

Report

Report to:	Financial Resources Scrutiny Forum
Date of Meeting:	1 February 2024
Report by:	Chief Executive

Subject:	Revenue Budget Monitoring 2023/2024
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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 1 December 2023, and a projection for the year to 31 March 2024.

2. Recommendation(s)

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

- (1) that including Resources, Corporate Items and Council Tax, and the proposed transfer to Reserves, the Council's outturn underspend of £9.000 million (section 4.2), be noted;
- (2) that the proposed transfers to reserves totalling £14.985 million (section 4.2), be noted;
- (3) that the non-recurring underspend of £1.272 million in the delegated budget to the Integration Joint Board (IJB) be held in reserves for their use in future years (section 4.9), be noted;
- (4) that the proposed use of £3.000 million of the Council's outturn underspend be transferred to Reserves to support budget pressures in 2024/2025 (section 4.17), be noted;
- (5) that the proposed use of the remaining £6.000 million of the Council's outturn underspend be transferred to Reserves (section 4.18), be noted;
- (6) that the redeterminations of 2023/2024 revenue grant funding, as included in the Local Government Finance Circular 8/2023 (section 6), be noted;
- (7) that the underspend of £0.593 million on the General Fund Revenue Account at 1 December 2023 (section 7.1), be noted; and
- (8) that the breakeven position on the Housing Revenue Account at 1 December 2023 and the forecast to 31 March 2024 of breakeven (section 8 and Appendix 4), be noted.

3. Background

3.1. The Revenue reports attached provide detail on the most recent report considered at the Executive Committee on 24 January 2024.

3.2. This overview report will summarise the 2023/2024 Probable Outturn position for the Council's General Fund Revenue Account to 31 March 2024. An Executive Summary is provided in Section 4, while Section 5 provides the detail of the General Fund outturn position including details of proposed transfers to Reserves. Section 6 details the various 2023/2024 revenue grant redeterminations included in the Local Government Finance Settlement 2024/2025. Sections 7 and 8 provide the position on the General

Fund Account and the Housing Revenue Account for the current period 1 April 2023 to 01 December 2023 respectively.

- 3.3. When establishing the probable outturn position for the year, Resources were asked to take all known commitments into account. This report details the anticipated spend for the current year (Appendix 1) and proposes funds to be transferred to reserves for future commitments (Appendix 2). The report will also detail the position after the proposed transfers to reserves (Appendix 3) for those known commitments required in the next financial year. Finally, Appendix 4 provides the Housing Revenue Account position.

4. Executive Summary – 2023/2024 General Services Probable Outturn

- 4.1. This report and appendices provide a detailed analysis of the Council's financial position. While the full detail and background is provided in the report, the summary position including the key highlights is detailed in this Executive Summary.
- 4.2. The outturn position after transfers to reserves is an underspend of £9.000 million. This is including proposed transfers to reserves totalling £14.985 million (Appendix 2). A summary of the Outturn is detailed in Table 1.

Table 1: Analysis of Outturn Position After Transfers to Reserves

	£m
Resource Position (section 4.4)	(0.511)
Loan Charges (section 4.12)	0.198
Corporate Items (section 4.13)	6.051
Council Tax (section 4.15)	3.262
Probable Outturn Position	9.000

- 4.3. Each of these items are detailed below.
- 4.4. **Resources:** As covered in Section 5, Resources are reporting a combined overspend of £0.511 million. The position across Resources includes Transfers to Reserves totalling £1.750 million. These are summarised in section 5.2.
- 4.5. Community and Enterprise Resources are showing a breakeven position after Transfer to Reserves. This includes a proposed transfer of the Community Led Investment Monies (£0.200 million) which will spend in 2024/2025.
- 4.6. The overall Resource underspend also includes an Education Resources' overspend of £0.295 million.
- 4.7. In addition, there is an overspend of £0.216 million in Finance and Corporate Resources which reflects an anticipated overspend on Non-Domestic Rates Empty Property Relief.
- 4.8. Housing and Technical Resources is showing a breakeven position after Transfers to Reserves.
- 4.9. The position for the Social Work Resources Adults and Older People includes a £1.272 million commitment in relation to the element of the budget delegated to the IJB. These monies are part of the Council's contribution to the IJB and could have been retained by the Council, however, this assumed commitment allows the IJB to retain this non-recurring underspend within their reserves earmarked for future costs, in line with the approach to integrating health and social care budgets. It is proposed that

these monies will be retained in the Council's Balance Sheet and will be available for use by the IJB.

- 4.10. The Social Work Resources non-delegated Services position is also breakeven. This includes Children and Families. As reported previously, one-off funding totalling £9.2 million is being used in 2023/2024 to contribute towards the residual pressures of residential placements and fostering and kinship care. Ongoing actions on plans to manage the budget pressures are being pursued by management for the remainder of 2023/2024. In addition, the Resource is working towards managing the overall budget pressure in Children and Families by 2024/2025.
- 4.11. All Resource transfers to Reserves are shown in Appendix 2.
- 4.12. **Loan Charges:** There is an in-year underspend of £0.198 million. This is after proposed Transfers to Reserves (Appendix 2). This is due to higher than anticipated deposit interest resulting from the ongoing high interest rates as well as the level of deposits being higher than originally forecast. Details are provided in sections 5.9 to 5.12.
- 4.13. **Corporate Items:** There is a net underspend of £6.051 million for Corporate Items after known commitments and including proposed Transfers to Reserves totalling £0.983 million. This is predominantly due to the successful settlement of an unbudgeted historic VAT claim that was advised to the Council in mid-December 2023. This is covered in detail in section 5.14.
- 4.14. The Corporate Items position includes the impact of the Council funding its share of the national pay award for Local Government employees, as per the national agreement with the Scottish Government. This totals circa £1 million and has been met from Reserves in 2023/2024. These will be reimbursed by the Scottish Government into 2024/2025, and the Reserves will then be replenished.
- 4.15. **Council Tax / Council Tax Reduction Scheme (CTRS):** There is a net over recovery of Council Tax / CTRS of £3.262 million (sections 5.19 and 5.20). The over recovery of Council Tax mainly reflects levels of in-year collection from properties as well as additional income in relation to arrears collection and empty properties.
- 4.16. **Summary and Proposals:** As noted in section 4.2, there is an overall underspend of £9.000 million after Transfers to Reserves.
- 4.17. It is proposed that £3.000 million be transferred to reserves and be used to fund Budget pressures in 2024/2025.
- 4.18. In addition, it is proposed that £6.000 million be transferred to reserves. These monies could be used in the Council's Budget Strategy, bearing in mind the previously identified savings requirement of £95.8 million across the 4 years from 2024/2025.
- 4.19. Further details of the Probable Outturn position are provided in the remainder of the report.
5. **2023/2024 General Services Probable Outturn – Resources and Corporate Lines**
 - 5.1. **Total Resource Position:** The outturn position, before any transfers to reserves, is an underspend of £1.239 million.

- 5.2. Resources are proposing transfers to reserves totalling £1.750 million. These are detailed in Appendix 2. Taking these transfers into account results in a net Resources' overspend of £0.511 million. Details across Resources are shown in Table 2.

Table 2: Resource Outturn

	Outturn Before Transfers to Reserves £m	Transfers to Reserves £m	Outturn After Transfers to Reserves £m	over/ under £m
Community and Enterprise	0.240	0.240	0.000	-
Education	(0.295)	0.000	(0.295)	over
Finance and Corporate	(0.216)	0.000	(0.216)	over
Housing and Technical	1.510	1.510	-	-
Social Work – Delegated to IJB	-	-	-	-
Social Work – Non Delegated	-	-	-	-
Joint Boards	-	-	-	-
	1.239	1.750	(0.511)	over

- 5.3. Community and Enterprise Resources are showing a breakeven position after Transfer to Reserves. This includes a proposed transfer of the Community Led Investment Monies (£0.200 million) which will spend in 2024/2025.
- 5.4. The Education Resources' overspend takes account of the financial impacts of periods of industrial action throughout the year.
- 5.5. The Finance and Corporate Resources' overspend includes the anticipated overspend on Empty Property Relief (paragraph 5.3 of the 2024/2025 Revenue Budget Update and Savings report to Executive Committee, 22 November 2023).
- 5.6. Housing and Technical Resources are showing a breakeven position after Transfers to Reserves.
- 5.7. The position for the Social Work Resources Adults and Older People includes a £1.272 million commitment in relation to the element of the budget delegated to the Integrated Joint Board (IJB). As this is an underspend on the Council's contribution to the IJB, this could have been retained by the Council, however, this assumed commitment allows the IJB to retain this non-recurring underspend within their reserves earmarked for future 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.
- 5.8. The Social Work Resources non-delegated Services position is also breakeven. This includes Children and Families. As reported previously, one-off funding totalling £9.2 million is being used in 2023/2024 to contribute towards the residual pressures of residential placements and fostering and kinship care, some of which is a legacy from the pandemic. Ongoing actions on plans to manage the budget pressures are being pursued by management for the remainder of 2023/2024. In addition, the Resource is working towards managing the overall budget pressure in Children and Families by 2024/2025.
- 5.9. **Loan Charges:** The loan charges budget outturn is showing an in-year underspend of £9.456 million. This is before transfers to Reserves of £9.258 million. After these proposed transfers, detailed in sections 5.10 and 5.11, the underspend is £0.198 million, and is attributed to higher than anticipated deposit interest.

- 5.10. As noted in the Service Concessions paper (Council, 18 January 2023), there is an underspend anticipated in Loan Charges in the years from 2022/2023 to 2025/2026. These underspends will require to be set aside to manage anticipated overspends in the years 2026/2027 to 2031/2032. For 2023/2024, this totals £3.758 million and is included in the proposed transfers in Appendix 2.
- 5.11. The 2024/2025 Revenue Budget Update and Savings report to Executive Committee (22 November 2023) noted that the Council are currently attracting high levels of deposit interest on cash balances held. This is due to high interest rates being paid by counterparties. There is also an anticipated underspend against borrowing costs relating to the Transformation Fund for Leisure and Culture. The estimated underspend at that point totalled £5.5 million and was included in the Budget Update paper presented to members in November 2023, and is included in the proposed Transfers to Reserves.
- 5.12. A breakdown of the Transfer to Reserves can be seen in Table 3.

Table 3: Loan Charges – Transfers to Reserves

	£m
Underspend to manage future anticipated overspends in Loan Charges (section 5.10 and Council, 18 January 2023)	3.758
Underspend from Deposit Interest and Transformation Fund borrowing 2023/2024 (section 5.11 and Executive Committee, 22 November 2023)	5.500
Total Proposed Transfers to Reserves	9.258

- 5.13. **Corporate Items:** The outturn position before proposed transfers to reserves of £0.983 million (Appendix 2) is an underspend of £7.034 million. After transfers, the outturn is an underspend of £6.051 million. In the main, the underspend before transfers relates to unbudgeted income from a historic VAT claim to HMRC (£4.878 million) (section 5.14), unrequired budget allocation for Waste / PPP costs (£0.766 million), lower than anticipated Non-Domestic Rates across the Council (£0.458 million), and a contingency budget (£0.400 million).
- 5.14. Background to the VAT refund is that prior to 2009, various pieces of legislation were legally challenged with regards to VAT, resulting in the Council being reimbursed £1.633 million by HMRC in 2009/2010. Since then, there has been further legal challenge which has been upheld, with the result being a further benefit to the Council in 2023/2024 of £4.878 million. The Council was advised of this on 11 December 2023.
- 5.15. The Corporate Items position includes the impact of the Council funding its share of the national pay award for Local Government employees, as per the national agreement with the Scottish Government. This totals circa £1 million and has been met from Reserves in 2023/2024. These will be reimbursed by the Scottish Government into 2024/2025, and the Reserves will then be replenished.
- 5.16. As noted, the position above is after the following proposed Transfers to Reserves totalling £0.983 million:-
- ◆ Service Concessions – Impact of Accounting for PPP Transactions (£0.437 million): As part of the new accounting arrangements, the Council took the benefit of a recurring saving which averaged £4.000 million per annum. The actual value of the saving realised in 2023/2024 is £4.437 million, a benefit of £0.437 million against the saving of £4.000 million. This is in line with the

anticipated profile of the savings set out in the Service Concession paper (18 January 2023). As the saving generated will be less than the £4.000 million in some years, it is proposed that this benefit/underspend is transferred to Reserves to be used to balance the saving over years.

- ◆ Insurance Fund (£0.300 million): The Insurance Fund will require additional budget in 2024/2025 due to increased premiums and claim payments incurred. It is proposed that £0.300 million is transferred to Reserves to fund these pressures.
- ◆ Central Energy Efficiency Fund (£0.246 million): Resources are allocated funding from the Central Energy Efficiency Fund (CEEF) Reserve to pay for spend to save projects. When the savings are generated from the project in future years, they repay the initial costs to the CEEF Reserve. This over recovery of income (£0.246 million) represents the repayment to be transferred to the CEEF Reserve in 2023/2024 and is included in the proposed transfers to reserves in Appendix 2. The position after this is breakeven.

5.17. **2023/2024 Investments – Transfer to Reserves:** As part of the 2023/2024 budget process, £7.747 million was made available for investments across the Council. Of this, £2.994 million had previously been earmarked to be transferred to Reserves for use in future years, reflecting the timing profile of the spend across each initiative. After Transfers to Reserves, this leaves no variance on this budget line.

5.18. All Resource spend against investment monies will continue to be monitored, with any further Transfers to Reserves considered at year-end.

5.19. **Council Tax including Council Tax Reduction Scheme (CTRS):**
The Net Council Tax / CTRS budget line is showing an over recovery of £3.262 million. This is made up of an over recovery of Council Tax of £3.292 million offset by a CTRS overspend of £0.030 million.

5.20. The Council Tax over recovery of £3.292 million is due to:-

- ◆ Empty Properties (£0.215 million) – higher than anticipated income from empty properties against a budget of £0.650 million.
- ◆ Arrears (£0.607 million) – higher than anticipated arrears income against a budget of £1.4 million.
- ◆ Additional Properties (£2.176 million) – higher than anticipated income from additional in year properties now contributing to Council Tax income.
- ◆ Second Homes (£0.294 million) – higher than anticipated income from second homes' council tax payments against a budget of £0.500 million.

5.21. **Summary of Overall Outturn Position**

Taking into account the position across the Budget areas as detailed in sections 5.1 to 5.20, the outturn position is an underspend of £9.000 million.

5.22. It is proposed that £3.000 million be transferred to reserves and be used to fund Budget pressures in 2024/2025.

5.23. In addition, it is proposed that £6.000 million be transferred to reserves. These monies could be used in the Council's Budget Strategy, bearing in mind the previously identified savings requirement of £95.8 million across the 4 years from 2024/2025.

5.24. The full Probable Outturn is summarised in Table 4.

Table 4: Summary of Overall Outturn Position

	£m
Position before Transfers:	
Resources Underspend (sections 5.1 – section 5.8)	1.239
Loan Charges Underspend (section 5.9 – 5.12)	9.456
Corporate Items Underspend (section 5.13 – section 5.16)	7.034
2023/2024 Investments – Transfers to Reserves (section 5.17)	2.994
Council Tax / CTRS Net Over Recovery (section 5.19 – 5.20)	3.262
Forecast Underspend Before Transfers to Reserves	23.985
Less:	
Proposed Transfers to Reserves (Appendix 2)	(14.985)
Forecast Underspend AFTER Transfers to Reserves	9.000
Less:	(9.000)
Additional Proposed Transfers to Reserves (sections 5.22 - 5.23 and Appendix 2)	
Breakeven Position AFTER Transfers to Reserves	-

5.25. Table 4 also shows the 2023/2024 Probable Outturn position of breakeven, after transfers to Reserves.

6. Redeterminations of 2023/2024 Revenue Grant Funding

6.1. The Local Government Finance Circular 8/2003 was published on 21 December 2023. This circular confirmed previously advised monies for 2023/2024 and also some additional earmarked funding for a number of Council services. The bullets below show the detail of the redetermination monies.

- ♦ **2023/2024 Pay Award:** £9.142 million has been provided to fund the 2023/2024 pay award to Council employees. This budget has been allocated across Resources as appropriate.
- ♦ **2023/2024 Pay Award (Teachers):** £10.080 million has been provided to fund the 2023/2024 pay award to Teachers. This budget has been allocated to Education Resources.
- ♦ **Ukraine Refugees:** £1.485 million has been provided to fund continued support to Ukrainian Refugee Resettlement and associated services. This budget has been allocated to Housing and Technical Resources and included as a Transfer to Reserves for use in future years (Appendix 2).
- ♦ **Teacher Induction Scheme:** £2.306 million has been provided to fund the cost of additional probationer Teachers in 2023/2024. This budget has been allocated to Education Resources.
- ♦ **Fostering and Kinship Care:** £0.952 million provided to support the cost of fostering and kinship in 2023/2024. This budget has been allocated to Social Work Resources.

6.2. The figures included in the appendices 1 and 3 have been updated to reflect these monies.

6.3. **Teacher Numbers:** As previously reported, the Cabinet Secretary had 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. The release of these monies was not confirmed in the recent Finance Circular, however, on the basis that the Council has maintained its Teacher Numbers, the amount of £2.934 million has been assumed as being received. Members will be advised if this is not the case.

7. 2023/2024 General Services Monitoring Position

7.1. Financial Position as at 01 December 2023

As at 01 December 2023, the position on the General Services budget is a net underspend of £0.593 million, after transfers to Reserves. This is shown in Appendix 3.

8. Housing Revenue Account Position

8.1. Financial Position as at 1 December 2023: Appendix 4 of the report shows a breakeven position against the phased budget on the Housing Revenue Account.

8.2. Probable Outturn Position: Appendix 4 also shows the forecast position for the financial year, being a breakeven position for the Housing Revenue Account.

8.3. This breakeven position includes a lower than budgeted Transfer from Reserves being required in the financial year. It is assumed that the increased level of costs experienced will be offset by an underspend in Loan Charges this financial year.

8.4. The reduction in Loan Charges is anticipated in 2023/2024 as a result of utilising an in-year benefit from the Housing Revenue Account Loans Fund Review. This work has been carried out and forms part of the 2024/2025 budget setting report for the HRA to the Executive Committee (Housing Revenue and Capital Account Budget 2024/2025).

9. Employee Implications

9.1. None.

10. Financial Implications

10.1. As detailed in sections 4 to 8 of the report.

11. Climate Change, Sustainability and Environmental Implications

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

12. Other Implications

12.1. The main risk associated with the Council's Revenue Budget is that there is an overspend. As detailed in section 4, inflationary and budget pressures this year increase the risk of overspend, however, we have mitigated this going forwards through providing additional funds in future years budget strategy, and through the one-off use of reserves in the current year.

12.2. We will also continue to monitor the actual impact through four weekly Budget Monitoring Meetings at which any variance is analysed. In addition, the Probable Outturn exercise included in this report ensures early warning for corrective action to be taken where appropriate.

12.3. There are no implications for sustainability in terms of the information contained in this report.

13. Equality Impact Assessment and Consultation Arrangements

- 13.1. 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.
- 13.2. There is also no requirement to undertake any consultation in terms of the information contained in this report.

Paul Manning
Chief Executive

15 January 2024

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 1 December 2023.

Contact for Further Information

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

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SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report (BEFORE Transfers)
Period Ended 1 December 2023 (No.9)

<u>Committee</u>	Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Budget Proportion To 01/12/23	Actual to Period 10 01/12/23	Variance to 01/12/23	
Departments:	£m	£m	£m	£m	£m	£m	
Community and Enterprise Resources	139.279	139.039	0.240	86.137	86.137	0.000	
Facilities, Waste and Grounds	83.200	82.873	0.327	52.467	52.035	0.432	under
Leisure and Culture Services	23.227	23.044	0.183	16.852	16.852	0.000	
Planning and Regulatory Services	5.382	5.018	0.364	3.612	3.491	0.121	under
Enterprise and Sustainable Development	5.973	5.664	0.309	1.709	1.548	0.161	under
Roads, Transportation and Fleet	21.497	22.440	(0.943)	11.497	12.211	(0.714)	over
Education Resources	439.709	440.004	(0.295)	278.163	278.163	0.000	
Education	439.709	440.004	(0.295)	278.163	278.163	0.000	
Finance and Corporate Resources	44.104	44.320	(0.216)	35.497	35.497	0.000	
Finance Services - Strategy	2.306	2.272	0.034	2.407	2.371	0.036	under
Finance Services - Transactions	19.450	19.631	(0.181)	11.924	11.786	0.138	under
Audit and Compliance Services	0.411	0.417	(0.006)	0.397	0.412	(0.015)	over
Information Technology Services	5.542	5.542	0.000	7.782	7.870	(0.088)	over
Communications and Strategy Services	2.966	2.966	0.000	2.319	2.310	0.009	under
Administration and Licensing Services	4.510	4.730	(0.220)	3.457	3.623	(0.166)	over
Personnel Services	8.919	8.762	0.157	7.211	7.125	0.086	under
Housing and Technical Resources	17.592	16.082	1.510	20.238	20.238	0.000	
Housing Services	10.229	8.673	1.556	6.329	6.281	0.048	under
Property Services	7.363	7.409	(0.046)	13.909	13.957	(0.048)	over
Social Work Resources	239.322	239.322	0.000	141.048	140.957	0.091	under
Performance and Support Services	6.686	6.501	0.185	4.329	4.154	0.175	under
Children and Families	48.885	49.175	(0.290)	31.841	32.192	(0.351)	over
Adults and Older People	182.252	182.252	0.000	103.459	103.343	0.116	under
Justice and Substance Misuse	1.499	1.394	0.105	1.419	1.268	0.151	under
Joint Boards	2.053	2.053	0.000	1.421	1.421	0.000	
	882.059	880.820	1.239	562.504	562.413	0.091	under

<u>Committee</u>	Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Budget Proportion To 01/12/23	Actual to Period 10 01/12/23	Variance to 01/12/23	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	882.059	880.820	1.239	562.504	562.413	0.091	under
CFCR	0.038	0.038	0.000	0.000	0.000	0.000	-
Loan Charges	38.796	29.340	9.456	0.000	0.000	0.000	-
Corporate Items	(5.093)	(12.127)	7.034	0.316	(0.186)	0.502	under
Corporate Items – 23/24 Strategy	0.000	0.000	0.000	0.000	0.000	0.000	-
Investments – 2023/24 (T/f to Reserves)	2.994	0.000	2.994	0.000	0.000	0.000	-
Total Expenditure	918.794	898.071	20.723	562.820	562.227	0.593	under
Council Tax	179.102	182.394	3.292	123.994	123.994	0.000	over
Less: Council Tax Reduction Scheme	(23.278)	(23.308)	(0.030)	(16.116)	(16.116)	0.000	under
Net Council Tax	155.824	159.086	3.262	107.878	107.878	0.000	over
General Revenue Grant	350.757	350.757	0.000	242.832	242.832	0.000	-
Non-Domestic Rates	341.536	341.536	0.000	236.448	236.448	0.000	-
Transfer from Reserves	70.677	70.677	0.000	70.677	70.677	0.000	-
Total Income	918.794	922.056	3.262	657.835	657.835	0.000	-
Net Expenditure / (Income)	0.000	(23.985)	23.985	(95.015)	(95.608)	0.593	under

Proposed Transfers to Reserves included in the Probable Outturn

Purpose / Description	Resource	Value £m
Resources		
Investment Monies Investment monies allocated in 2023/2024 for Community Led Investments which will now spend in 2024/2025.	Community and Enterprise	0.200
Fleet Sinking Fund Annual contribution to the Fleet sinking fund to maintain asset replacement programme.	Community and Enterprise	0.025
Year 3 of Electric Vehicle Payback Ringfenced reserves used to manage purchase of electric vehicles in short term which have to be repaid over the next few years.	Community and Enterprise	0.015
Total Community and Enterprise Resources		0.240
Ukraine Resettlement Funding This funding forms part of the 2023/2024 revenue grant redeterminations and will be carried forward for use in 2024/2025.	Housing and Technical	1.485
Local Heat and Energy Efficiency Strategies (LHEES) Funding It is proposed that this external funding is carried forward to be utilised in 2024/2025.	Housing and Technical	0.025
Total Housing and Technical Resources		1.510
Total Resource Proposed Transfers to Reserves		1.750
Loan Charges		
Loan Charges Underspend Underspend to be set aside to manage future overspends predicted in Loan Charges as previously advised to members (Council, 18 January 2023)	Loan Charges	3.758
Loan Charges Underspend Underspend from Deposit Interest and Transformation Fund borrowing to be set aside as included in the 2024/2025 Budget Strategy. (Executive Committee, 22 November 2023)	Loan Charges	5.500
Total Loan Charges Proposed Transfers to Reserves		9.258
Corporate Items		
Service Concessions Underspend on Loan Charges used manage anticipated overspends in future years.	Corporate Items	0.437
Insurance Fund The Insurance Fund will require additional budget into 2024/2025.	Corporate Items	0.300
Central Energy Efficiency Fund (CEEF) Resources are allocated funding from the CEEF Reserve to pay for spend to save projects which they repay over future years from the revenue savings generated by the project. This transfer represents the payback of savings from Resources and allows the Reserve to be regenerated for use on future projects.	Corporate Items	0.246
Total Corporate Items Proposed Transfers to Reserves		0.983
Investments 2023/24 (T/f to Reserves)		
Front Line First – Facilities, Waste and Grounds From the total investment of £3 million, £1.086 million has been retained for spend in 2023/2024 with the remaining £1.914 million to be transferred to reserves for use in future years. The £1.914 million has been moved to the budget line 2023/2024 Investments – Transfers to Reserves and will be transferred to Reserves at the year-end.	Investments 2023/24 (T/f to Reserves)	1.914
Pre-School Clothing Grant From the total investment of £1.350 million, an amount of £0.270 million has been retained for spend in 2023/2024 with the remaining £1.080 million to be transferred to reserves for use in the next 4 years. The £1.080 million has been moved to the budget line 2023/2024 Investments – Transfers to Reserves and will be transferred to Reserves at the year-end.	Investments 2023/24 (T/f to Reserves)	1.080
Total Investments 2023/24 (T/f to Reserves)		2.994
Total Proposed Transfers		14.985

Additional Transfers to Reserves – Use of Outturn Underspend		
Budget Pressures It is proposed that £3.000 million be transferred to reserves and be used to fund Budget pressures into 2024/2025. This proposal is to use this temporary funding to manage the timing of when permanent budget solutions are identified / delivered.	Use of Outturn Underspend	3.000
Contribution to Budget Strategy In addition, it is proposed that £6.000 million be transferred to reserves. These monies could be used in the Council's Budget Strategy, bearing in mind the previously identified savings requirement of £95.8 million across the 4 years from 2024/2025.	Use of Outturn Underspend	6.000
Total Additional Transfers to Reserves – Use of Outturn Underspend		9.000

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report (AFTER Transfers)

Period Ended 1 December 2023 (No.9)

<u>Committee</u>	Annual Budget	Annual Forecast AFTER Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion To 01/12/23	Actual to Period 10 01/12/23	Variance to 01/12/23	
Departments:	£m	£m	£m	£m	£m	£m	
Community and Enterprise Resources	139.279	139.279	0.000	86.137	86.137	0.000	
Facilities, Waste and Grounds	83.200	82.873	0.327	52.467	52.035	0.432	under
Leisure and Culture Services	23.227	23.244	(0.017)	16.852	16.852	0.000	
Planning and Regulatory Services	5.382	5.018	0.364	3.612	3.491	0.121	under
Enterprise and Sustainable Development	5.973	5.664	0.309	1.709	1.548	0.161	under
Roads, Transportation and Fleet	21.497	22.480	(0.983)	11.497	12.211	(0.714)	over
Education Resources	439.709	440.004	(0.295)	278.163	278.163	0.000	
Education	439.709	440.004	(0.295)	278.163	278.163	0.000	
Finance and Corporate Resources	44.104	44.320	(0.216)	35.497	35.497	0.000	
Finance Services - Strategy	2.306	2.272	0.034	2.407	2.371	0.036	under
Finance Services - Transactions	19.450	19.631	(0.181)	11.924	11.786	0.138	under
Audit and Compliance Services	0.411	0.417	(0.006)	0.397	0.412	(0.015)	over
Information Technology Services	5.542	5.542	0.000	7.782	7.870	(0.088)	over
Communications and Strategy Services	2.966	2.966	0.000	2.319	2.310	0.009	under
Administration and Licensing Services	4.510	4.730	(0.220)	3.457	3.623	(0.166)	over
Personnel Services	8.919	8.762	0.157	7.211	7.125	0.086	under
Housing and Technical Resources	17.592	17.592	0.000	20.238	20.238	0.000	
Housing Services	10.229	10.158	0.071	6.329	6.281	0.048	under
Property Services	7.363	7.434	(0.071)	13.909	13.957	(0.048)	over
Social Work Resources	239.322	239.322	0.000	141.048	140.957	0.091	under
Performance and Support Services	6.686	6.501	0.185	4.329	4.154	0.175	under
Children and Families	48.885	49.175	(0.290)	31.841	32.192	(0.351)	over
Adults and Older People	182.252	182.252	0.000	103.459	103.343	0.116	under
Justice and Substance Misuse	1.499	1.394	0.105	1.419	1.268	0.151	under
Joint Boards	2.053	2.053	0.000	1.421	1.421	0.000	
	882.059	882.570	(0.511)	562.504	562.413	0.091	under

<u>Committee</u>	Annual Budget	Annual Forecast AFTER Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion To 01/12/23	Actual to Period 10 01/12/23	Variance to 01/12/23	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	882.059	882.570	(0.511)	562.504	562.413	0.091	under
CFCR	0.038	0.038	0.000	0.000	0.000	0.000	-
Loan Charges	38.796	38.598	0.198	0.000	0.000	0.000	-
Corporate Items	(5.093)	(11.144)	6.051	0.316	(0.186)	0.502	under
Corporate Items – 23/24 Strategy	0.000	0.000	0.000	0.000	0.000	0.000	-
Investments – 2023/24 (T/f to Reserves)	2.994	2.994	0.000	0.000	0.000	0.000	-
Total Expenditure	918.794	913.056	5.738	562.820	562.227	0.593	under
Council Tax	179.102	182.394	3.292	123.994	123.994	0.000	over
Less: Council Tax Reduction Scheme	(23.278)	(23.308)	(0.030)	(16.116)	(16.116)	0.000	over
Net Council Tax	155.824	159.086	3.262	107.878	107.878	0.000	-
General Revenue Grant	350.757	350.757	0.000	242.832	242.832	0.000	-
Non-Domestic Rates	341.536	341.536	0.000	236.448	236.448	0.000	-
Transfer from Reserves	70.677	70.677	0.000	70.677	70.677	0.000	-
Total Income	918.794	922.056	3.262	657.835	657.835	0.000	-
Net Expenditure / (Income)	0.000	(9.000)	9.000	(95.015)	(95.608)	0.593	under

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 1 December 2023 (No.9)
Housing Revenue Account

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 01/12/23	Actual to Period 9 01/12/23	Variance to 01/12/23		%	Note
	£m	£m	£m	£m	£m	£m			
Employee Costs	15.310	15.401	(0.091)	10.015	10.054	(0.039)	over	(0.4%)	
Property Costs	50.929	56.610	(5.681)	29.002	32.968	(3.966)	over	(13.7%)	1
Supplies & Services	0.653	0.691	(0.038)	0.478	0.488	(0.010)	over	(2.1%)	
Transport & Plant	0.196	0.189	0.007	0.130	0.121	0.009	under	6.9%	
Administration Costs	5.570	5.597	(0.027)	0.363	0.378	(0.015)	over	(4.1%)	
Payments to Other Bodies	2.974	2.979	(0.005)	1.395	1.401	(0.006)	over	(0.4%)	
Payments to Contractors	0.100	0.145	(0.045)	0.062	0.062	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	24.390	24.390	0.000	-	0.0%	
Total Controllable Expenditure	102.894	108.774	(5.880)	65.835	69.862	(4.027)	over	(6.1%)	
Total Controllable Income	(115.940)	(116.768)	0.828	(70.811)	(71.086)	0.275	over recovered	0.4%	2
Transfer to/(from) Balance Sheet	(4.907)	(0.853)	(4.054)	(2.093)	0.000	(2.093)	under recovered	(100.0%)	3
Net Controllable Expenditure	(17.953)	(8.846)	(9.107)	(7.069)	(1.224)	(5.845)	over	(82.7%)	
Add: Non Controllable Budgets									
Financing Charges	17.953	8.846	9.107	5.584	0.000	5.584	under	-100.0%	
Total Budget	0.000	0.000	0.000	(1.224)	(1.224)	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.