

Report

To:	Executive Committee
Date of Meeting:	21 June 2023
Prepared By:	Executive Director (Finance and Corporate Resources)

Subject:	Revenue Budget Year-End 2022/2023
----------	--

1. Purpose of Report

1.1. The purpose of the report is to:

- ♦ advise the Committee of the overall financial position of the Council's General Fund Revenue Account and Housing Revenue Account for the period 1 April 2022 to 31 March 2023.

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):

- (1) that it be noted that across Resources, Corporate Items and Council Tax, the Council is showing an additional year end underspend of £3.966 million after proposed transfers to reserves (section 4 and Appendix 1);
- (2) that it be noted that the probable outturn transfers approved by members has now been revised to £39.009 million (previously (£39.311 million) (Appendix 3);
- (3) that the Resources requests for transfers to reserves to spend on commitments against specific streams of funding during the final part of the year totalling £8.325 million (Appendix 4), be approved;
- (4) that the overfunding position on the IJB contribution as detailed at section 4.5, be noted;
- (5) that approval be given for the £3.966 million underspend, after proposed transfers to reserves, to be transferred to reserves and used to fund future budget pressures (section 4.13);
- (6) that it be noted that following the transfer to reserves of the £3.966 million (recommendation 5), the result is a break-even position for the Council;
- (7) that the position regarding the recurring costs in relation to the Home Carers' Job Evaluation exercise, (section 5.1-5.4) be noted;
- (8) that it be noted that the outcome of the review on Home Carers' job evaluation has now been reached, and that a full paper covering expenditure and funding will be presented to committee in August 2023 (section 5.5-5.7);
- (9) that the clawback of underspend from the IJB will now not be possible, and that the alternate funds identified to contribute towards Children and Families costs in 2023/2024 (section 5.6), be agreed; and
- (10) that the break-even position on the Housing Revenue Account (section 6), be noted.

3. Background

3.1. This overview report will summarise the 2022/2023 Year-End position for the Council's General Fund Revenue Account and Housing Revenue Account.

- 3.2. Section 4 provides details of the final position for the financial year, as well as the movement from the previously reported Probable Outturn position for the Council. The position on the Home Carers' Job Evaluation exercise is detailed in section 5 and the Housing Revenue position is shown in section 6.
- 3.3. Appendix 1 to the report details the overall spend position for the current year. This position includes all proposed transfers to reserves: the transfers to Reserves approved at Probable (Executive Committee, February 2023) are shown in Appendix 3 with any movements in these transfers as a result of in-year spend, shown separately for members' information. Those new proposed Transfers to Reserves requested by Resources at Year-End are shown in Appendix 4.

4. General Services – 2022/2023 Year-End Position

- 4.1. For reference, the Council's overall Probable Outturn position for the year (including approved Transfers to Reserves), was last reported to Committee as an underspend of £4.696 million (Executive Committee, 1 February 2023). Committee agreed that this underspend of £4.696 million on the Council's General Services would be Transferred to Reserves resulting in a forecast break-even position for the year.
- 4.2. The Year-End position is showing an underspend of £3.966 million. This is after proposed transfers to reserves and is in addition to the £4.696 million reported as part of the Probable Outturn. This is summarised in Table 1 along with the movement from the break-even position agreed at Probable Outturn (after the £4.696 million Transfer to Reserves). This is an improvement of £3.966 million (from the break-even at Probable Outturn to the underspend of £3.966 million at financial Year-End).

**Table 1 – General Service Year-End 2022/2023
(after Transfers to Reserves)**

	Probable Outturn	Year-End	Movement from Probable to Year- end £m
	£m	£m	
Resource Position (Appendix 2, section 1 to 7)	(0.335)	(0.055)	0.280
Loan Charges (Appendix 2, section 8)	1.180	1.309	0.129
Corporate Items (Appendix 2, sections 9 to 12)	2.347	5.667	3.320
Corporate Items Strategy – Transfers to Reserves (Probable Outturn Underspend Transferred to Reserves)	(4.696)	(4.696)	-
Council Tax (Appendix 2, section 13)	1.504	1.741	0.237
General Services Underspend 2022/2023	-	3.966	3.966

- 4.3. This report and appendices provide a detailed analysis of the Council's financial position at the end of the year. Appendices 1 and 2 provide detail of the Year-End position with a summary of the £3.966 million noted in sections 4.4 to 4.12.
- 4.4. **Resources:** The overspend position of (£0.055) million is after taking into account the Transfers to Reserves agreed at the Probable Outturn as well as the additional transfers being proposed by the Resources as part of the Year-End position. This minor overspend in Resources is a better position than forecast at Probable Outturn and reflects an improved position in Housing and Technical Resources. The Transfers at Probable Outturn and Year-End are detailed in Appendices 3 and 4 respectively. The Resources' Transfers to Reserves agreed at Probable Outturn were originally £8.405 million and are now £7.810 million being a reduction of £0.595 million. This

reflects the increase in spend achieved in year, and therefore a reduced level of budget to transfer to reserves.

- 4.5. The Resources' Year-end position includes a break-even position on Social Work Resources. In relation to Adults and Older People specifically, the Service position includes a underspend on core funding from the Council to the IJB and the Council's contribution can be reduced by this amount. As agreed in the Probable Outturn report (Executive Committee, 1 February 2023), this was to be dealt with as overfunding in year and the resultant underspend is presented as a Transfer to Reserves of £5.635 million (as agreed at Probable Outturn) meaning the Service shows a break-even position, after a Transfer to Reserves. These monies were to be used to help cover the Children and Families' budget pressures into 2023/2024. This is permissible in the IJB financial regulations and is in line with integrating Health and Social Care budgets. (note that this position is before the impact of job evaluation as covered in section 5)
- 4.6. The Year-End position for Adults and Older People also includes a £1.875 million commitment in relation to the element of the budget delegated to the Integrated Joint Board (IJB). This is a slight increase on the £1.423 million predicted at Probable Outturn. This commitment reflects the agreed position at Probable Outturn where the Council allows the IJB to retain this non-recurring underspend within their reserves earmarked for future care costs, in line with the approach to integrating health and social care budgets. These monies will be retained in the Council's Balance Sheet and will be available for use by the IJB.
- 4.7. **Loan Charges:** The year-end underspend of £1.309 million after the proposed Transfers to Reserves, is a movement of £0.129 million from the Probable Outturn position and reflects additional interest received during the year. This position includes a movement on the Interest Generated on Reserves/Funds anticipated at Probable Outturn.
- 4.8. **Corporate Items:** There is a net underspend of £5.667 million after Transfer to Reserves (Appendices 3 and 4). This is £3.320 million better than the Probable Outturn and in the main, reflects the impact of the Teachers' Industrial Action (£2.798 million) and an underspend on the Pay Award budget not allocated to the IJB in-year (£0.900 million).
- 4.9. It is noted that the underspend on Corporate Items of £5.667 million is after the Transfer to Reserves of the £4.633 million underspend generated in 2022/2023 by the approved implementation of Service Concession arrangements. This is included in the Year-End Transfers to Reserves in Appendix 4 and will be used to support future Budget Strategies.
- 4.10. **Council Tax:** The over recovery for the year is £1.741 million, representing an improvement of £0.237 million since the Probable Outturn. The increase comprises a reduction in the level of Council Tax Reduction Scheme expenditure.
- 4.11. **Transfers to Reserves:** The Year-End underspend of £3.966 million includes total Transfers to Reserves of £47.334 million. This includes the Transfers to Reserves approved as part of the Probable Outturn (£39.311 million) adjusted for movements totalling £0.302 million to reflect the final position. The revisions to the Probable Outturn Transfers are shown in Appendix 3 (giving a total of £39.009 million for Probable Outturn Transfers).

- 4.12. Furthermore, additional Transfers to Reserves proposed at Year-End total £8.325 million. This reflects carry forward of funding in Reserves to allow committed areas of spend to be incurred in 2023/2024. Details of these additional proposed transfers are provided in Appendix 4. This takes the total Transfers to Reserves at Year-End to £47.334 million (being Probable Outturn Revised Transfers of £39.009 million and Year-End Transfers of £8.325 million).
- 4.13. Taking into account the variances noted in sections 4.4 to 4.12, the year-end additional underspend position of £3.966 million is now confirmed (as summarised in Table 1) and it is proposed that this £3.966 million is used to meet future budget pressures (including children and families costs – refer section 5.6).
- 4.14. If this proposal is agreed, then these monies will be Transferred to Reserves and will result in the Council returning a break-even position for financial year 2022/2023.

5. Home Carers Job Evaluation

- 5.1. There are no implications within this paper from the outcome of the Home Carers' Job Evaluation in terms of recurring costs. The outcome of the Job Evaluation exercise for Home Carers will result in significant recurring costs for the Care at Home service that is delegated to the IJB in 2023/2024 and beyond. The costs of grade changes will be approximately £7m. The IJB have set a budget for 2023/2024, however, these costs are not included in that budget. The IJB's Financial Regulations and Integration Scheme set out the process for such an eventuality.
- 5.2. The Financial Regulations state that if the Integration Joint Boards Chief Financial Officer is advised that a significant change is likely to the Integration Joint Board's overall financial position and the deviation involves a change of policy of the Integration Joint Board or results in revenue implications for future years, a report will be provided for the Integration Joint Board in good time detailing the financial consequences to enable appropriate action to be taken timeously.
- 5.3. The regulations state that if an overspend is forecast on either Parties in scope budget, the Chief Officer and the Integration Joint Board's Chief Financial Officer will aim to agree a recovery plan with the relevant Party to balance the overspending budget and to determine the actions required to be taken by the IJB to deliver the recovery plan.
- 5.4. Ordinarily, any such event would require to be met within the envelope of funding provided to the IJB. The intense budget and service pressures on local government, the Health Board and our Health and Social Care partners has been noted previously and is ongoing, both nationally and locally. It should be noted that the financial position for both the IJB and the Council partner both indicate significant budget gaps moving forwards, and, therefore, it is likely that any recovery plan identified will require changes to be made to the services currently commissioned by the IJB.
- 5.5. **Back Dated Pay:** In addition to the recurring costs, at a meeting of South Lanarkshire Council on 24 May 2023 it was asked that a review took place in relation to the implementation date of the outcome. Whilst the outcome of the Job Evaluation stated that grades were to change from 1 April 2023, there was the possibility that this review would change that outcome and back dated pay would require to be paid out. These costs would be in relation to Home Carers and, therefore, the costs are part of the services delegated to the IJB.
- 5.6. As of the 12 June the outcome of the review is now known. A basis has been established for back-dating to October 2020. The value of the back pay will take some time to calculate, however, these costs will require to be included in the financial

position for 2022/2023. The Executive Committee (1 February 2023) had agreed that it would clawback a non-recurring underspend from the IJB of £5.6 million and use this to help with Children and Families pressures into 2023/2024. As Home Carer back pay now requires to be paid, the IJB will now not underspend, that funding will not be available and, therefore, that decision taken by the Executive Committee cannot now be implemented. We will, therefore, need to identify other funding to help with Children and Families costs into 2023/2024. We would propose that we look to the additional underspend of £3.966 million identified at section 4.13 as a means of contributing towards meeting those costs, alongside residual covid funding held in Council reserves.

- 5.7. As the outcome of the review was only known as this report was being finalised it has not been possible to update the figures in this report to reflect the outcome highlighted above. We will now require to quantify the full costs and the funding package and report back in August to Executive committee.

6. Housing Revenue Account Year-End 2022/2023

- 6.1. As at 31 March 2023, the position on the Housing Revenue Account is a breakeven position. This is after a transfer from the HRA Reserve of £3.990 million, which is £0.490 million higher than budgeted.
- 6.2. The details of the variances across the Housing Revenue Account are shown in Appendix 5 and in the main reflect an underspend on both Property Costs and Loan Charges, offset by an under-recovery of Income.

7. Employee Implications

- 7.1. None.

8. Financial Implications

- 8.1. As detailed in sections 4, 5 and 6 of the report.

9. Climate Change, Sustainability and Environmental Implications

- 9.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

10. Other Implications

- 10.1. The main risk associated with the Council's Revenue Budget is that there is an overspend. The risk has been assessed as low given the detailed budget management applied across the Resources. The risk is managed through four weekly Budget Monitoring Meetings at which any variance is analysed. In addition, the Probable Outturn exercise ensures early warning for corrective action to be taken where appropriate.

11. Equality Impact Assessment and Consultation Arrangements

- 11.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.
- 11.2. There is also no requirement to undertake any consultation in terms of the information contained in this report.

Paul Manning

Executive Director (Finance and Corporate Resources)

12 June 2023

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ None

List of Background Papers

- ◆ Financial Ledger and budget monitoring results to 31 March 2023.

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:

Lorraine O'Hagan, Finance Manager (Strategy)

Ext: 2601 (Tel: 01698 452601)

E-mail: lorraine.o'hagan@southlanarkshire.gov.uk

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report (AFTER Transfers)

Period Ended 31 March 2023

Committee**Departments:****Community and Enterprise Resources**

Facilities Streets, Waste and Grounds

Fleet, Environmental and Projects

Leisure and Culture Services

Planning and Economic Development

Roads

Education Resources

Education Resources

Finance and Corporate Resources

Finance Services - Strategy

Finance Services - Transactions

Audit and Compliance Services

Information Technology Services

Communications and Strategy Services

Administration and Licensing Services

Personnel Services

Housing and Technical Resources

Housing Services

Property Services

Social Work Resources

Performance and Support Services

Children and Family

Adults and Older People

Justice and Substance Misuse

Joint Boards**Total Resources**

	Annual Budget £m	Forecast Before Transfers £m	Forecast After Transfers £m	Annual Forecast Variance (After Transfers) £m
Community and Enterprise Resources	129.435	128.158	129.428	0.007
Facilities Streets, Waste and Grounds	75.719	73.962	75.192	0.527
Fleet, Environmental and Projects	24.542	24.530	24.530	0.012
Leisure and Culture Services	5.134	4.092	4.092	1.042
Planning and Economic Development	6.233	6.119	6.119	0.114
Roads	17.807	19.455	19.495	(1.688)
Education Resources	410.918	409.418	410.918	0.000
Education Resources	410.918	409.418	410.918	0.000
Finance and Corporate Resources	49.019	49.019	49.019	0.000
Finance Services - Strategy	2.291	2.303	2.303	(0.012)
Finance Services - Transactions	24.913	24.419	24.419	0.494
Audit and Compliance Services	0.378	0.378	0.378	0.000
Information Technology Services	4.520	4.556	4.556	(0.036)
Communications and Strategy Services	3.439	3.590	3.590	(0.151)
Administration and Licensing Services	4.289	4.762	4.762	(0.473)
Personnel Services	9.189	9.011	9.011	0.178
Housing and Technical Resources	18.953	19.295	19.295	(0.342)
Housing Services	9.340	9.340	9.340	0.000
Property Services	9.613	9.955	9.955	(0.342)
Social Work Resources	216.093	210.458	216.093	0.000
Performance and Support Services	7.153	6.474	6.474	0.679
Children and Family	42.454	43.610	43.610	(1.156)
Adults and Older People	165.334	159.699	165.334	0.000
Justice and Substance Misuse	1.152	0.675	0.675	0.477
Joint Boards	2.152	2.152	2.152	0.000
Total Resources	826.570	818.500	826.905	(0.335)

Actual to 31/03/23 Before Transfers £m	Variance Annual Budget To Actual Before Transfers £m	Actual to 31/03/23 After Transfers £m	Variance Annual Budget To Actual After Transfers £m
127.880	1.555	129.410	0.025
73.909	1.810	75.349	0.370
24.524	0.018	24.524	0.018
3.978	1.156	3.978	1.156
6.115	0.118	6.115	0.118
19.354	(1.547)	19.444	(1.637)
409.607	1.311	410.918	0.000
409.607	1.311	410.918	0.000
48.041	0.978	49.019	0.000
2.291	0.000	2.291	0.000
23.969	0.944	24.528	0.385
0.411	(0.033)	0.411	(0.033)
4.544	(0.024)	4.544	(0.024)
3.203	0.236	3.538	(0.099)
4.565	(0.276)	4.649	(0.360)
9.058	0.131	9.058	0.131
18.958	(0.005)	19.033	(0.080)
9.237	0.103	9.312	0.028
9.721	(0.108)	9.721	(0.108)
210.458	5.635	216.093	0.000
6.368	0.785	6.368	0.785
43.749	(1.295)	43.749	(1.295)
159.699	5.635	165.334	0.000
0.642	0.510	0.642	0.510
2.152	0.000	2.152	0.000
817.096	9.474	826.625	(0.055)

Total Resources

CFCR

Loan Charges

Corporate Items

Corporate Items - 22/23 Strategy

Corporate Items - 21/22 Investments

Total Expenditure

	Annual Budget £m	Forecast Before Transfers £m	Forecast After Transfers £m	Annual Forecast Variance (After Transfers) £m
Total Resources	826.570	818.500	826.905	(0.335)
CFCR	0.000	0.000	0.000	0.000
Loan Charges	35.041	30.306	33.861	1.180
Corporate Items	13.812	9.240	11.465	2.347
Corporate Items - 22/23 Strategy	17.420	0.000	22.116	(4.696)
Corporate Items - 21/22 Investments	0.611	0.611	0.611	0.000
Total Expenditure	893.454	858.657	894.958	(1.504)
Council Tax	167.437	170.688	169.078	1.641
Less: Council Tax Reduction Scheme	(23.272)	(22.009)	(23.409)	(0.137)
Net Council Tax	144.165	148.679	145.669	1.504
General Revenue Grant	254.817	254.817	254.817	0.000
Non-Domestic Rates	422.591	422.591	422.591	0.000
Transfer from Reserves	71.881	71.881	71.881	0.000
Total Income	893.454	897.968	894.958	1.504
Net Expenditure / (Surplus) Before Transfers to Reserves	0.000	(39.311)	0.000	0.000

Actual to 31/03/23 Before Transfers £m	Variance Annual Budget To Actual Before Transfers £m	Actual to 31/03/23 After Transfers £m	Variance Annual Budget To Actual After Transfers £m
817.096	9.474	826.625	(0.055)
0.000	0.000	0.000	0.000
30.320	4.721	33.732	1.309
(0.469)	14.281	8.145	5.667
0.000	17.420	22.116	(4.696)
0.000	0.611	0.611	0.000
846.947	46.507	891.229	2.225
170.703	3.266	169.051	1.614
(21.745)	1.527	(23.145)	0.127
148.958	4.793	145.906	1.741
254.817	0.000	254.817	0.000
422.591	0.000	422.591	0.000
71.881	0.000	71.881	0.000
898.247	4.793	895.195	1.741
(51.300)	51.300	(3.966)	3.966

Detail of Year-End Position Across Resources and Centrally Held Budgets

1. **Movement from Last Reported Position:** The previously reported Probable Outturn position for General Services was an underspend of £4.696 million. It was agreed that this would be a Transfer to Reserves leaving a projected break-even position for the year. At financial Year-End, the position is an additional underspend of £3.966 million. This is made up of an improvement in Resources of £0.280 million, an improvement in the Centrally Held budgets of Corporate Items and Loan Charges (£3.449 million) and an increase in the over-recovery of Council Tax / Council Tax Reduction Scheme (£0.237 million). Each of the individual areas of the Council's General Services budgets are detailed in the remainder of this Appendix.
2. **Resources and Centrally Held Budgets:** Details of the Resource positions, including any assumptions are detailed below. These figures include the Transfers to Reserves approved at Probable Outturn (Appendix 3) as well as those proposed as part of the Year-End position (Appendix 4).
3. **Community and Enterprise Resources:** The Year-End position after transfers to reserves is an underspend of £0.025 million. This is comparable to the Resource's Probable Outturn position, a minor improvement of £0.018 million and is after additional Transfers to Reserves of £0.260 million.
4. **Education Resources:** The Year-End position after transfers to reserves is break-even and is comparable to the Resource's Probable Outturn position. It is after further year-end transfers to Reserves of £0.406 million.
5. **Finance and Corporate Resources:** The Year-End position after transfers to reserves is break-even. This is in line with the forecast position at Probable Outturn and takes account of a number of Transfers to Reserves identified at year-end.
6. **Housing and Technical Resources:** The Year-End position after transfers to reserves is an overspend of £0.080 million. This is an improvement of £0.262 million on the reported Probable Outturn position and is due to greater levels of rental income than anticipated in relation to the Estates portfolio and Office Accommodation properties.
7. **Social Work Resources:** The Year-End position is break-even, in line with the Probable Outturn. As reported at Probable Outturn, this position includes the transfer to reserves of an over-provision of funding to the Integrated Joint Board. This money will be held in reserves and utilised to manage pressures within Children and Family Services in 2023/2024 (£5.635 million). In addition, the Year-End position also includes an amount of specific funding received in relation to the IJB that will be retained in the Council's Balance Sheet and will be available for use by the IJB (£1.875 million).
8. **Loan Charges:** The year-end underspend of £1.309 million after the proposed Transfers to Reserves, is a movement of £0.129 million from the Probable Outturn position and reflects additional interest received during the year. This position includes a movement on the Interest Generated on Reserves/Funds anticipated at Probable Outturn.
9. **Corporate Items:** The Year-End position is a net underspend of £5.667 million, after Transfers to Reserves. This includes a revision to the value of the Transfers to Reserves agreed at Probable Outturn (an increase of £0.394 million to £2.619m). It also includes additional Transfers to Reserves proposed in Appendix 4 (£5.995m). This is an improvement of £3.320 million on the position reported at Probable Outturn which,

in the main, reflects the impact of the Teachers' Industrial Action (£2.798 million) and an underspend on the Pay Award budget not allocated to the IJB in-year (£0.900 million).

10. It is noted that the underspend on Corporate Items of £5.667 million is after the Transfer to Reserves of the £4.633 million underspend generated in 2022/2023 by the approved implementation of Service Concession arrangements. This is included in the Year-End Transfers to Reserves in Appendix 4 and will be used to support future Budget Strategies.
 11. **Corporate Items – Strategy (Transfer to Reserves):** The overspend at Year-End reflects the Transfer to Reserves anticipated from the Probable Outturn exercise (£4.696 million) which has been approved to support the 2023/2024 Budget.
 12. **2022/2023 Investments:** After a Transfer to Reserves of £0.611 million proposed at Year-End for the underspend on Roads Participatory Budgets, there is a break-even position on this budget line. This is included in the Transfers proposed in Appendix 4.
 13. **Council Tax including Council Tax Reduction Scheme (CTRS):** Council Tax is showing an over recovery of £1.741 million, comprising an over recovery of Council Tax of £1.614 million and an underspend on CTRS of £0.127 million. This is an increase of £0.237 million on the position reported as part of the Probable Outturn and is after approved Transfers to Reserves.
 14. The Council Tax over recovery of £3.266 million (before Transfers to Reserves) is due to the following:
 - Empty Property charges - £0.089 million,
 - Arrears collection - £0.545 million
 - Additional in-year properties - £3.284 million
 - Income from Council Tax Second Homes - (£0.652) million (which will be transferred to the Housing Revenue Account).
 15. The underspend of £1.527 million on the CTRS (before Transfer to Reserves) reflects current demand for these payments.
-

Transfers to Reserves – Included in the Probable Outturn

Purpose / Description	Resource	Value £m
Resources		
Unbudgeted Waste Income Income from waste to be carried forward to meet the anticipated increase in cost of waste contracts in 2023/2024.	Community and Enterprise	1.080
Fleet Sinking Fund Annual contribution to the Fleet sinking fund to maintain the asset replacement programme.	Community and Enterprise	0.025
Year 3 of Electric Vehicle Payback Ring-fenced reserves used to manage purchase of electric vehicles in short term which have to be repaid over next few years. This contribution is the second repayment.	Community and Enterprise	0.015
Crematorium Sink Fund Annual contribution to the Crematorium sinking fund to maintain asset replacement programme.	Community and Enterprise	0.050
Allotments This funding is required to support and pay for objectives and targets within the Food Growing Strategy and the Sustainable Development and Climate Change Strategy. This funding support the delivery of future allotment provision and food growing projects	Community and Enterprise	0.100
Total Community and Enterprise Resources' Transfers at Probable Outturn		1.270
Adjust: increase / (reduction) in transfers to reflect spend during the year	Community and Enterprise	-
Total Community and Enterprise Resources' Transfers at Year-End		1.270
Pupil Equity Fund The funding received from the Government can be used up to the end of the school term (June 2023). The underspend reflects the element of the funding that will be utilised in April to June 2023.	Education	1.500
Total Education Resources' Transfers at Probable Outturn		1.500
Adjust: increase / (reduction) in transfers to reflect spend during the year	Education	(0.595)
Total Education Resources' Transfers at Year-End		0.905
Children and Families In line with the proposal made to the IJB, unspent core Council funding for Adults and Older People will be carried forward to support the pressures in Children and Families into 2023/2024.	Social Work Resources	5.635
Total Social Work Resources' Transfers at Probable Outturn		5.635
Adjust: increase / (reduction) in transfers to reflect spend during the year	Social Work Resources	-
Total Social Work Resources' Transfers at Year-End		5.635
Total Resource Proposed Transfers to Reserves		8.405
Adjust: increase / (reduction) in transfers to reflect spend during the year	Total Resources	(0.595)
Total Resource Proposed Transfers to Reserves at Year-End		7.810
Loan Charges		
Interest Costs Underspend to manage future interest cost from the implementation of Service Concessions (Council, 18 January 2023)	Loan Charges	1.982
Loan Charges Underspend Underspend generated by an increase in Deposit Interest to be used to support the 2023/2024 Budget Strategy (Executive Committee, 2 November 2022) ALREADY PROPOSED IN BUDGET STRATEGY	Loan Charges	1.000
Interest on Revenue Balances (on Reserves)	Loan Charges	0.573
Total Loan Charges Proposed Transfers to Reserves		3.555
Adjust: increase / (reduction) in transfers to reflect spend during the year	Loan Charges	(0.143)
Total Loan Charges Proposed Transfers to Reserves at Year-End		3.412
Corporate Items		
2023/2024 Budget Strategy – National Insurance Underspend National Insurance Underspend in 2022/2023 to be used for the 2023/2024 Budget Strategy (Executive Committee, 2 November 2022) ALREADY PROPOSED IN BUDGET STRATEGY	Corporate Items / Strategy	0.500
Wellbeing Day Transfer the underspend in the Wellbeing Day budget to Reserves, to manage the costs anticipated into 2023/2024.	Corporate Items	0.600
Central Energy Efficiency Fund (CEEF), RHI and FIT Resources are allocated funding from the CEEF Reserve for spend to save projects, which they repay in future years from revenue savings generated by the project. This transfer is the payback of savings from Resources and allows the Reserve to be regenerated for future projects. Income from RHI and FIT is received in-year and is committed to future projects.	Corporate Items	0.211

Purpose / Description	Resource	Value £m
2023/2024 Budget Strategy – One-Off Underspend / Accounting Transactions Finance Exercise – for the 2023/2024 Budget Strategy (Executive Committee, 2 November 2022) taking these one-off or recurring underspends and accounting transactions to Reserves, will help offset increased costs into 2023/2024. ALREADY PROPOSED IN BUDGET STRATEGY	Corporate Items / Strategy	0.914
Total Corporate Items Transfers to Reserves at Probable Outturn		2.225
Adjust: increase / (reduction) in transfers to reflect spend during the year	Corporate Items – Strategy	0.394
Total Corporate Items Transfers to Reserves at Year-End		2.619
Corporate Items – Strategy		
Loans Fund Review Use of underspend generated by the Loans Fund Review to support future Budget Strategies. (Executive Committee, June 2022) INCLUDED IN BUDGET STRATEGY	Corporate Items – Strategy	15.897
Loan Charges Underspend Underspend generated by the timing of borrowing to be used to support the 2023/2024 Budget Strategy (Executive Committee, June 2022) INCLUDED IN BUDGET STRATEGY	Corporate Items – Strategy	0.873
Budget Underspend Budget not required in 2022/2023 therefore can be used to support the 2023/2024 Budget Strategy (Executive Committee, June 2022) INCLUDED IN BUDGET STRATEGY	Corporate Items – Strategy	0.650
Probable Outturn Underspend Transfer of projected in-year underspend (2022/2023) for use in the 2023/2024 Budget (approved by Executive Committee, January 2023).	Corporate Items – Strategy	4.696
Total Corporate Items – Strategy Transfers to Reserves at Probable Outturn		22.116
Adjust: increase / (reduction) in transfers to reflect spend during the year	Corporate Items – Strategy	-
Total Corporate Items – Strategy Transfers to Reserves at Year-End		22.116
Council Tax / CTRS		
2023/2034 Budget Strategy – Council Tax Over-Recovery of Council Tax to be used to support the Budget Strategy (Executive Committee, 2 November 2022). ALREADY PROPOSED IN BUDGET STRATEGY	Council Tax / CTRS	1.000
Council Tax Second Homes This transfer represents the over recovery of income from Council Tax on second homes included in the Council's Council Tax income line. This is required to be transferred to the Housing Revenue Account for use on social housing.	Council Tax / CTRS	0.610
2023/2034 Budget Strategy – CTRS Over-Recovery of CTRS to be used to support the Budget Strategy (Executive Committee, 2 November 2022). ALREADY PROPOSED IN BUDGET STRATEGY	Council Tax / CTRS	1.400
Total Council Tax / CTRS Transfers at Probable Outturn		3.010
Adjust: increase / (reduction) in transfers to reflect spend during the year	Council Tax / CTRS	0.042
Total Council Tax / CTRS Transfers at Year-End		3.052
Total Transfers at Probable Outturn		39.311
Adjust: increase / (reduction) in transfers to reflect spend during the year		(0.302)
Total Transfers at Year-End		39.009

Transfers to Reserves – Additional Proposed Transfers at Year-End

Purpose / Description	Resource	Value £m
Resources		
Waste Committed contract / legal costs in relation to Waste Services.	Community & Enterprise	0.210
Emergency Car Park Works at Community Facilities Funding required to support emergency work for car parks at Community Facilities.	Community & Enterprise	0.050
Community and Enterprise Resources Proposed Transfers at Year-End		0.260
Equipment Replacement Fund Funding from schools' Devolved Management Scheme being carried forward to allow spend across the academic year and to allow schools to support capital equipment requirements over a number of years.	Education	0.406
Education Resources Proposed Transfers at Year-End		0.406
Scottish Welfare Fund Grant received from Scottish Government unspent at the end of the year. Carried forward for utilisation into 2023/2024.	Finance and Corporate	0.145
Discretionary Housing Payment Scottish Government Grant unused at the end of the year, to be carried forward for use in 2023/2024.	Finance and Corporate	0.115
Warm Welcome Initiative – Energy Support Grants Carry forward unspent energy support grants budget for distribution in 2023/2024.	Finance and Corporate	0.299
Administration Grants An underspend on the Grants budget has been set aside to support additional spend into 2023/2024.	Finance and Corporate	0.084
2022/2023 Investments – Participatory Budgeting Monies to be carried forward into 2023/2024 to reflect commitments in relation to Participatory Budgeting (the Can Do Community Challenge Fund), Community Led Activities, Community Wishlist and Community Asset Transfer.	Finance and Corporate	0.335
Finance and Corporate Resources' Proposed Transfers at Year-End		0.978
Local Heat and Energy Efficiency Strategies (LHEES) Funding Carry forward unspent budget to be utilised in 2023/2024.	Housing and Technical	0.075
Housing and Technical Resources Proposed Transfers at Year-End		0.075
Total Resource Proposed Transfers to Reserves		1.719
2022/2023 Investments – Roads Underspend on the Roads Participatory Budget to be carried forward to complete the schemes into 2023/2024.		0.611
Corporate Items		0.611
Alternative Fuel Payment Funding Carry forward of unspent Government Funding for the alternative fuel payment scheme, to be used in 2023/2024.	Corporate Items	0.191
Energy Bill Support Scheme Government funding for the energy support scheme carried forward into 2023/2024, reflecting the timing of anticipated spend.	Corporate Items	1.055
Insurance Fund The in-year surplus will be carried forward to support commitments from the Insurance Fund.	Corporate Items	0.116
Service Concessions The implementation of the Service Concession arrangement in 2022/2023 generates an underspend in year, which will be used to support Budget Strategies.	Corporate Items	4.633
Total Corporate Items Proposed Transfers to Reserves at Year-End		5.995
Total Proposed Transfers to Reserves at Year-End (Resources and Corporate Items)		8.325

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Year Ended 31 March 2023
Housing Revenue Account

Budget Category	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion 31/03/23	Actual 31/03/23	Variance 31/03/23		% Variance 31/03/23	Notes
Employee Costs	14.641	14.140	0.501	0.501	14.641	14.342	0.299	under	2.0%	1
Property Costs	45.239	51.757	(6.518)	(6.518)	45.239	52.852	(7.613)	over	(16.8%)	2, a, b
Supplies & Services	0.609	1.021	(0.412)	(0.412)	0.609	0.793	(0.184)	over	(30.2%)	3
Transport & Plant	0.195	0.183	0.012	0.012	0.195	0.127	0.068	under	34.9%	4
Administration Costs	5.644	5.593	0.051	0.051	5.644	5.532	0.112	under	2.0%	5
Payments to Other Bodies	3.141	3.165	(0.024)	(0.024)	3.141	3.154	(0.013)	over	(0.4%)	b
Payments to Contractors	0.100	0.080	0.020	0.020	0.100	0.135	(0.035)	over	(35.0%)	
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-	0.0%	
Financing Charges	26.050	26.050	0.000	0.000	26.050	25.451	0.599	under	2.3%	6
Total Controllable Exp.	95.619	101.989	(6.370)	(6.370)	95.619	102.386	(6.767)	over	(7.1%)	
Total Controllable Inc.	(110.444)	(110,919)	0.475	0.475	(110.444)	(112.588)	2.144	over recovered	1.9%	7, a
Transfer to/(from) Balance Sheet	(3.500)	(5.840)	2.340	2.340	(3.500)	(3.990)	0.490	over recovered	14.1%	8
Net Controllable Exp.	(18.325)	(14.770)	(3.555)	(3.555)	(18.325)	(14.192)	(4.133)	over	(22.6%)	
Loan Charges	18.325	14.770	3.555	3.555	18.325	14.192	4.133	under		9
Net Controllable Exp.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-	0.0%	

Variance Explanations

1. Employee Costs

This underspend reflects higher than anticipated staff turnover within the Service.

2. Property Costs

The net overspend reflects the volume and cost of repairs and maintenance, including additional costs for the internal contractor, and additional repairs costs due to the cold weather incident in December 2022. This was partly offset by a lower than budgeted level of bad debt provision required as collection rates have been better than forecast.

3. Supplies and Services

This overspend reflects payments and consultancy related costs for the new IT system which is under development.

4. Transport and Plant

The underspend reflects lower than forecast embedded pool car costs across the service, reflecting changing working practices with meetings taking place online rather than in person.

5. Administration Costs

A large element of this underspend is due to the demand led legal expenses and the underspend reflects the level of eviction action and minor underspends in relation to central support costs.

6. Financing Charges

The interest on revenue balances is impacted by the levels held and interest rates and was significantly higher than budget.

7. Income

The additional income is due to the favourable timing of new build and purchased council housing units being available to rent as well as income assumed from an insurance claim relating to the costs for the cold weather incident (refer 2.).

8. Transfer to / (from) Balance Sheet

The net combined overspend requires for a higher than budgeted level of transfer from reserves but is overall lower than the level of reserves predicted to be required at Probable Outturn.

9. Loan Charges

The overall level of debt charges was lower than anticipated due to the profile of funding requirements.

Virements

- Budget realignment to reflect the annual demand levels (expenditure and income) for owner occupier energy efficiency measures. Net £0.000m: Property Costs (£1.556m) and Income £1.556m.
- An allocation of £0.111m was transferred from Bad Debt Provision to allow for Tenancy Sustainment measures. Net £0.000m: Property Costs (£0.111m) and Payments to Other Bodies £0.111m.