houses	(240,000)	773	(1,063,590)	(1,062,817)	(2,800,000)	(2,560,000)	(2,800,000)	0	Last year of SOCH scheme. 70 sales forecast.
Sale of Council land			(3,500)	(3,500)	(3,500)	(3,500)			
Sale of Council Property	(240,000)	773	(1,067,090)	(1,066,317)	(2,803,500)	(2,563,500)	(2,800,000)	0	
NET EXPENDITURE	11,754,000	3,568,074	(1,067,090)	2,500,984	6,482,500	(5,271,500)	6,999,000	(513,000)	2,373,000

CONFIDENTIAL

Corporate Savings Position

21 December 2016

1.0 Introduction

This document outlines the corporate position in achieving savings approved by Council in February 2016. The revised, approved savings total for 2016/17 is £7,501,258.

All 2016/17 budgets reflect the approved savings.

Section 2: Summarises the key points arising from this position statement.

Section 3: Summarises the 2016/17 and 2017/18 savings forecast by service (achievable and unachievable).

Section 4: Details the individual service savings which are forecast not to be achieved either partially or in full during 2016/17 (Business case references provided).

Section 5: Provides details of potential compensatory savings in 2016/17 and 2017/18 impact where appropriate.

Section 6: Details the individual service savings which are forecast not to be achieved either partially or in full during 2017/18 (Business case references provided).

2.0 Summary of key points from progress report on implementing agreed savings

- The total forecast savings for 2016/17 currently stands at £5,043,303. This is £230,198 less than forecasted at 4 October 2016.
- When compared with the approved 2016/17 Budget, this means £2.4 million of unachievable savings are currently being forecast ('worst case scenario')
- Services have identified the potential for £510k of compensating savings in 2016/17
- If all of the compensating savings were delivered, the shortfall in the delivery of planned 2016/17 savings is reduced to £1.9m (Best Case scenario)
- 4/6 services are forecasting under-achievement of targeted savings in 2016/17
- Social Services is forecasting £1.2million of savings will not be delivered in 2016/17 (highest)
- Council approved £1.9 million of savings for 2017/18 in February 2016.
- Services are forecasting that £800k of these are no longer achievable in 2017/18, though £5k of potential compensatory savings identified
- As we move to Budget preparation 2017/18, £1.1 million of approved savings forecast as deliverable
- All six services are forecasting under-achievement of targeted savings in 2017/18
- Education is forecasting £249k of savings will not be delivered in 2017/18 (highest)
- Corporate savings are forecasted to over-achieve by £71k.

3.0 Approved Council Savings 2016/17-2017/18

All services and their Accountants have provided an updated position on implementation of 2016/17 approved savings. This is collated in Table 1 below. The savings targets have been revised since October 2016 to show a transfer of £20k from Development and Environment back to Social Services for responsibility of fleet savings.

Table 1. Clackmannanshire Council Savings Monitoring 2016/17

			2016/17				
Service	Council Approved 2016/17 Savings, Feb 2016	2016/17 Revised Savings Targets, Dec 2016	Forecast savings to 31 March 2017	Difference between target and actual savings to-date	Proposed Compensatory Savings	Difference between target and forecast savings. (Worst Case Scenario)	Difference between target and forecast savings with compensatory savings. (Best Case Scenario)
D&E	£1,131,464	£1,125,907	£1,139,951	-£20,217	£0	£14,044	£14,044
EDU	£644,628	£610,863	£439,335	£232,882	£85,000	-£171,528	-£86,528
HCS	£454,430	£417,363	£417,845	£28,985	£0	£482	£482
R&G	£2,452,721	£1,531,521	£1,219,943	£397,227	£425,000	-£311,578	£113,422
SOS	£1,919,874	£2,024,939	£844,618	£1,337,598	£0	-£1,180,321	-£1,180,321
SCS	£897,741	£839,480	£713,637	£175,348	£0	-£125,843	-£125,843
Corporate	£0	£951,185	£267,975	£857,000	£0	-£683,210	-£683,210
Council Total:	£7,500,858	£7,501,258	£5,043,303	£3,008,822	£510,000	-£2,457,955	-£1,947,955

All services and their Accountants have provided an updated position on 2017/18 approved savings. This is collated in Table 2 below.

Table 2. Clackmannanshire Council Savings Monitoring 2017/18

Service	Council Approved 2016/17 Savings, Feb 2016	2016/17 Revised Savings Targets, Dec 2016	2017/18				
			Savings Expected	Revised Expected Savings	Proposed Compensatory Savings	Difference between target and forecast savings. (Worst Case Scenario)	Difference between target and forecast savings with compensatory savings. (Best Case Scenario)
D&E	£1,131,464	£1,125,907	£378,009	£252,735	£0	£-125,274	£-125,274
EDU	£644,628	£610,863	£370,688	£121,875	£5,000	£-248,813	£-243,813
HCS	£454,430	£417,363	£57,495	£55,587	£0	£-1,908	£-1,908
R&G	£2,452,721	£1,531,521	£419,199	£197,705	£0	£-221,494	£-221,494
SOS	£1,919,874	£2,024,939	£292,331	£194,603	£0	£-97,728	£-97,728
SCS	£897,741	£839,480	£323,740	£140,117	£0	£-183,623	£-183,623
Corporate	£0	£951,185	£85,500	£156,622	£0	£71,122	£71,122
Council Total:	£7,500,858	£7,501,258	£1,926,962	£1,119,244	£5,000	£-807,718	£-802,718

4.0 Forecast Unachievable Savings 2016/17 (Full/Partial)

Service	Approved Saving	2016/17 Target Saving	2016/17 Revised Expected Saving
Corporate (RAG)	Review of working week, role flexibility and other terms and conditions	£363,000	Reduced from £90,750 to £0
Corporate (RAG)	Corporate Severance	£400,000	Reduced from £129,241 to £91,605
Corporate (HCS)	(NEW) Pursuit of General Fund Debtors	£46,000	£0
Development and Environment	DAE 167 013 Increase Burial Charges	£3,750	£0
Development and Environment	DAE 167 022 Review & Re-design GIS	£16,333	£0
Education	MCB EDU 008 Redesign Sport and Youth Services	£100,000	£75,000
Education	EDU 167 001 Long Service Awards (Teachers)	£4,900	£2,000
Education	EDU 167 003 Replace head of Sauchie Nursery with single status post	£9,375	£0
Education	EDU 167 008 Stop school mail delivery service	£7,000	£0
Education	EDU 167 013 Primary PE & Sport Team Coordinator / Administrator	£14,058	£0
Education	EDU 167 016 Removal of Family Support Workers (Park Primary School)	£41,875	£19,353
Education	EDU 167 019 Review of ASN Transport	£12,638	£0
Education	EDU 167 021 Removal of Home School Liaison / Transition Coordinator Posts	£71,563	£16,363
Education	EDU 167 029 Home School Liaison and Inclusion Support Worker	£49,375	£12,710

	in Lochies		
Resources and Governance	MCB RAG 067 Assets Review: Cleaning Service	£80,000	Reduced from £30,000 to £0
Resources and Governance	(NEW) RAG 167 036 Increased Income from Registrar's Building	£5,340	£0
Resources and Governance	RAG 167 036 Budget reduction on vacating Greenfield	£101,229	Reduced from £45,000 to £0
Resources and Governance	RAG 167 042 Budget reduction on vacating Limetree	£12,000	£9,000
Resources and Governance	RAG 167 057 Transfer pavilions	£23,276	£0
Resources and Governance	RAG 167 062 Relocate Centrespace	£86,600	£0
Resources and Governance	RAG 167 066 Remove unnecessary building lease costs	£32,220	£0
Resources and Governance	RAG 167 069 15 Mar Street (Museum Store)	£8,671	£0
Resources and Governance	MCB RAG 099 Reduce Cleaning Service – TVR	£100,000	Reduced from £50,000 to £36,000
Resources and Governance	MCB SOS 003 Property Savings	£25,000	£0
Resources and Governance	MCB SCS 06b Hubs	£20,420	£0
Resources and Governance	RAG 111 003 Income and Charging Savings	£2,525	£0
Resources and Governance	SCS 032 002 ParentPay Savings	£1,840	£0
Resources and Governance	(NEW) RAG 167 010 Realign Property Maintenance costs on active property to reflect 14/15 out-turn	£117,457	£100,000
Social Services	MCB SOS 001 Review of High Value Care Packages	£214,000	£0
Social Services	MCB 002 Review of Day Care Provision	£416,000	Improved from £216,451 to £220,779
Social Services	MCB 003 Redesign of Intermediate Care	£117,000	£0
Social Services	MCB 024 Review of Social Services Equipment	£52,000	£14,514
Social Services	MCB 050 Review of Commissioning	£131,000	£0

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Social Services	SOS 167 04a Absorb Complaints Role	£12,833	£0
Social Services	SCS 014 004 Voluntary Organisations' Savings	£51,562	Reduced from £46,803 to £45,079
Social Services	SOS 167 04b Remove Performance and Quality Role	£14,583	£0
Social Services	SOS 167 04e Remove Corporate Parenting post	£16,916	£0
Social Services	SOS 167 032 Vacancy Management	£156,000	£0
Social Services	SOS 167 014 Reduce External Care Home Provision by 3%	£200,000	£0
Social Services	SOS 167 017 Review EDT (out of hours) service hosted by Stirling	£9,000	£0
Social Services	SOS 167 24a Reduction in third party payment to Family Support service to Falkirk Council by 15%	£3,000	Improved from £0 to £1,420
Social Services	SOS 167 24b Reduction in third party payment to Signpost service to FV NHS by 15%	£8,076	Improved from £0 to £3,823
Social Services	SOS 167 24c Reduction in third party payment to Time4Us service to FV NHS by 15%	£1,500	Improved from £0 to £710
Social Services	SOS 167 24d Reduction in third party payment to Alcohol Support Service to FN NHS by 15%	£1,242	£0
Social Services	SOS 167 034 Redesign MECS service to realise 15% efficiency	£57,000	£0
Social Services	SOS 167 039 Reduce costs of staff absence	£30,000	£0
Social Services	(NEW) MCB SOS 036 Social Services Workforce Strategy Review	£68,000	£0
Social Services	(NEW) SOS 167 04d Absorb Team Leader post into long-term team	£15,166	£13,750
Strategy and Customer Services	SCS 167 026 Reconfiguration of Customer Services	£61,296	Reduced from £4,240 to £3,849
Strategy and Customer Services	SCS 167 029 Reduce Establishment – Strategy and Performance	£113,176	Reduced from £24,829 to £24,751

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4.1 Forecast Over-recovery of Approved Savings 2016/17

Service	Approved Saving	2016/17 Target Saving	2016/17 Revised Expected Saving
Corporate	(NEW) Family Friendly Savings	£60,000	£94,185
Development and Environment	Redesign Sustainability Service. Reduce and stop delivery of discretionary elements.	£11,170	Reduced from £36,929 to £33,638
Development and Environment	(NEW) Total Savings Approved for 2016/17 by Council in February 2015	£309,500	£317,000
Development and Environment	Redesign of Roads traffic Management & Signage Service.	£22,166	£26,325
Education	Reduction in School Library Posts	£20,625	£34,455
Housing and Community Safety	Restructure Grade 8 roles	£15,149	Reduced from £17,824 to £15,631
Resources and Governance	PPP service reductions	£0	£160,000
Social Services	Absorb Reviewing Officer TL Post into long-term team	£15,166	Reduced from £27,499 to £18,807
Social Services	Alloa Family Centre: Reconfiguration of Early Years provision to mainstream Education services.	£0	£90,841
Strategy and Customer Services	Hubs	£41,286	Increased from £54,024 to £60,379
Strategy and Customer Services	Parentpay	£7,576	Increased from £8,384 to £8,512

5.0 Compensatory Savings for 2016/17 and 2017/18

5.1 Compensatory savings not requiring Council approval.

Service	Approved Saving	2016/17 Target Saving	2016/17 Revised Expected Saving	2017/18 Target Saving	2017/18 Revised Expected Saving
Resources and Governance	(A one-off cash saving) Catering underspend due to securing Scottish Government funding	£0	£425,000	£0	£0
Education	(NEW) Pay for Primary Supply Cover from Permanent Supply Budget and remove budget for Primary Supply Cover	£0	£65,000	£0	£0
Education	(NEW) Increase income budget from early learning and child care spaces available in nursery classes	£0	£20,000	£0	£5,000

Compensatory savings offered previously by Strategy and Customer Services with a total value of £45k are no longer viable. Alternatives are being considered.

6.0 Forecast Unachievable Savings 2017/18 (Full/Partial)

Service	Approved Saving	2017/18 Target Saving	2017/18 Revised Expected Saving
Development and Environment	Roads and Transportation Future Delivery Model	£200,000	£91,000
Development and Environment	Review and redesign of GIS posts across the Council.	£11,666	£0
Development and Environment	Redesign of Roads traffic Management & Signage Service.	£15,833	£13,163
Development and Environment	Redesign Sustainability Service. Reduce and stop delivery of discretionary elements.	£33,345	£17,185
Education	Home to school transport move to statutory limits	£139,375	£0
Education	Replace Head of Sauchie Nursery with Single Status post	£5,625	£0
Education	Stop school mail delivery service	£5,000	£0
Education	Primary PE and Sport Team Coordinator / Administrator	£10,042	£0
Education	Removal of Family Support Workers (Park Primary School)	£25,125	£3,927
Education	Reduction of staffing within the central team	£16,500	£0
Education	Review of ASN transport	£7,583	£0
Education	Remove Home School Liaison Transition Coordinator Posts	£42,938	£16,363
Education	Home School Liaison and Inclusion Support Worker in Lochies	£29,625	£12,710
Housing and Community Safety	Restructure Grade 8 roles	£10,820	£8,912
Resources and Governance	Resources and Governance Delivery Model	Increased from £181,288 to £228,084	Reduced from £134,492 to £0
Social Services	Redesign of Intermediate and Residential Care Services for Older	£164,000	£0

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	People		
Social Services	Review of Social Services Equipment	£28,000	Reduced from £14,514 to £0
Social Services	Implementation of Multi-Systemic Therapy	£47,000	£0
Social Services	Absorb Complaints Officer Role to be absorbed into Long Term Team	£9,166	£0
Social Services	Remove from establishment Performance and Quality Officer Role	£10,416	£0
Social Services	Remove from establishment Corporate Parenting post	£12,083	£0
Strategy and Customer Services	Hubs	£146,894	Improved from £36,039 to £53,549
Strategy and Customer Services	Reduce establishment – Customer Services	£43,783	Improved from £2,120 to £2,572
Strategy and Customer Services	Reduce establishment – Strategy and Performance	£80,840	Improved from £34,760 to £34,838

6.1 Forecast Over-recovery of Approved Savings 2017/18

Where some savings initiated during 2016/17 are delayed, this means the financial return is anticipated to be achieved in later years. Where there are savings to be achieved in 2017/18 that were expected to have been achieved during 2016/17, these are listed below.

Service	Approved Saving	2017/18 Target Saving	2017/18 Revised Expected Saving
Corporate (RAG)	Corporate severance	£0	Reduced from £67,825 to £50,122
Development and Environment	Redesign Sustainability Service. Reduce and stop delivery of discretionary elements.	£7,979	Improved from £19,744 to £23,035
Resources and Governance	(NEW) Asset Review: Cleaning Service	-£1,000	£0
Resources and Governance	Reduce Cleaning Service by 25%	£0	£5,590
Social Services	Review of Day Care Provision	£0	£46,605
Social Services	Absorb Reviewing Officer Team Leader Post	£10,833	Reduced from £27,499 to £13,750
Social Services	Alloa Family Centre Reconfiguration	£0	£108,901