

Governance, Risk and Best Value Committee

10.00am, Tuesday, 14 January 2020

Revenue Monitoring 2019/20 – Half Year Report – referral from the Finance and Resources Committee

Executive/routine
Wards All
Council Commitments

1. For Decision/Action

- 1.1 The Finance and Resources Committee has referred a report on the Revenue Monitoring 2019/20 Half Year Position to the Governance, Risk and Best Value Committee for consideration as part of its work programme.

Laurence Rockey

Head of Strategy and Communications

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Referral Report

Revenue Monitoring 2019/20 – Half Year Report

2. Terms of Referral

- 2.1 On 6 December 2019, the Finance and Resources Committee considered a report setting out the projected overall six-month position for the Council's 2019/20 revenue expenditure budget based on analysis of actual expenditure and income to the end of August 2019. Information was also submitted providing an analysis of underlying pressures and progress in realising savings associated with both approved and mitigating budget measures.
- 2.2 The Finance and Resources Committee agreed:
- 2.2.1 To note that, following the identification of a number of further mitigating measures across both Directorate and non-Directorate budgets, a balanced overall position was now being forecast for 2019/20.
 - 2.2.2 To note that Executive Directors and the Chief Officer of the Edinburgh Integration Joint Board (EIJB) were required to monitor robustly and control proactively expenditure pressures for the remainder of the year.
 - 2.2.3 To approve, subject to confirmation of the overall outturn and onward ratification by Council, the drawdown of up to £1.5m from the welfare reform allocated reserve.
 - 2.2.4 To note the balanced projected position on the Housing Revenue Account (HRA) after making planned contributions towards housing investment.
 - 2.2.5 To refer the report to the Governance, Risk and Best Value Committee for consideration as part of its work programme.

3. Background Reading/ External References

Minute of the Finance and Resources Committee of 6 December 2019

4. Appendices

Appendix 1 – report by the Executive Director of Resources

Finance and Resources Committee

10.00am, Friday, 6 December 2019

Revenue Monitoring 2019/20 – half-year report

Executive/routine Wards Council Commitments	Executive
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1. Recommendations

- 1.1 Members of the Finance and Resources Committee are recommended to:
 - 1.1.1 note that, following the identification of a number of further mitigating measures across both Directorates and non-Directorate budgets, a balanced overall position is now being forecast for 2019/20;
 - 1.1.2 note that Executive Directors and the Chief Officer of the Edinburgh Integration Joint Board (EIJB) are required to monitor robustly and control proactively expenditure pressures for the remainder of the year;
 - 1.1.3 approve, subject to confirmation of the overall outturn and onward ratification by Council, the drawdown of up to £1.5m from the welfare reform allocated reserve;
 - 1.1.4 note the balanced projected position on the Housing Revenue Account (HRA) after making planned contributions towards housing investment; and
 - 1.1.5 refer this report to the Governance, Risk and Best Value Committee as part of its work programme.

Stephen S. Moir
Executive Director of Resources

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Revenue Monitoring 2019/20 – half-year report

2. Executive Summary

- 2.1 The report sets out the projected Council-wide revenue budget position for the year based on analysis of period six data, building on both the earlier period three forecast and the subsequent progress update considered by the Committee on 10 October. It outlines on-going activity being undertaken by Executive Directors and the Chief Officer of the Edinburgh Integration Joint Board (EIJB) to identify and implement savings measures and manage pressures sufficient to achieve a balanced year-end position in 2019/20 and, in due course, to re-establish the stability of the budget framework.
- 2.2 The updated position continues the trend of improvement apparent since the first quarter's report was considered by the Committee on 15 August 2019, with the subsequent identification of a number of further mitigating measures in both Directorates and non-Directorate budgets now allowing a balanced overall position to be forecast. This position is, however, heavily reliant upon significant one-off, non-Directorate specific savings and additional savings and/or income already assumed in the budget framework for future years. As a result, the wider need for Directorate expenditure to be contained within approved levels remains critical.

3. Background

- 3.1 On 15 August 2019, members of the Committee considered the first detailed in-year Council-wide revenue monitoring report, based on analysis of period three data. Whilst outlining progress in the implementation of the service-specific savings approved as part of the 2019/20 revenue budget, given both (i) delivery shortfalls apparent in recent years and (ii) underlying pressures across a number of demand-led areas, the report highlighted the potential, without the identification of further mitigating measures, of a risk-adjusted overspend of some £11.4m, against which Council subsequently ratified use of a £6m contribution from the Council Priorities Fund, reducing the projected overspend to £5.4m.
- 3.2 In view of the seriousness of this position, a further interim update was provided as part of the *Change Strategy 2019/23* report considered by the Committee on 10 October. The report noted that the service-specific position remained essentially unchanged but with additional assumed one-off savings resulting from the ending of the Carbon Reduction Commitment (CRC) energy efficiency scheme and receipt of

a payment through the Business Rates Incentivisation Scheme (BRIS) for 2017/18. These savings, together totalling £0.9m, reduced the overall projected overspend to £4.5m. In considering that report, however, members noted that a more detailed update would be provided to the Committee's following meeting on 6 December.

4. Main report

4.1 Executive Directors and the Chief Officer of the EIJB, along with their management teams, are continuing to work towards delivery of the four main objectives initially set out in the report to the Finance and Resources Committee on 7 March, namely:

- (i) Development of robust implementation plans for the specific savings actions totalling £29.2m which were approved for delivery in 2019/20;
- (ii) Development of detailed and specific proposals to address the £9.5m efficiency savings target which was also approved as part of the 2019/20 budget;
- (iii) Identification of mitigating actions to address residual pressures across the Communities and Families, Place and Resources Directorates; and
- (iv) Agreement, through the EIJB, of specific plans to address its estimated budget gap in 2019/20.

4.2 Addressing each of the above areas in full is necessary to enable the Council to plan, with reasonable confidence, to maintain expenditure within approved levels in 2019/20. In acknowledging that there is a degree of delivery risk for each aspect, however, elected members, the Chief Executive and Executive Directors, including the Chief Officer of the EIJB, will continue to have to make difficult choices in both this and subsequent years to secure financial sustainability.

Development of savings implementation plans – specific savings

4.3 Progress in developing implementation plans for all specific savings approved for delivery in 2019/20 is regularly reviewed by the Corporate Leadership Team (CLT) Change Board. To facilitate delivery of the more challenging approved savings measures, members will be aware of Council's previous ratification of a non-recurring £1m contribution to supplement existing project management capacity. A progress update with regard to recruitment, associated costs and key milestones and deliverables for each of the workstreams supported by these additional resources is provided in Appendix 1.

4.4 Review of the corresponding implementation plans and resulting financial impacts for these savings continues to show positive progress, with 92% of savings by value currently assessed, on the basis of confirmed or planned actions, as green or amber as set out in Appendix 2. Within this total, an additional net £3.2m of savings are now rated as green relative to the earlier period three assessment, with a corresponding reduction in overall delivery risk over the remainder of the year. Given the comparatively late stage of the financial year, however, maximising delivery against the 11% of savings currently assessed as amber and mitigating, as

fully as is practicable, those assessed as red is likely to be vital in achieving a balanced position by the year-end.

Efficiencies-related savings

- 4.5 The update to the Committee's meeting on 15 August 2019 set out the measures by which it was planned to meet the approved in-year efficiencies target of £9.5m. The current status of these savings is summarised in Appendix 3. Based on this assessment and the equivalent assessment for the Workforce Management and Change Management savings included in Appendix 2, a total of £3.493m of Council-wide savings (most materially those in respect of lean business process review, intelligent automation and income generation) are assessed to be at significant risk of non-delivery and thus reflected accordingly in the overall outturn projection, with other potential shortfalls incorporated, as appropriate, in service projected outturns. In addition to the immediate issue of identifying relevant mitigating measures in the current year, establishing an achievable level of savings or additional income in these areas in future years will be crucial to the longer-term integrity of the budget framework.

Residual pressures

- 4.6 Reporting during 2018/19 consistently highlighted the need to address residual Directorate pressures on a sustainable basis through the identification and implementation of appropriate mitigating actions. This requirement has become more pressing given the increasingly challenging nature of the incremental savings requiring to be delivered to maintain overall financial balance.
- 4.7 Based on detailed analysis of the 2018/19 Directorate outturns, the report to the Committee's meeting on 15 August 2019 set out gross pressures across Communities and Families, Place and Resources totalling £19.6m. Some £19.0m of corresponding mitigating actions were identified, progress against which continues to be actively tracked. The Directorate-specific projections outlined later in this report reflect an assumption that 89% of these measures are on track for delivery, with the attendant detail shown in Appendix 4. As with the Directorate-specific measures above, while it is encouraging that an additional £3.1m of these actions are now assessed as green, the prompt taking of appropriate remedial action in respect of those assessed as amber or red will be crucial both in achieving a balanced overall outturn for 2019/20 and establishing solid foundations for the delivery of subsequent years' savings.

Directorate-specific forecasts

- 4.8 Given the increasing risks inherent in maintaining expenditure within budgeted levels, earlier in-year reports for 2019/20 have been underpinned by additional scrutiny and adoption of a particular risk management focus, with a corresponding risk contingency captured at Council level. This approach also reflected the comparatively early stage of the year of those reports and the consequent need, in some cases, for additional details of implementation plans to become available. In light of the availability of further months' data and corresponding reduced opportunity to implement mitigating actions in the remainder of the year, however, a

Directorate-specific position, consistent with relevant responsibilities as set out within the Financial Regulations, has been adopted in this half-year report.

Communities and Families – projected overspend of £4.450m

- 4.9 The Executive Director of Communities and Families is projecting net budget pressures of £4.45m for 2019/20 as a result of increasing costs in several demand-led areas of service provision. To date, projected unfunded gross budget pressures of £9.85m have been assessed. The main service areas affected continue to be temporary accommodation, home-to-school transport, rising school rolls, community access to schools and the delivery of approved operational efficiencies. Corresponding management action of £5.4m, offsetting a significant element of the pressure, has now been identified, leaving a net residual budget pressure of £4.45m.
- 4.10 While 96% of the Directorate's approved savings are assessed to be on track for delivery, the Executive Director of Communities and Families is fully committed to making all efforts to identify mitigations to reduce the residual pressures and to identify and implement management actions required to address these. This will include vacancy control measures, a review of reserves, identification of income generation opportunities, an examination of the scope to stop or reduce planned levels of expenditure, and the identification of any spend-to-save opportunities.

Place – projected overspend of £5.615m

- 4.11 As of period six, the Executive Director of Place is projecting the potential for a year-end overspend of up to £5.615m. This forecast reflects a combination of:
- (i) brought-forward (and as-yet unmitigated) underlying pressures within, in particular, the Transport, Parks and Waste and Cleansing functions;
 - (ii) anticipated delays, or shortfalls, in delivery against a number of the service-specific measures approved as part of the budget motion (as shown in Appendix 2);
 - (iii) extended temporary cessation of elements of environmental testing; and
 - (iv) a need to identify specific plans to address elements of the Directorate's in-year efficiency target of £2.8m (Appendix 3).
- 4.12 The Place Senior Management and Divisional Management Teams are continuing work to address the financial challenge faced by the Directorate. Of £19.9m of savings requiring to be delivered in the year, almost 90% are now assessed as either green or amber. A budget management strategy, underpinned by a robust mid-year review, has also been formulated, with a series of additional measures instructed by the Executive Director to reduce the level of overspend further.

Resources – projected overspend of £0.670m

- 4.13 As outlined in a separate, more detailed report elsewhere on today's agenda, the Resources Directorate is currently projecting a year-end budget pressure of £0.670m for 2019/20. The Directorate will continue to progress identification of

savings measures to offset this budget pressure, including a recruitment freeze in non-frontline teams and a ban on the use of agency workers, with a view to containing outturn expenditure within approved levels. Attainment of this position remains subject to ongoing action to deliver all approved savings, together with active management of risks and pressures.

Chief Executive's Service – projected balanced position

- 4.14 As of period six, the Chief Executive's Service continues to report a projected balanced position for the year.

Edinburgh Integration Joint Board – projected balanced position

- 4.15 The month three report considered by the Finance and Resources Committee on 15 August advised members of a remaining £7.15m 2019/20 funding gap for the EIJB, with discussions on the use of reserves and other mitigating measures between the partners continuing. This gap, in turn, assumed full delivery in 2019/20 of the Partnership's approved savings programme of £11.941m. The report also reasserted that management of the EIJB budget in 2019/20 and future years be based fully on the arrangements set out within the Integration Scheme i.e. that expenditure would be maintained within the levels of funding delegated to it by the Council and NHS Lothian.
- 4.16 A progress update was considered by the EIJB on 22 October. This report set out the potential for a balanced overall position for the year to be achieved, with the favourable movement since the earlier report attributable to a combination of:
- an updated assessment of the NHS Lothian financial position;
 - additional savings delivered through the savings and recovery programme;
 - use of existing EIJB reserves; and
 - one-off savings resulting from longer-than-anticipated roll-out of a number of initiatives, including community support investment and Carers' Act implementation.
- 4.17 As with the Council's own directly-provided services, attainment of this position is subject to a number of assumptions, including savings delivery and management of demand-led pressures. These assumptions will therefore continue to be closely monitored over the remainder of the year.
- 4.18 It is acknowledged that such use of one-off measures does not form the basis of longer-term financial sustainability and the Chief Officer, supported by the management team and other key stakeholders, has therefore initiated work on future years' financial planning.
- 4.19 Whilst projections indicate that the EIJB can reach an overall break-even position in 2019/20, the EIJB has not yet agreed payments to the Council to accompany the directions which have been received for delivery of functions delegated by the EIJB; discussions in this area are on-going. The EIJB Chief Finance Officer has reported a gap of £9.7m on payments to accompany the direction which has been issued to

the Council. Funding to address this gap has been identified however the EIJB has approved a recommendation by the Chief Officer that a decision on payments to the Council and NHS Lothian be taken in the context of any changes to financial forecasts, with recommendations on payments to be reported to the EIJB later in the financial year.

Non-Directorate budgets

- 4.20 While emphasising the tightness of the budget framework given the incorporation, within the approved 2019/20 budget, of significant savings in loans charges, the period three-based update considered by the Committee on 15 August intimated the availability, primarily on a one-off basis, of £3.5m of savings in corporate budgets, comprising a combination of savings against inflationary and pay-related provisions (£1.5m), loans charges (£1m) and additional Council Tax income (£1m). These savings were subsequently supplemented, following confirmation of the 2018/19 revenue outturn, by a £6m contribution from the Council Priorities Fund, the result of which was to commit fully the funds within it.
- 4.21 The interim update considered as part of the Change Strategy report on 10 October then intimated the availability in the current year of additional income of £0.9m from a combination of the CRC- and BRIS-related savings noted in Paragraph 3.2, reducing the overall projected overspend to £4.5m.
- 4.22 Consideration of any additional available non service-specific savings has continued since the Committee's last meeting. Discussions on available flexibilities with regard to loans fund advance rescheduling remain on-going, with the outcome anticipated to be reported to the Committee's meeting on 23 January 2020.
- 4.23 A further report on the Committee's agenda apprises members of the successful completion of recent Inverse LOBO loans restructuring. Conclusion of this transaction, in addition to delivering part-year reductions in interest costs, allows for the in-year "unwinding" of the related Equal Interest Rate calculation, together delivering total savings of £2.4m in 2019/20. Given the underlying composition of the Loans Fund, one third of this benefit accrues to the Housing Revenue Account, with the balance available to the General Fund, providing a further in-year loans charge saving of £1.6m.
- 4.24 Members will also be aware of the Council's established practice of earmarking any in-year underspend in respect of the Council Tax Reduction Scheme (CTRS) to address future years' welfare reform-related pressures. In view of on-going unmitigated pressures affecting the Temporary Accommodation service, it is proposed that, subject to the overall 2019/20 outturn and ratification by Council, £1.5m of 2018/19's previously-earmarked underspend be drawn down in 2019/20. Current-year spend projections will continue to be kept under review and all those eligible for support encouraged to take this up.

Overall projected position for 2019/20

- 4.25 Taking into account the various changes set out in the preceding sections of this report, a balanced overall position is now forecast as set out in Appendix 5. While this is clearly to be welcomed, attainment of this position is subject to on-going

management of directorate pressures and risks for the remainder of the year. In this regard, a further update will be provided as part of the period eight-based report anticipated to be considered by the Committee on 23 January 2020. The implications of a £14.2m service overspend in 2019/20 for future years will, however, need to be considered as part of the 2020/23 budget process.

Housing Revenue Account (HRA)

- 4.26 As of month six, the HRA is on track to generate the overall budgeted contribution to planned investment in existing and new homes. This assumes a series of ambitious savings and performance improvements required under the umbrella of the Housing Services Improvement Plan will be achieved in the second half of the year. To facilitate appropriate officer and member scrutiny, a Housing Services Improvement Plan Board has been set up in addition to the regular reporting to Housing Homelessness and Fair Work Committee.

5. Next Steps

- 5.1 As noted above, it is planned to provide a further in-year update to the Committee on 23 January 2020.

6. Financial impact

- 6.1 The report acutely emphasises the importance of proactive management of pressures and delivery of approved savings.

7. Stakeholder/Community Impact

- 7.1 There is no direct relevance to the report's contents. In considering measures to secure the Council's wider financial sustainability, however, members may wish to consider both activities' respective contributions to the key outcomes of the Change Strategy and public engagement feedback on the Council's relative priorities.

8. Background reading/external references

- 8.1 [Finance Update](#), Edinburgh Integration Joint Board, 22 October 2019
- 8.2 [Council Change Strategy: Planning for Change and Delivering Services 2019-23](#), Finance and Resources Committee, 10 October 2019
- 8.3 [Capital Budget Strategy 2020-2030](#), Finance and Resources Committee, 10 October 2019
- 8.4 [Revenue monitoring 2019/20 – period three report](#), Finance and Resources Committee, 15 August 2019
- 8.5 [Revenue Budget Framework 2019/24 – progress update](#), Finance and Resources Committee, 23 May 2019
- 8.6 [Revenue Budget Framework 2019/23 – Progress Update](#), Finance and Resources Committee, 7 March 2019
- 8.7 [Coalition Budget Motion](#), City of Edinburgh Council, 21 February 2019
- 8.8 [Feedback on the Change Strategy and Budget Proposals, 2018 and 2019](#), The City of Edinburgh Council, 21 February 2019
- 8.9 [Council Change Strategy: Planning for Change and Delivering Services 2019-2023](#), Finance and Resources Committee, 1 February 2019
- 8.10 [Council Change Strategy – Risks and Reserves 2019-2023](#), Finance and Resources Committee, 1 February 2019

9. Appendices

Appendix 1 – Additional programme management support progress update

Appendix 2 - 2019/20 approved savings – current Finance RAG assessment

Appendix 3 – Efficiencies workstream, 2019/20 – current Finance RAG assessment

Appendix 4 – Pressure-mitigating measures, 2019/20 – current Finance RAG assessment

Appendix 5 – 2019/20 Revenue Budget – Projected Expenditure Analysis

Project management additional investment - update Appendix 1

Project	FTE Allocated	FTE Recruited	Business Case Opportunity	Next Milestone
Your Total Reward	3 FTE	1 PM and 1 Analyst in place	<p>“Your Total Reward” will review current Local Government Employee pay, T&Cs and benefits. The project will meet our commitment to consolidate the Living Wage into base pay by 2021 and will seek to progress positively base pay and financial wellbeing for our lowest-paid employees. The project will also restore the pay differential for Grades 1, 2 and 3. The change proposals will remove complexity around pay/T&Cs and drive a better organisational culture by introducing a simplified reward framework that promotes the right behaviours and supports effective service design/delivery. If approved in totality, the proposals will further reduce our gender pay gap by 1%, improve our Employee Value Proposition and align our pay and benefit T&Cs to the wider market.</p>	<p>Initial senior stakeholder meetings have commenced with service area-specific data.</p> <p>Planning for wider consultation has commenced.</p>
Operational Efficiencies Programme	1 FTE	1 FTE in place	<p>The half-year revenue monitoring report sets out the range of measures by which it was planned to meet the approved in-year efficiencies of target of £9.5m, progress against which is shown in Appendix 3 of this report. Work is continuing to identify further potential opportunities, including consideration of Lean and Automation as noted below.</p>	<p>Regular Reporting to CLT in place. To date £2.8m has been secured towards the £9.5m target in 2019/20</p> <p>Opportunities for future years’ savings to be developed and considered as appropriate as part of the 2020-2023 budget development process.</p>
Lean and Automation	9 FTE	Team of four internal staff have been recruited, all with Lean experience within CEC	<p>This workstream forms part of the Efficiencies Programme</p> <p>Across the Lean and automation workstreams, a pipeline of potential opportunities to a total annual value of £1.6m has been developed and work is continuing to develop and verify savings linked to those projects to be taken forward.</p>	<p>The board in place with Heads of Service is now meeting fortnightly to confirm opportunities and agree savings.</p> <p>9 FTE consists of 4 x Lean Experts (all recruited internally); 2 x digital analysts to develop online forms; 2 x new intelligent automation officers and 1 x business change officer to ensure changes delivered are sustainable.</p>
Depots and Yards	2FTE	<p>1 FTE funded until August 2019</p> <p>Additional PM started in July</p>	<p>The Business Case approved in March 2019 outlined an opportunity for £0.500m savings in 2020/21.</p> <p>Business Case on Cultural Storage including records options appraisal was approved by the Finance and Resources Committee on 10 October 2019. This is an enabler to the Depot Strategy and Cultural Venue Review.</p>	<p>Detailed Design of Bankhead Depot as new North West Sector</p> <p>Depots and Yards Business Case anticipated to be considered by Change Board in December 2019</p>

Project management additional investment – update (contd.)

Project	FTE Allocated	FTE Recruited	Business Case Opportunity	Next Milestone
Asset Management : Service Design	3 FTE	1 FTE in place Offers issued for the remaining 2 FTE	The Business Case approved in March 2019 outlined an opportunity for £0.250m in 2019/20, with a total target of £2.45m through to 2021/22. A progress Report was provided to the Finance and Resources Committee on 15 August 2019.	To date £0.089m has been secured towards the £0.250m target in 2019/20 Report on Gracemount approved at CLT on 4 September 2019. Update report anticipated to be considered by Change Board in December 2019
Fleet Review	1 FTE	1 FTE in place, funded until October 2019	The Business Case approved in March 2019 identified a target to deliver £1.5m of savings over three years including £0.5m in 2019/20. Full Business Case reviewed by Change Board on 18 September 2019, agreed to change control the savings target to £0.5m over three years.	At month six, £0.3m is forecast to be delivered against the £0.5m approved savings target for 2019/20. Business Case now approved and project moving into delivery phase.
Joint Waste Procurement	1 FTE	To be recruited	This project is seeking to secure savings of £0.65m over two financial years including £0.325m in 2019/20. Additional Project Support has recently been approved to provide a dedicated focus on work with internal services and neighbouring authorities to undertake a number of key tasks including finalising specification requirements for new joint contracts; and working with CPS to progress these contracts through to procurement.	Project Support recruitment underway.
Roundabout and Verge Advertising	1 FTE	To be recruited	£0.300m savings target is not currently going to be achieved due to difficulties in contractual negotiations with the preferred bidder. Additional Project Support has recently been approved to develop option appraisal which will consider: negotiation with second-placed bidder on the existing specification; new specification and re-advertise; and delivery of an in-house option through the appointment of a dedicated Commercial Officer.	Project Support recruitment underway.

2019/20 Directorate-Specific Savings - RAG assessment as of period six

Appendix 2

Service	Saving title	Total £000	Green £000	Amber £000	Red £000	Change to RAG since Period 3 position
Communities and Families	Police funding	522	522	0	0	
Communities and Families	Efficiencies in the delivery of accommodated children's services	510	405	0	105	£0.105m Amber to Red
Communities and Families	Edinburgh Leisure (Year 1 - Pay uplift)	350	350	0	0	
Communities and Families	Enabling Educational Efficiencies – Third Party Grants (2018/19 additional spend)	250	250	0	0	
Communities and Families	Library service - reduce book fund	200	200	0	0	
Communities and Families	Support for Learning Management	200	200	0	0	
Communities and Families	Invest in Revenue Collection Officers	175	175	0	0	
Communities and Families	NHS commissioned services	100	100	0	0	
Communities and Families	ASN adaptations to mainstream schools	100	100	0	0	
Communities and Families	Carers' Act Funding	75	75	0	0	
Communities and Families	Heritage language	42	42	0	0	
Communities and Families	Invest to reduce temporary accommodation voids rates	90	0	90	0	
Communities and Families	Adoption of Scottish Government Framework for electricity and gas	30	0	30	0	
Chief Executive's Services	Reduce capacity in Strategy and Communications	200	200	0	0	
Chief Executive's Services	Funding the Edinburgh Partnership and Third Sector Interface	40	40	0	0	
Council-wide	Loans charges	5,000	5,000	0	0	
Council-wide	Council Tax	3,000	3,000	0	0	
Council-wide	EDI	1,047	1,047	0	0	
Council-wide	Discretionary income	176	176	0	0	
Council-wide	Contract Optimisation	100	100	0	0	
Council-wide	Workforce Modernisation and Change Management	500	0	0	500	
Place	Economic Development	1,200	1,200	0	0	£1.200m Amber to Green
Place	Discretionary income	824	618	206	0	
Place	Parking - increase charges by average of 4.5% per annum over four years	800	600	200	0	£0.200m Amber to Green
Place	Commercialism and Income Maximisation - Statutory Consents	825	730	95	0	£0.156m Amber to Green
Place	Capitalisation of Road Maintenance Budget	500	500	0	0	
Place	Tourism and Marketing Reform	300	300	0	0	
Place	Improved Approach to Street and Environmental Enforcement	750	250	350	150	£0.250m Amber to Green
Place	Roads (2018/19 additional spend)	250	250	0	0	
Place	Fleet Review	500	300	200	0	£0.200m Amber to Green
Place	Commercialism and Income Maximisation - Culture	150	150	0	0	
Place	Localities Phase Two	300	100	100	100	£0.100m Amber to Green
Place	Commercialism and Income Maximisation - Pre-planning Applications	100	100	0	0	
Place	Cultural grants	52	52	0	0	
Place	Re-provision of public conveniences	250	40	210	0	
Place	Commercialism and Income Maximisation - Parks and Greenspaces	150	20	65	65	
Place	Area-Based Regeneration	250	125	125	0	£0.125m Red/Amber to Green
Place	Parking Action Plan Phase 2	369	100	100	169	£0.100m to Green
Place	Commercialism and Income Maximisation - Full Cost Recovery	200	100	100	0	
Place	Joint Procurement of Waste Contracts	325	0	162	163	
Place	Transport Reform	500	0	500	0	
Place	New Ways of Working - Public Safety and Business Continuity	130	85	45	0	£0.085m Amber to Green
Place	Clean and Green (2018/19 additional spend)	250	0	250	0	£0.250m Green to Amber

Service	Saving title	Total £000	Green £000	Amber £000	Red £000	Change to RAG since Period 3 position
Resources	ICT Partnership – Contract Optimisation	1,200	1,200	0	0	
Resources	Business support services review	1,000	1,000	0	0	
Resources	Property Maintenance Programme (2018/19 additional spend)	850	850	0	0	
Resources	Property and FM: Management and Investment Estate Savings	515	515	0	0	
Resources	Increasing Income from Castle Terrace Car Park	500	500	0	0	
Resources	ICT Solutions Organisational Review	450	450	0	0	
Resources	Corporate Learning and Development – Budget Reduction	250	250	0	0	
Resources	Emergency Service Provision for Edinburgh Shared Repairs Service	218	218	0	0	
Resources	Reduction in Executive Director of Resources budget	126	126	0	0	
Resources	Monitoring Officer (MO) – Budget Reduction	107	76	31	0	
Resources	Asset Management Strategy and Service Reprovisioning	250	89	0	161	
Resources	Additional advertising income	470	70	0	400	£0.400m Amber to Red
Resources	ICT/CGI Partnership Arrangements	50	50	0	0	
Resources	Print and Mail Strategy	90	15	75	0	
Resources	Investment portfolio rationalisation	415	0	0	415	£0.415m Amber to Red
Resources	Non Domestic Rates Appeals	800	800	0	0	£0.800m Amber to Green
Resources	Upfront Payments	200	0	200	0	
	All approved Directorate-specific savings	29,173	23,811	3,134	2,228	
			81.6%	10.7%	7.6%	

2019/20 Efficiency savings -RAG assessment as of period six

Service	Title	Total £000	Green £000	Amber £000	Red £000	Change to RAG since Period 3 position
Communities and Families	Workforce Control	350	350	0	0	
Communities and Families	Management Savings	640	240	0	400	£0.400m Amber to Red
Communities and Families	Workforce Control	700	0	200	500	£0.500m Amber to Red
Chief Executive's Service	Workforce Control	46	46	0	0	
Council-wide	Council Priorities Fund	786	786	0	0	
Council-wide	Operational Efficiencies - Reduction in Senior Management	500	257	243	0	£0.058m Amber to Green
Council-wide	Operational Efficiencies - Procurement	100	100	0	0	£0.100m Amber to Green
Council-wide	Operational Efficiencies - Lean Business Processes	1,250	0	350	900	
Council-wide	Operational Efficiencies - Intelligent Automation	500	0	300	200	
Council-wide	Operational Efficiencies - Income Generation	1,000	0	0	1,000	
Place	Place Development - Efficiencies	730	250	480	0	£0.230m Red to Amber
Place	Reduction in Discretionary Expenditure	650	180	335	135	£0.100m to Amber
Place	Workforce Control - Reduction in Agency and Overtime	900	0	450	450	
Place	Place Management - Efficiencies	530	112	282	136	£0.112m Amber/Red to Green
Resources	Customer and Digital Services - Efficiencies	656	294	362	0	£0.167m Red to Amber
Resources	Workforce Control	162	162	0	0	
	All efficiencies	9,500	2,777	3,002	3,721	
			29.2%	31.6%	39.2%	

2019/20 Pressure-mitigating savings - RAG assessment as of period six

Service	Saving title	Total £000	Green £000	Amber £000	Red £000	Change to RAG since Period 3 position
Communities and Families	Early Years	750	750	0	0	
Communities and Families	Home to School Transport	700	700	0	0	£0.300m Amber to Green
Communities and Families	Homelessness - Additional Housing Benefit	600	600	0	0	
Communities and Families	Community Access to Schools	600	250	0	350	£0.350m Amber to Red
Communities and Families	Additional Income (C&F)	120	120	0	0	
Communities and Families	Homelessness - Reduction in use of Bed and Breakfast	1,000	0	0	1,000	
Council-wide	Corporate budgets	3,000	3,000	0	0	
Council-wide	Demography	2,000	2,000	0	0	
Council-wide	SG Pensions	500	500	0	0	
Place	Millerhill Operations (Place)	1,800	1,800	0	0	
Place	Reduction in Budget Pressures (Place)	1,000	1,000	0	0	£0.750m Amber to Green
Place	Transport Review	1,200	870	150	180	£0.170m Amber to Green
Place	Realise Full Year Impact of Previously Approved Savings (Place)	1,200	700	350	150	£0.150m Green to Red - Advertising and Transport
Place	Service Containment of Increment Costs (Place)	1,200	700	500	0	£0.400m Red to Green
Place	Planning Appeals	300	300	0	0	
Place	Localities and Communities Investment Funding	130	130	0	0	
Place	Contract Efficiencies (Place)	600	400	100	100	£0.400m Amber/Red to Green
Place	Operational Efficiencies - Senior Management Review (Place)	100	0	50	50	
Place	Implement Service Reforms (Place)	200	0	100	100	
Place	Value for Money Audits (Place)	300	0	150	150	
Place	Pentland Hills Operations (Place)	100	50	50		£0.050m Amber/Red to Green
Resources	Re-Profile of Expenditure	500	500	0	0	
Resources	Rates Appeals	1,134	1,134	0	0	£1.1m Amber to Green
	All pressure-mitigating savings	19,034	15,504	1,450	2,080	
			81.5%	7.6%	10.9%	

	Revised Budget	Period Budget	Period Actual	Period Variance	Projected Outturn	Outturn Variance	Percentage Variance
	£000	£000	£000	£000	£000	£000	
Service areas							
Chief Executive's Service	8,963	4,482	4,411	(71)	8,963	0	0.0
Communities and Families	418,972	209,500	212,200	2,700	423,422	4,450	1.1
Health and Social Care	217,835	117,994	120,621	2,627	217,835	0	0.0
Place	44,938	22,469	27,252	4,783	50,553	5,615	12.5
Resources	163,330	96,232	85,763	(10,469)	164,000	670	0.4
Lothian Valuation Joint Board	3,678	1,839	1,839	0	3,678	0	0.0
Council-wide savings (Lean, Intelligent Automation, Income Generation and Senior Management)	(3,850)	(1,604)	(262)	1,342	(357)	3,493	(90.7)
Service areas total	853,867	450,911	451,824	913	868,095	14,228	1.7
Non-service specific areas							
Loan Charges	110,785				108,230	(2,555)	(2.3)
Other non-service specific costs less sums to be disaggregated:	22,929				21,429	(1,500)	(6.5)
- Apprenticeship Levy	1,857	929	951	22	1,857	0	0.0
- Carbon Tax/Climate Change Levy	967				467	(500)	(51.7)
- Discretionary Rates	500				500	0	0.0
Council Tax Reduction Scheme	26,319	n/a	n/a	n/a	26,319	0	0.0
Staff early release costs	2,500	n/a	n/a	n/a	2,500	0	0.0
Net Cost of Benefits	(127)	n/a	n/a	n/a	(127)	0	0.0
Interest and investment income	(11,145)	0	0	0	(11,145)	0	0.0
Business Rates Incentivisation Scheme, 2017/18 - payment received	0	0	0	0	(387)	(387)	n/a
Non-service specific areas total	154,585	929	951	22	149,643	(4,942)	(3.2)
Movements in reserves							
Capital Fund	1,178	1,178	0	(1,178)	1,178	0	0.0
Net contribution to / (from) earmarked funds	6,296	6,296	0	(6,296)	(1,990)	(8,286)	(131.6)
Movements in reserves total	7,474	7,474	0	(7,474)	(812)	(8,286)	(110.9)
Sources of funding							
General Revenue Funding	(356,927)	(178,464)	(178,464)	0	(356,927)	0	0.0
Non-Domestic Rates	(365,250)	(182,625)	(182,625)	0	(365,250)	0	0.0
Council Tax	(293,748)	(146,874)	(146,874)	0	(294,748)	(1,000)	(0.3)
Sources of funding total	(1,015,925)	(507,963)	(507,963)	0	(1,016,925)	(1,000)	(0.1)
In-year (surplus) / deficit	0	(48,649)	(55,188)	(6,539)	0	0	0.0