Overall Position:

- There is a forecast overspend for 2019-20 of £2.490m as at the end of December 2019. The main overspend is in relation to Social Work, where there is a forecast overspend of £1.360m.

OBJECTIVE SUMMARY – OVERALL COUNCIL POSITION AT 31 DECEMBER 2019

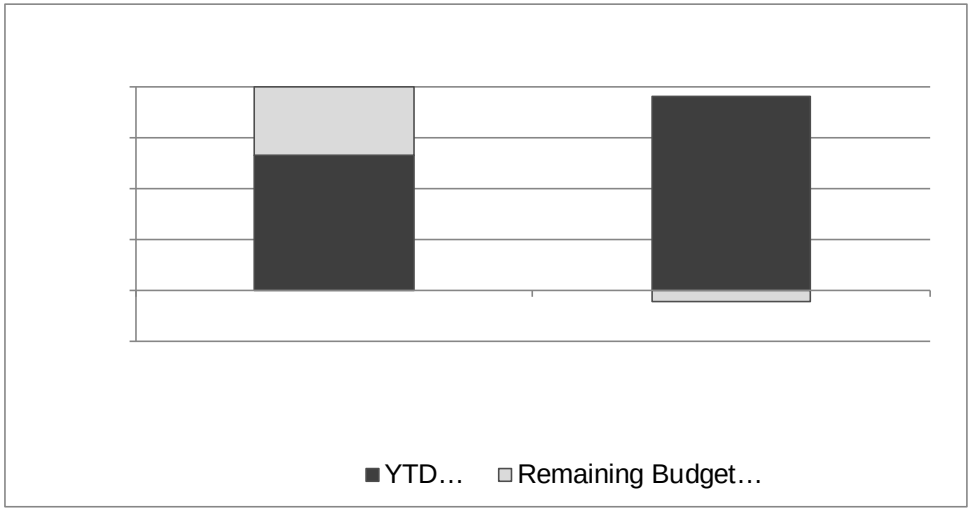
CHIEF EXECUTIVE'S UNIT – AS AT 31 DECEMBER 2019

- The department is currently forecasting spend to be in line with budget.
- The department has a year to date overspend of £0.173m mainly resulting from the Money Skills Argyll Project which is showing an overall overspend because of the substantial volatility in relation to the readiness and quality of claims for funding from the Big Lottery Fund and the lengthy and complex claim processing procedures involved.

Forecast Outturn Position

Service	Annual Budget £000	Forecast Outturn £000	Current Forecast Variance £000	Previous Forecast Variance £000	Change £000
Chief Executive	1,009	1,009	0	0	0
Head of Financial Services	4,290	4,290	0	0	0
Totals	**5,299**	**5,299**	**0**	**0**	**0**

Year to Date Position



Key Financial Successes:

The department are currently forecasting that spend will be in line with budget for 2019-20.

Chief Executive's Unit are employee costs.

CHIEF EXECUTIVE'S UNIT – SUBJECTIVE SUMMARY AS AT 31 DECEMBER 2019

Subjective Category	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Employee	3,164	3,173	9	0.3%	4,581	4,581	0	0.0%	Outwith reporting criteria
Premises	03,r0.3%								

CHIEF EXECUTIVE'S UNIT – RED VARIANCES AS AT 31 DECEMBER 2019

Service Area	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	

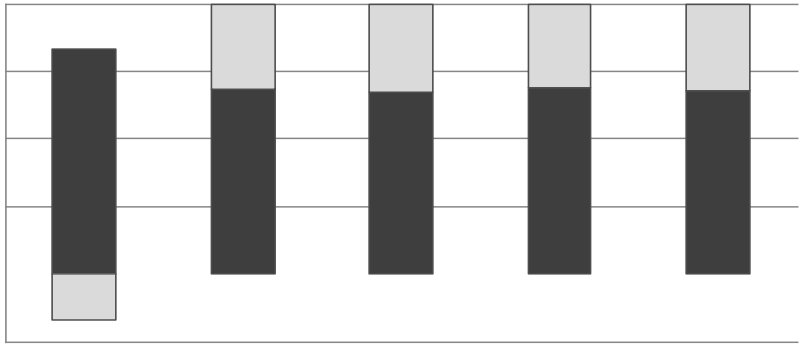
A red variance is a forecast variance which is greater than +/- £50,000.

EXECUTIVE DIRECTOR (DOUGLAS HENDRY) – AS AT 31 DECEMBER 2019

- The department is currently forecasting a net underspend of £0.191m due to insurance savings on the NPDO schools contract.
- The department has a year to date underspend of £2.046m (2.7%). The main variances are in relation to an underspends within the Hub and NPDO Schools of £0.794m, the One Council Property Team of £0.151m, Catering and Cleaning Services of £0.202m, Surplus Property and Design Service of 0.087m and £0.732m in Education. The year to date underspend position in Education is due to underspends in teaching and PEF budgets within schools. Schools are allowed to carry forward any underspends in teaching budgets under the Devolved Schools Management (DSM) arrangements. PEF is awarded by academic year so can be carried forward. Apart from the Hub & NPDO Schools underspends and the unbudgeted income of £0.150m within the One Council Property Team, the remaining year to date variances are mainly budget profile related and are not anticipated to affect the final outturn position.

	18,782	18,591	191	191	0
Totals	**110,904**	**110,713**	**191**	**191**	**0**

Year to Date Position



A number of the service choices savings have also been secured to date.	
Key Financial Challenges:	**Proposed Actions to address Financial Challenges:**
Delivering the proposed Commercial Services budget reductions identified in the Transformation programme.	Provide the Transformation Board with robust information upon which decisions can be made and develop any savings proposals as necessary.
Impact of numbers/uptake in demand led service areas like catering, design services and licensing.	Continually refine/develop systems to accurately calculate forecast outturns and the impact on the future financial outlook.
Support longer term service re-design project for Catering and Cleaning services to ensure efficiencies and financial savings are secured for the Council as well as delivering the expansion of free school meals as part of the delivery of 1140 hours of Early Learning and Childcare. Success of the re-design project is dependent on buy-in from Argyll & Bute Health and Social Care Partnership.	Effective working with consultants and support with implementation of preferred service delivery method.
New legislative/policy requirements not fully funded by Scottish Government which put additional burdens on the Council. For example, additional demands from IJB, requirement to register all property in land register by 2019 and unknown impact of new education arrangements on all support services.	Analysis of new obligations and whether they incur additional costs not met through increased grant.
Ensuring the Education service can continue to contribute to Council savings programmes whilst adhering to Scottish Government national initiatives (i.e. maintaining Pupil Teacher ratio across the service.	Ongoing robust financial monitoring and forecasting with the provision of supporting management information to ensure deliverable savings options are presented.
The Council has a requirement to deliver 1140 hours of Early Learning and Childcare by 2020. The Scottish Government has committed to funding this with additional resources based on individual implementation plans.	Robust service costings, financial monitoring and reporting to ensure the service can deliver the project within the financial resources available.

EXECUTIVE DIRECTOR (DOUGLAS HENDRY) – OBJECTIVE SUMMARY AS AT 31 DECEMBER 2019

Business Outcome	Service Area	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Central/Management Costs	Central/Management Costs	250	253	3	1.2%	199	199	0	0.0%	Outwith Reporting Criteria
Executive Director (Douglas Hendry) Total		**250**	**253**	**3**	**1.2%**	**199**	**199**	**0**	**0.0%**	
Central/Management Costs	Central/Management Costs	3,377	3,643	266	7.3%	4,907	4,907	0	0.0%	The YTD variance relates to one off receipt of £150k income in July for servitude of land near Strachur, service plans to use this income to fund condition surveys expected to start Feb/March. Also YTD over recovery of rental income .
BO107 - The support and lifestyle needs of our children, young people, and their families are met	Catering and Cleaning	36	170	134	78.8%	529	529	0	0.0%	The YTD variance is caused by underspends in staff costs across the catering and cleaning service and over recovery of the catering variable bid, work currently ongoing to ensure fixed and variable bid more accurate. Also over recovery of income from Kilbowie Outdoor Centre.
BO113 - Our infrastructure is safe and fit for the future	Catering and Cleaning, CHORD, Property and Leisure	2,558	2,627	69	2.6%	3,299	3,299	0	0.0%	The YTD variance caused by an underspend in staff costs within Cleaning HQ.
BO114 - Our communities are cleaner and greener	Property Services Utility Fund	9	19	10	52.6%	30	30	0	0.0%	Outwith Reporting Criteria
BO116 - We engage and work with our customers, staff and partners	Schools Support Development	18	17	(1)	(5.9%)	25	25	0	0.0%	Outwith Reporting Criteria
Head of Commercial Services Total		**5,998**	**6,476**	**478**	**7.4%**	**8,790**	**8,790**	**0**	**0.0%**	

BO102 - We provide support, prevention and opportunities to help people make better lifestyle choices	Housing and Regulatory Services	258	246	(12)	(4.9%)	352	352	0	0.0% Outwith Reporting Criteria
BO104 - Our communities are protected and supported									

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

EXECUTIVE DIRECTOR (DOUGLAS HENDRY) – SUBJECTIVE SUMMARY AS AT 31 DECEMBER 2019

Subjective Category	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Employee	58,666	59,472	806	**1.4%**	82,945	82,945	0	**0.0%**	**Non-Education:** YTD overspend of £4k, comprising a £53K underspend within Commercial Services offset by an overspend of £38k within Legal and Regulatory and £20k overspend in Directorate Management. Contributions to the vacancy savings target were made during November and the overall savings target is expected to be met by the end of the financial year. **Education:** YTD underspend of £809k. The main contributing factor is the YTD underspend of £511k in teaching budgets within schools. Under the scheme of Devolved School Management (DSM) schools are permitted flexibility at the end of the year so no Forecast Variance is required. The remaining YTD underspend of £298k is due to budget profiles in pre five units, QIT and learning centres which will be refined in January.
Premises	3,856	3,900	44	**1.1%**	5,659	5,659	0	**0.0%**	Outwith Reporting Criteria
Supplies and Services	7,197	7,272	75	**1.0%**	10,867	10,867			

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EXECUTIVE DIRECTOR (DOUGLAS HENDRY) – RED VARIANCES AS AT 31 DECEMBER 2019

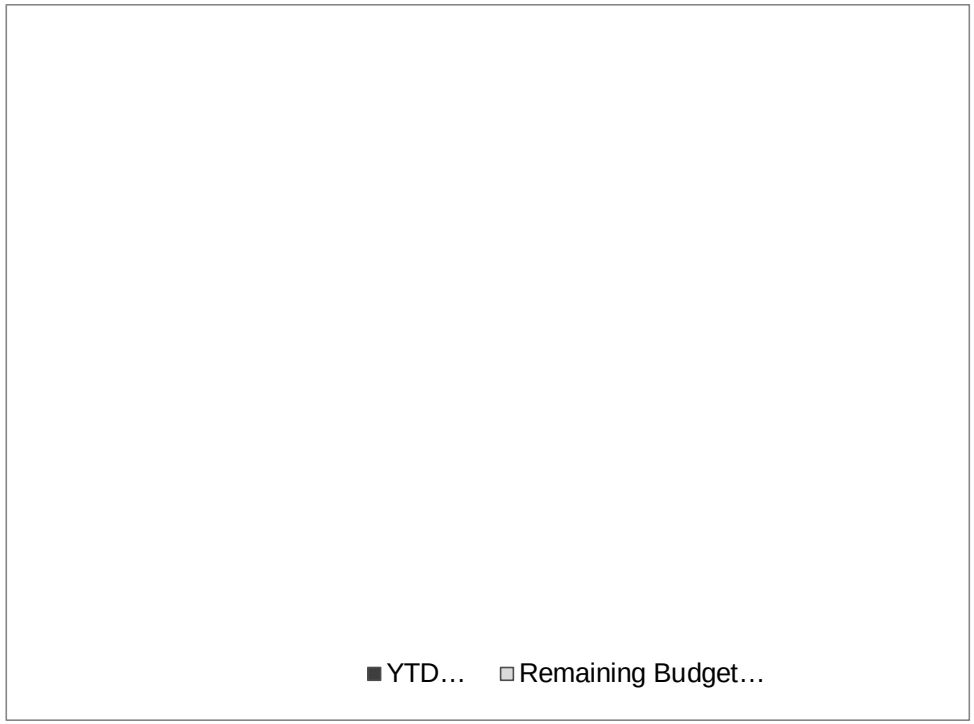
Service Area	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Head of Legal and Regulatory Support Central/Management Costs	15,382	15,191	191	1.2%	NPDO Schools Insurance saving due to good contract management

A Red variance is a forecast variance which is greater than +/- £50,000.

EXECUTIVE DIRECTOR (KIRSTY FLANAGAN) – AS AT 31 DECEMBER 2019

- The department is currently forecasting an overspend of £0.349m in 2019-20. There are overspends resulting from a loss of income in Public Conveniences, loss of car parking income, additional cost for Street Lighting Consultant, additional glass collection costs and increased costs of essential repairs on vehicles within Roads & InfrastructuTnL4eI4 Tc -eTc -eT2clltd (l)6Tc -mA]TJ 0 Tc 0 Twdoe1 n5 & 4eeT

	Budget	Forecast Outturn	Current Forecast Variance	Previous Forecast Variance	Change
	£000	£000	£000	£000	£000
Executive Director (Kirsty Flanagan)	297	297	0	0	0
Head of Customer Support Services	7,903	7,903	0	(125)	125
Head of Development and Economic Growth	9,910	9,944	(34)	0	(34)
Head of Roads and Infrastructure					



Key Financial Successes:

At the end of financial year 2018-19, there were overspends in a variety of service areas such as Winter Maintenance, Ferries and the PSO contract for Air Services plus a reduction in income from Public Conveniences but as a result of a planned over-recovery of vacancy savings and delays in the replacing of fleet this enabled the department to manage the situation leading to an overall departmental underspend of £0.305m.
CHORD project manager salaries being funded by capital, underspends in Piers & Harbours maintenance and additional Building Warrant Income and Road Permit Income also contributed to the overall underspend position.

Key Financial Challenges:

EXECUTIVE DIRECTOR (KIRSTY FLANAGAN) – OBJECTIVE SUMMARY AS AT 31 DECEMBER 2019

Business Outcome	Service Area	YTD Actual £000	YTD

BO104 - Our communities are protected and supported	Public Transport	5,446	5,712	266	4.7%	2,660	2,660	0	0.0%	Public transport operator costs are behind profile but any underspend here will be used to offset overspends in internal pupil transport costs which are under pressure due to increasing demand.
BO113 - Our infrastructure is safe and fit for the future	Road & Lighting, Roads Design, Network & Environment & Marine Services	614	1,486	872	58.7%	9,992	9,978	14	0.1%	Car parking income behind budget due to delays in progressing the TRO partially offset by over-recovery of DPE income. Forecast variance of £235k has been processed. Roads maintenance is forecasted to underspend by £150k to offset overspends elsewhere in the department. Forecast variance overspend of £75k processed for Street Lighting Consultant. Additional income of £198k is forecast within Piers & Harbours. YTD underspend mainly relates to external income received in Roads which is not yet spent as well as the profile of internal transfer expenditure. Pupil Transport continues to show an overspend due to demand for this service.
BO114 - Our communities are cleaner and greener	Amenity Services & Waste Disposal	10,629	10,603	(26)	(0.3%)	14,920	15,048	(128)	(0.9%)	Shortfall in income from Public Conveniences. Insurance payment still to be received re Millpark

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EXECUTIVE DIRECTOR (KIRSTY FLANAGAN) – SUBJECTIVE SUMMARY AS AT 31 DECEMBER 2019

Subjective Category	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Employee	22,017	22,578	561	2.5%	31,916	31,921	(5)	**(0.0%)**	Vacancy underspends in Operational Holding Account and Infrastructure Design team which will be offset by lower income. Vacancy savings in street lighting being used to partially offset the cost of an external consultant. Vacancy savings in ICT will be used to fund support for implementation of Drupal upgrade and this has been reflected in a forecast variance. Vacancy savings at Rothesay Pavilion will be earmarked to fund future costs.
Premises	1,383	1,324	(59)	(4.5%)	2,814	2,841	(27)	**(1.0%)**	CRA costs ahead of profile
Supplies and Services	6,794	5,568	(1,226)	(22.0%)	8,578	8,620	(42)	**(0.5%)**	Purchase of Quarry materials within Roads will be offset by additional income from capital.
Transport	7,725	7,569	(156)	(2.1%)	15,354	15,700	(346)	**(2.3%)**	Vehicle repairs as a result of aging vehicles continue to cause concern and are being closely monitored
Third Party	26,235	24,734	(1,501)	(6.1%)	38,148	38,151	(3)	**(0.0%)**	Payments to private contractors in Roads Operations will be offset by additional income. HEEPS expenditure offset by additional income. The forecast variance relates to contractors costs for the Drupal instalation in ICT offset by vacancy savings, an overspend due to Street Lighting Consultant, a planned underspend in roads maintenance to offset overspends elsewhere and an overspend in the glass collection service as a result of the previous contractor goining into administration.
Capital Financing	(55)	0	55	0.0%	1,413	1,413	0	**0.0%**	Additional income raised by Piers and Harbours to finance borrowing costs for Harbour Investment.
Income	(32,981)	(29,917)	3,064	(10.2%)	(49,600)	(49,674)	74	**(0.2%)**	Town Centre Grant income received ahead of expenditure. This may transfer to capital depending on which projects are taken forward. HEEPS grant in excess of budget offsets additional 3rd party expenditure; additional income as a result of Roads Capital expenditure and additona income withink Piers andHarbours. Forecast variance relates to loss of income in public conveniences and loss of income in parking. This is offset with additional income within Commercial Waste and Private Water Supplies.
Totals	**31,118**	**31,856**	**738**	**2.3%**	**48,623**	**48,972**	**(349)**	**(0.7%)**	

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EXECUTIVE DIRECTOR (KIRSTY FLANAGAN) – RED VARIANCES AS AT 31 DECEMBER 2019

Service Area	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Public Conveniences Income	(314)	(264)	(50)	15.9%	Replacement structure have been installed at North Pier, Oban. Honesty boxes have been installed at a number of public conveniences in line with the recent report to the EDI Committee
Car Parking	(1,404)	(1,169)	(235)	16.7%	Loss of car parking income. Review of TRO process currently being carried out
Fleet Maintenance	276	476	(200)	(72.5%)	Vehicle repairs as a result of aging vehicles
Roads Maintenance	3,561	3,411	150	4.2%	Planned reduction in roads maintenance to offset overspends elsewhere
Street Lighting Consultant	875	950	(75)	(8.6%)	Street Lighting Consultant covering vacancy, partially offset by vacancy.
Piers & Harbours	(6,468)	(6,666)	198	(3.1%)	Additional income generated from Berthing dues etc
Waste Collection - H&L	45	96	(51)	(113.3%)	Additional overtime costs partially offset by vacancy savings
Waste Collection - Vehicle Repairs	25	115	(90)	(360.0%)	Increase in vehicle avoidable repairs.
Waste Collection - Commercial Refuse Income	(913)	(1,053)	140	(15.3%)	Additional Commercial Refuse Income.

A red variance is a forecast variance which is greater than +/- £50,000.

SOCIAL WORK – AS AT 31 DECEMBER 2019

- The department is currently forecasting an overspend of £1.310m (2.2%) which is due to a combination of forecast slippage on the delivery of agreed savings and high demand for services.
- The department has a year to date overspend of £1.033m (2.8%) against budget.

Forecast Outturn Position

Service	Annual Budget	Forecast Outturn	Current Forecast Variance	Previous Forecast Variance	Change
	£000	£000	£000	£000	£000
Chief Officer Integration	1,167	124	1,043	1,054	(11)
Head of Adult Services	43,446	45,660	(2,214)	(2,281)	67
Head of Children and Families	13,646	13,789	(143)	(153)	10
Head of Strategic Planning and Performance	416	412	4	4	0
Totals	**58,675**	**59,985**	**(1,310)**	**(1,376)**	**66**

Support the HSCP to deliver the financial recovery plan agreed at the IJB to address the £0.700m deficit which would remain after full delivery of all of the agreed efficiency savings mentioned above.	Support from finance to assist the service to identify and action opportunities to save money through tight spending controls and service redesign.
Development and delivery of future service redesigns which will be necessary to contain service expenditure within the allocated resource in the medium to long term.	Support from finance to assist strategic managers to look beyond the short term to identify and plan the changes which will be needed to address the expected ongoing budget challenge over the next 3 to 5 years.

SOCIAL WORK – OBJECTIVE SUMMARY AS AT 31 DECEMBER 2019

TD lget 00	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation

									expenditure in the assessment and care management team.
Central/Management Costs	236	306	70	22.9%	440	407	33	7.5%	The YTD underspend is mainly related to staffing underspends and lower than expected spend to date on external contracts partially offset by slippage on the delivery of agreed savings (£29k) and expenditure on agency staff. The forecast variance is outwith reporting criteria.
Head of Adult Services Total	**27,880**	**26,475**	**(1,405)**	**(5.3%)**	**43,446**	**45,660**	**(2,214)**	**(5.1%)**	
Looked After Children	5,244	4,972	(272)	(5.5%)	6,909	7,243	(334)	(4.8%)	The YTD overspend is mainly due to overspends on staffing costs in children's homes, safety maintenance work at Shellach View, third party payments arising due to service demand for residential placements and slippage on the delivery of agreed savings (£150k). The forecast overspend arises due to service demand, commitments against Life Changes reflecting uncertainty of the receipt of grant funding towards costs and slippage on agreed savings in residential placements (£200k) partially offset by underspends in fostering arising due to lower than budgeted service demand.
Child Protection	2,099	2,392	293	12.3%	3,399	3,216	183	5.4%	The YTD underspend is mainly due to underspends in staffing, travel and supplies and services costs in the Children and Families area teams and lower than expected demand for contact and welfare services. The forecast underspend arises mainly due to lower than anticipated service demand for contact and welfare services.
Children with a Disability	555	636	81	12.7%	859	823	36	4.2%	The YTD underspend is mainly due to underspends in staffing and payments to other bodies partially offset by slippage on the delivery of agreed savings (£17k). The forecast variance is outwith reporting criteria.
Criminal Justice	178	155	(23)	(14.8%)	151	62	89	58.9%	The YTD overspend is mainly due to payments to other bodies offset by YTD staffing underspends due to staff vacancies. The forecast underspend arises due to staff vacancies and related reduced staff travel expenses partially offset by agency staff costs.
Central/Management Costs	1,635	1,582	(53)	(3.4%)	2,328	2,445	(117)	(5.0%)	The YTD overspend is mainly due to overspends on staffing for unbudgeted SIO post and slippage on the delivery of agreed savings (£96k) partially offset by YTD underspends on rents and payments to other bodies. The forecast overspend arises mainly

									due to slippage on agreed savings (£150k) and an unbudgeted SIO post being covered by vacancies in Children with a Disability and Criminal Justice. This is partially offset by reduced forecast cost against payments to other bodies as now forecast within Looked After Children.
Head of Children and Families and Community Justice Total	**9,711**	**9,737**	**26**	**0.3%**	**13,646**	**13,789**	**(143)**	**(1.0%)**	
	38,418	**37,385**	**(1,033)**	**(2.8%)**	**58,675**	**59,985**	**(1,310)**	**(2.2%)**	

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SOCIAL WORK – SUBJECTIVE SUMMARY AS AT 31 DECEMBER 2019

Subjective Category	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Employee	19,247	19,854	607	**3.1%**	28,033	27,180	853	**3.0%**	The YTD underspend arises due to a number of over and underspends across the service. The most significant underspends relate to higher than budgeted in-year vacancy savings, mental health services, children and

SOCIAL WORK – RED VARIANCES AS AT 31 DECEMBER 2019

Service Area	Annual