

Report

Report to:	Financial Resources Scrutiny Forum
Date of Meeting:	21 September 2023
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Revenue Budget Monitoring 2023/2024
----------	--

1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ advise the Forum on the overall financial position of the Council's General Fund Revenue Account and Housing Revenue Account for the period 1 April 2023 to 11 August 2023

2. Recommendation(s)

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

- (1) that the break-even position on the General Fund Revenue Account at 11 August 2023, (section 4 and Appendix 1), be noted; and
- (2) that the break-even position on the Housing Revenue Account at 11 August 2023 (section 5 and Appendix 2 of the report), be noted.

3. Background

- 3.1. The Revenue reports attached provide detail on the most recent report considered at the Executive Committee on 13 September 2023.
- 3.2. Section 4 of this overview report will summarise the 2023/2024 position for the Council's General Fund Revenue Account to 11 August 2023, and section 5, the position on the Housing Revenue Account for the same period.

4. 2023/2024 General Services

4.1. General Services Current Position as at 11 August 2023

As at 11 August 2023, the position on the General Services budget is break-even. The position across Resources is detailed in Appendix 1.

4.2. **Children and Families:** As detailed in the previous report, budget pressures within Children and Families are continuing into 2023/2024 in relation to residential placements, fostering and kinship care, some of which is a legacy from the pandemic.

4.3. As previously advised to Social Work Committee (28 June 2023), there is one-off funding identified totalling £9.2 million, and this is available this financial year to contribute towards these residual Children and Families' pressures.

4.4. The Social Work Resources position as at 11 August 2023 assumes funding will be available and will be drawn down later in the financial year, as required. The Resource are working towards managing the overall budget pressure in Children and Families by 2024/2025.

- 4.5. **Adults and Older People:** A previously advised, within Adults and Older People, the outcome of the Job Evaluation exercise for Home Carers will result in recurring costs of approximately £7 million from 2023/2024. These costs are not included in the IJB budget set for 2023/2024. As at 11 August, costs of £2.4 million have been incurred in relation to the cost of the grade changes. These costs are incurred through the IJB budget. As a consequence of the reporting requirements for these integrated authorities, these costs also appear within the figures included in Appendix 1. This does not show as an overspend in Appendix 1 as there is sufficient budget available at this stage in the financial year to cover the additional costs incurred to date.
- 4.6. Officers within the IJB are looking to identify recurring funding solutions. These solutions and an overall recovery plan will be reported to the IJB on 19 September 2023 and, subject to their approval, budgets will be realigned.
- 4.7. **Teacher Numbers:** The Cabinet Secretary has held back £45.5 million of funding nationally for the maintenance of Teacher Numbers, until after the 2023 Census details are received by the Government, and until councils provide assurance that they have maintained teacher numbers and pupil support numbers at the 2022 level. For the Council, this amounts to £2.934 million.
- 4.8. Senior officers from the Council have been liaising with the Government since the start of the financial year to explain the Council's position as a reduction in numbers compared to the 2022 Census position is anticipated. The reason is that the Census 2022 reflected an inflated level of teachers / support staff who were in place because of funding invested by the Council, and not because of Government funding initiatives. The extra staff in place were facilitated by investment monies and temporary Covid funding supporting learning recovery for the 2022/2023 school session only and were never intended to be assumed as the core level of staffing against which the Council should be measured.
- 4.9. The Government have advised that no decision on releasing the funding will be taken until after the Census 2023 has been finalised and, therefore, there is a risk to the £2.934 million funding currently being held back.
- 5. Housing Revenue Account Position as at 11 August 2023**
- 5.1. As at 11 August 2023, Appendix 2 shows a break-even position against the phased budget on the Housing Revenue Account.
- 6. Employee Implications**
- 6.1. None.
- 7. Financial Implications**
- 7.1. As detailed in sections 4 and 5 of the report.
- 8. Climate Change, Sustainability and Environmental Implications**
- 8.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.
- 9. Other Implications**
- 9.1. The main risk associated with the Council's Revenue Budget is that there is an overspend. Inflationary and budget pressures experienced this year increase the risk of overspend however this is mitigated going forward through provision of additional funds in next year's budget strategy, and through the one-off use of reserves in the current year.

- 9.2. The actual impact will continue to be reviewed through four weekly Budget Monitoring Meetings at which any variance is analysed. In addition, the probable outturn exercise position in this report ensures early warning for corrective action to be taken where appropriate.

10. Equality Impact Assessment and Consultation Arrangements

- 10.1. 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.
- 10.2. 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)

31 August 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 11 August 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

Period Ended 11 August 2023 (No.5)

Resource / Committee

Departments:

Community and Enterprise Resources

Facilities, Waste and Grounds

Leisure and Culture

Planning and Regulatory

Environmental and Sustainable Development

Roads, Transportation and Fleet

Education Resources

Education

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 Families

Adults and Older People

Justice and Substance Misuse

Joint Boards

	Annual Budget	Annual Forecast	Annual Forecast Variance	Budget Proportion to 11/08/23	Actual to 11/08/23	Variance to 11/08/23	
	£m	£m	£m	£m	£m	£m	
Community and Enterprise Resources	129.342	129.342	0.000	40.979	40.979	0.000	
Facilities, Waste and Grounds	77.569	77.569	0.000	24.350	24.220	0.130	under
Leisure and Culture	23.227	23.227	0.000	5.355	5.356	(0.001)	over
Planning and Regulatory	4.966	4.966	0.000	1.716	1.548	0.168	under
Environmental and Sustainable Development	4.698	4.698	0.000	(0.341)	(0.406)	0.065	under
Roads, Transportation and Fleet	18.882	18.882	0.000	9.899	10.261	(0.362)	over
Education Resources	417.789	417.789	0.000	152.845	152.845	0.000	
Education	417.789	417.789	0.000	152.845	152.845	0.000	
Finance and Corporate Resources	41.558	41.558	0.000	21.381	21.381	0.000	
Finance Services - Strategy	2.118	2.118	0.000	1.163	1.124	0.039	under
Finance Services - Transactions	18.448	18.448	0.000	7.056	6.844	0.212	under
Audit and Compliance Services	0.374	0.374	0.000	0.178	0.189	(0.011)	over
Information Technology Services	5.226	5.226	0.000	6.177	6.124	0.053	under
Communications and Strategy Services	2.805	2.805	0.000	1.292	1.300	(0.008)	over
Administration and Licensing Services	4.279	4.279	0.000	1.862	1.971	(0.109)	over
Personnel Services	8.308	8.308	0.000	3.653	3.829	(0.176)	over
Housing and Technical Resources	14.176	14.176	0.000	14.297	14.297	0.000	
Housing Services	8.464	8.464	0.000	2.722	2.722	0.000	
Property Services	5.712	5.712	0.000	11.575	11.575	0.000	
Social Work Resources	214.719	214.719	0.000	87.041	87.041	0.000	
Performance and Support Services	6.358	6.358	0.000	1.968	1.879	0.089	under
Children and Families	37.215	37.215	0.000	14.872	15.012	(0.140)	over
Adults and Older People	170.058	170.058	0.000	69.121	69.121	0.000	
Justice and Substance Misuse	1.088	1.088	0.000	1.080	1.029	0.051	under
Joint Boards	2.053	2.053	0.000	0.790	0.790	0.000	
	819.637	819.637	0.000	317.333	317.333	0.000	

Summary

Service Departments Total

CFCR

Loan Charges

Corporate Items

Corporate Items (Strategy)

2023/24 Investments – Transfers to Reserves

Total Expenditure

Council Tax

Less: Council Tax Reduction Scheme

Net Council Tax

General Revenue Grant

Non-Domestic Rates

Transfer from Reserves

Total Income**Net Expenditure / (Income)**

	Annual Budget	Annual Forecast	Annual Forecast Variance	Budget Proportion to 11/08/23	Actual to 11/08/23	Variance to 11/08/23	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	819.977	819.977	0.000	317.333	317.333	0.000	
CFCR	0.352	0.352	0.000	0.000	0.000	0.000	
Loan Charges	23.669	23.669	0.000	0.000	0.000	0.000	
Corporate Items	2.074	2.074	0.000	0.051	0.051	0.000	
Corporate Items (Strategy)	15.211	15.211	0.000	0.000	0.000	0.000	
2023/24 Investments – Transfers to Reserves	3.276	3.276	0.000	0.000	0.000	0.000	
Total Expenditure	864.219	864.219	0.000	317.384	317.384	0.000	
Council Tax	178.602	178.602	0.000	68.693	68.693	0.000	
Less: Council Tax Reduction Scheme	(23.278)	(23.278)	0.000	(8.953)	(8.953)	0.000	
Net Council Tax	155.324	155.324	0.000	59.740	59.740	0.000	
General Revenue Grant	319.941	319.941	0.000	123.054	123.054	0.000	
Non-Domestic Rates	341.536	341.536	0.000	131.360	131.360	0.000	
Transfer from Reserves	47.418	47.418	0.000	47.418	47.418	0.000	
Total Income	864.219	864.219	0.000	361.572	361.572	0.000	
Net Expenditure / (Income)	0.000	0.000	0.000	(44.188)	(44.188)	0.000	

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 11 August 2023 (No.5)

Budget Category**Service Departments:****Expenditure**

	Annual Budget £m	Annual Forecast £m	Annual Forecast Variance £m	Budget Proportion to 11/08/23 £m	Actual to 11/08/23 £m	Variance to 11/08/23 £m	
Employee Cost	613.816	613.816	0.000	212.682	212.667	0.015	under
Property Costs	61.907	61.907	0.000	14.833	15.105	(0.272)	over
Supplies and Services	61.196	61.196	0.000	18.529	18.847	(0.318)	over
Transport Costs	45.396	45.396	0.000	15.634	16.450	(0.816)	over
Administration Costs	15.468	15.468	0.000	3.812	3.878	(0.066)	over
Payments to Other Bodies	78.683	78.683	0.000	32.764	32.810	(0.046)	over
Payments to Contractors	245.559	245.559	0.000	77.239	75.616	1.623	under
Transfer Payments	6.251	6.251	0.000	3.784	3.815	(0.031)	over
Housing Benefits	65.650	65.650	0.000	20.950	20.950	0.000	
Financing Charges (controllable)	2.345	2.345	0.000	0.442	0.448	(0.006)	over
Total	1,196.271	1,196.271	0.000	400.669	400.586	0.083	under
Service Departments Total	1,196.611	1,196.611	0.000	400.669	400.586	0.083	under
CFCR	0.352	0.352	0.000	0.000	0.000	0.000	
Loan Charges	23.669	23.669	0.000	0.000	0.000	0.000	
Corporate Items	2.074	2.074	0.000	0.041	0.041	0.000	
Corporate Items (Strategy)	15.211	15.211	0.000	0.000	0.000	0.000	
2023/24 Investments – Transfers to Reserves	3.276	3.276	0.000	0.000	0.000	0.000	
Total Expenditure	1,240.853	1,240.853	0.000	400.720	400.637	0.083	under
Income							
Housing Benefit Subsidy	60.258	60.258	0.000	18.681	18.681	0.000	
Other Income	316.376	316.376	0.000	64.655	64.572	(0.083)	under rec.
Council Tax (Net of Council Tax Reduction Scheme)	155.324	155.324	0.000	59.740	59.740	0.000	
General Revenue Grant	319.941	319.941	0.000	123.054	123.054	0.000	
Non-Domestic Rates	341.536	341.536	0.000	131.360	131.360	0.000	
Transfer from Reserves	47.418	47.418	0.000	47.418	47.418	0.000	
Total Income	1,240.853	1,240.853	0.000	444.908	444.825	(0.083)	under rec.
Net Expenditure / (Income)	0.000	0.000	0.000	(44.188)	(44.188)	0.000	

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Period Ended 11 August 2023 (No.5)

Housing Revenue Account

	Annual Budget £m	Forecast for Year £m	Annual Forecast Variance £m	Budget Proportion to 11/08/23 £m	Actual to 11/08/23 £m	Variance to 11/08/23 £m		%	Note
Employee Costs	14.253	14.253	0.000	4.879	4.917	(0.038)	over	(0.8%)	
Property Costs	50.929	50.929	0.000	14.597	15.127	(0.530)	over	(3.6%)	1
Supplies & Services	0.433	0.433	0.000	0.087	0.098	(0.011)	over	(12.6%)	
Transport & Plant	0.196	0.196	0.000	0.061	0.054	0.007	under	11.5%	
Administration Costs	5.570	5.570	0.000	0.183	0.172	0.011	under	6.0%	
Payments to Other Bodies	2.974	2.974	0.000	0.785	0.813	(0.028)	over	(3.6%)	
Payments to Contractors	0.100	0.100	0.000	0.031	0.031	0.000	-	0.0%	
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	-	0.0%	
Financing Charges	27.162	27.162	0.000	8.385	8.404	(0.019)	over	(0.2%)	
Total Controllable Expenditure	101.617	101.617	0.000	29.008	29.616	(0.608)	over	(1.9%)	
Total Controllable Income	(115.940)	(115.940)	0.000	(38.141)	(38.283)	0.142	over recovered	0.3%	2
Transfer to/(from) Balance Sheet	(4.907)	(4.907)	0.000	(1.510)	(1.976)	0.466	over recovered	84.9%	3
Net Controllable Expenditure	(19.230)	(19.230)	0.000	(10.643)	(10.643)	0.000	-	0.0%	
Add: Non Controllable Budgets									
Financing Charges	19.230	19.230	0.000	0.000	0.000	0.000	-	0.0%	
Total Budget	0.000	0.000	0.000	(10.643)	(10.643)	0.000	-	0.0%	

Variance Explanations

1. The net overspend reflects the volume and cost of repairs and maintenance, including additional costs for the internal contractor. There is also an overspend in relation to cleaning charges.
2. The additional income is due to the favourable timing of new build and purchased council housing units being available to rent.
3. The timing impact of the net overspend requires a higher than budgeted transfer from reserves at this time.

Virements

None.