

# Report

Report to:	<b>Executive Committee</b>
Date of Meeting:	<b>4 November 2020</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Revenue Budget Monitoring for Period 6: 1 April 2020 to 11 September 2020</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:

- ◆ advise the Committee on the overall financial position of the Council's General Fund Revenue Account and Housing Revenue Account for the period 1 April 2020 to 11 September 2020, and
- ◆ advise the Committee of an update on the 2020/2021 Revenue Budget for the Council's General Fund, taking into account the financial implications of the coronavirus pandemic.

## 2. Recommendation(s)

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

- (1) that the net overspend of £0.182 million on the General Fund Revenue Account at 11 September 2020, after COVID-19 spend and funding (Section 4 and Appendix 1), be noted;
- (2) that the breakeven position on the Housing Revenue Account at 11 September 2020 (section 5 and Appendix 4 of the report), and the forecast to 31 March 2021 of breakeven, be noted;
- (3) that the total net expenditure and lost income of £11.272 million in relation to COVID-19, offset by Government Grant included in the Council's position as at 11 September 2020 (section 4.4) be noted;
- (4) that the pressures being experienced in Children and Families and Adults and Older People (section 4.15 and 4.16), be noted; and
- (5) that the Council's predicted COVID-19 spend of £4.657 million for 2020/2021 (Table 3), be noted.

## 3. Background

### 3.1. General Services Position

The report will summarise the actual expenditure and income to 11 September 2020 compared with the budget for the same period. This includes spend to date due to the COVID-19 outbreak. This is summarised in Section 4.

### 3.2. Housing Revenue Account Position

The report also shows the expenditure and income position for the Housing Revenue Account (HRA) to 11 September 2020. This is summarised in Section 5.

### 3.3. **COVID-19 Update**

The Council is incurring additional costs in respect of COVID-19. The detail of this is summarised in section 6.

### 4. **General Fund Revenue Account Position**

- 4.1. As at 11 September 2020, the overspend before COVID-19 funding is £11.454 million. If we include the COVID-19 funding, the position is an overspend of £0.182 million as detailed in Appendix 1. This reflects the pressures in Social Work Resources' Children and Families, partially offset by an underspend in Community and Enterprise Resources.
- 4.2. This position takes account of the fact that all COVID-19 spend has been funded either from unspent budgets or the relevant Fund (Scottish Welfare Fund, Food Fund, Business Grants, Self-Employed Grants), with the balance of COVID-19 expenditure being funded from the Hardship Fund, Consequentials and Education specific funding (Teachers and Support, Mobilisation and Digital Inclusion).
- 4.3. The Social Care Mobilisation monies received via the NHS have also been included to offset the Social Work spend incurred.
- 4.4. The total Food Fund, Hardship Fund, Consequentials and Education specific funding utilised to 11 September 2020 is £11.272 million, which equates to 50.7% of the total funding confirmed to date (including the £0.751 million of funding used in 2019/2020). The reduction in percentage of funding utilised since period 5 reflects the inclusion of the Education specific funding. The COVID-19 pressures across Resources are included in the position in Appendix 1 and are detailed in Appendix 2. In addition, all of the Social Care Mobilisation monies received to date have been spent.
- 4.5. The position across all Resources is an overspend of £8.349 million as shown in Appendix 1 and is the result of COVID-19 and pressures within Social Work Resources. This is net of the Social Care Mobilisation monies which sit in the Resource. Spend in relation to the Food Fund (£3.105 million) is recorded under Corporate Items in Appendix 1. This takes the overspend position to £11.454 million (as reported at 4.1).
- 4.6. The spend in relation to the Food Fund includes the cost of Free School Meals (including paypoint charges), the cost of meal provision in Hubs and for the provision of food to vulnerable people and the Homeless.
- 4.7. Approval was received from this Committee (12 August 2020) to make the additional payment of £1.269 million to SLLC to manage the lost income pressure which is included in the Community and Enterprise Resources COVID costs. The loss of income experienced by SLLC is significant, and consideration on the sustainability of services delivered by the Trust will be required. The estimate for the full year included in the Cost of Recovery is £3.200 million.
- 4.8. **COVID-19 expenditure to Period 6:** The total COVID net expenditure as at 11 September is **£11.272 million** which has been funded from the Food Fund, Hardship Fund, Consequentials and Education specific funding.
- 4.9. Government funding notified to the Council and the corresponding expenditure budgets in relation to the Self Employed Hardship Fund are included in the Community and Enterprise Resources budget, while the expenditure budget for Discretionary Housing Payments and the expenditure and income for the Scottish Welfare Fund

payments and Small Business Support Grants are included in the Finance and Corporate Resources' budget.

4.10. In relation to the Transitional Funding for Childcare the expenditure and income budgets have both been included in Education Resource budget.

4.11. Table 1 provides a summary of this position across the various elements.

**Table 1 – Summary of the Cost of COVID-19 (to 11 September 2020)**

	Annual Budget £m	Actual to 11 September 2020 £m
<b>Expenditure / Lost Income: (Excluding Social Care Mobilisation)</b>		
Additional Resource Spend	0.000	6.858
Council Tax Income / CTRS	0.000	0.000
Food Fund Spend	0.000	3.105
Lost Income	0.000	3.127
<b>Total Expenditure / Lost Income</b>	<b>0.000</b>	<b>13.090</b>
Less: Unspent Budget	0.000	(1.818)
<b>Total Net Expenditure / Lost Income</b>	<b>0.000</b>	<b>11.272</b>
<b>Funded by:</b>		
Government Funding – Hardship Fund	(2.227)	(2.227)
Government Funding – Food Fund ( <i>Total allocation</i> )	(3.713)	(3.105)
Government Funding – Consequentials	(12.152)	(4.844)
Government Funding – Education specific (Teachers, Support, Mobilisation, and Digital Inclusion )	(4.889)	(1.096)
<b>Total Funding</b>	<b>(22.981)</b>	<b>(11.272)</b>
<b>Expenditure / Lost Income: Social Care Mobilisation</b>		
Additional Resource Spend	0.000	8.628
Unachieved Savings	0.000	0.345
Lost Income	0.000	0.355
<b>Total Expenditure / Lost Income</b>	<b>0.000</b>	<b>9.328</b>
<b>Funded by:</b>		
Government Funding – Social Care Mobilisation (actual received to date £5.464m – balance accrued)	<b>0.000</b>	<b>9.328</b>
<b>Total Funding</b>	<b>0.000</b>	<b>0.000</b>

4.12. Table 1 shows that, by 11 September 2020, excluding Social Care Mobilisation, already £11.272 million of the confirmed funding provided for COVID-19 has been utilised in 2020/2021. In total 50.7% of funding provided has been used to date. The percentage has decreased from last time due to the additional funding received for Education being included in this figure. Section 6 of this report provides details of the expected shortfall in funding for 2020/2021 in relation to spend made on COVID-19.

- 4.13. **Social Work:** Table 1 also shows that the Social Care Mobilisation monies received to date have been fully spent. As at 11 September 2020, the Council has been advised of £5.464 million of funding, and would need another £3.864 million to meet the spend of £9.328 million incurred to that point. The COVID-19 spend included in the services devolved to the Integrated Joint Board are being included in the Mobilisation Plan which the Scottish Government are using to allocate funds to the Health and Social Care Partnership. Councils have been told that all reasonable costs will be reimbursed. The Social Work Resources position includes the current expenditure and offsetting income of £9.328 million in relation to the cost of additional beds to facilitate discharge from hospital, PPE equipment, support for carers and staff overtime (Appendix 3). Monies received to date total £5.464 million.
- 4.14. There is a continued assumption that this year's additional costs of COVID-19 faced by services devolved to the IJB will be funded through the Mobilisation plan, therefore will be fully funded and therefore there is no account taken of this pressure in the figures. However, there is the real possibility that through actions taken now, there are legacy costs into future years (such as increased care home placements or use of external Home Care providers). Alongside the Health and Social Care Partnership, the Council will require to consider impact of any legacy overspends within the parameters of the current budget.
- 4.15. **Social Care - Children and Families:** Despite investment in the Service to cover pressures, we have seen financial pressures relating to Children and Families. The main reason is additional external residential placements made in the early part of the year. The overspend at period 6 is £0.243 million. Work is ongoing with the Service on actions to reduce this overspend further.
- 4.16. **Social Care – Adults and Older People:** In addition to the pressures being experienced in Children and Families, the Resource are starting to also see pressures in relation to increasing costs within the Home Care service. Work is ongoing to identify actions to manage this pressure, therefore no account has been taken in these figures regarding this pressure. At present the pressure faced is estimated at £1.3 million, however actions are being identified to reduce this going forwards. Work continues to establish any costs that are related to COVID to ensure they are reported to the Scottish Government as part of the Mobilisation plan. Actions are in place to look to manage the level of overspend for the year. This includes discussion with the IJB Chief Financial Officer on recovery plan solutions. An update will be provided in the next report to this Committee.
- 4.17. **Loan Charges:** There is currently no variance reported on the loan charges budget. However, it is worth noting that since the 2020/2021 Revenue Budget was set, there is now a lower requirement to borrow as a result of reduced spend levels within the capital programme, there has been no borrowing taken so far this year and interest rate forecasts are lower. As a result, an underspend is anticipated this year. Work is ongoing to quantify this and it will be brought to the Committee on 16 December 2020.
- 4.18. **Corporate Items - COVID-19:** The Corporate Items expenditure budget line in Appendix 1 shows the full year budget allocation, including COVID-19 funding, and at the 11 September 2020 is showing an underspend of £8.167 million which offsets the spend and lost income shown across Resources.
- 4.19. **Council Tax:** As a result of COVID-19, it is likely that Council Tax cash income will not be collected to the same level as before. Currently, for April to August, we have seen cancellations of direct debits, lower arrears collections and higher demand for Council Tax Reduction Scheme (CTRS) payments. However, as we will still look to

recover any unpaid council tax, comparing the actual impact on this year's budget will mean a minimal impact compared to the budget set therefore no costs have been included in the COVID-19 data or the period 6 position shown in the appendices.

- 4.20. This is still very much an estimate dependant on the level of Council Tax paid in year, and progress on collection of Council Tax debts. The position assumed includes the impact so far on the Council Tax Reduction Scheme.
- 4.21. It should be noted that the Scottish Government has set aside £50 million of funding to assist with the impact of COVID-19 on Council Tax and social security benefits, which will contribute to the costs of CTRS. The Scottish Government recently notified councils that they are distributing £25 million of this fund to assist in meeting the increased costs of the CTRS, including the administration costs of the additional caseload. The Council's allocation is £1.310 million and will be added to the figures in future reports.
- 4.22. **Former Trading Services Income:** Budgets for former trading services (Roads, Community and Property Services) include income from the HRA and from Capital. In the current COVID-19 financial climate it remains the position that these Revenue Services still need to recover costs as planned.
- 4.23. Arrangements have been made to ensure that budgeted income from the HRA and Capital continues to flow to these services. The position in this paper assumes that this continues to happen.

## **5. Housing Revenue Account Position**

- 5.1. As at 11 September 2020, Appendix 4 of the report shows a breakeven position against the phased budget on the Housing Revenue Account.
- 5.2. The Housing Revenue Account is incurring additional costs in respect of COVID-19. This includes a reduction in rental income collected, an increase in rent loss due to properties remaining void for longer periods, and the purchase of additional PPE. The COVID 19 lockdown has also caused an underspend on Repairs and Maintenance due to the inability to carry out work within homes.
- 5.3. As noted at 4.23 we have assumed that the HRA will continue to make payments to the former Trading Accounts at budgeted levels. These payments will continue until works recommence.
- 5.4. Within the break-even position, we have an anticipated year end transfer to reserves relating to the net underspend on repairs and maintenance due to COVID-19 lockdown. This funding will be required in future years to complete the repairs and maintenance work which we have currently been unable to carry out.
- 5.5. The forecast to 31 March 2021 on the Housing Revenue Account is a breakeven position.

## **6. Updated Revenue Budget Position 2020/2021 - COVID-19 Expenditure and Income Impacts**

- 6.1. The Council's recovery plan was approved by the Executive Committee on 24 June 2020. Updates are being provided to the COVID-19 Recovery Board on a 4 weekly basis.
- 6.2. The full year net costs previously reported to this Committee were estimated at £4.639 million. However, the most recent report to the Recovery Board (14 October 2020)

showed a revised cost of £4.657 million, following updates to the Resource spend positions and confirmation of the allocations of funding from the Scottish Government.

- 6.3. The position above does not include any costs in relation to the service delegated to the Integrated Joint Board (IJB) (section 4.13 and 4.14). The Council has submitted estimates of the total costs of the Social Care services delegated to the IJB to the Scottish Government as part of their mobilisation plan, totalling £23.6 million. We are still assuming that the Scottish Government will fully fund these costs, however, if we do not receive all of the funding this is a risk to the Council's financial position.
- 6.4. The revised net costs to the Council for 2020/2021, along with the Government Grant available, are summarised in Table 3. Table 3 also includes the level of savings not achievable and the SLLCT shortfall. The Table finally shows the net position assuming that the additional cost of Capital is managed through the Capital Programme.

**Table 3: Net Cost to the Council for 2020/2021 (Revised)**

	<b>£m</b>
Identify Costs for 2020/2021 including Recovery plans	26.710
Lost Income	8.859
Spend Not Made	(4.166)
<b>Net Cost to the Council in 2020/2021</b> <i>Detailed across Resources in Appendix 1</i>	<b>31.403</b>
Government Grant Confirmed to Date (mid-August 2020) - Hardship Fund balance (£2.227m), Food Fund (£1.937m and £1.345m), Consequential (£9.233m), Education Funding (£2.167m), IT Equipment Funding (£1.469m), Teachers (£1.300m), Transport Mobilisation (£0.072m), Mobilisation (£1.206m), and Consequential (£2.919m)	(23.875)
<b>Net Cost to the Council for 2020/2021 (after Government Grant)</b>	<b>7.528</b>
Savings Not Achievable	1.020
SLLCT Shortfall	3.200
<b>Revised Net Cost to the Council for 2020/2021</b>	<b>10.548</b>
Less: Costs Associated with Capital	(7.091)
<b>Revised Net Cost to the Council excluding Capital</b> <i>(shown in Appendices 5 and 6)</i>	<b>4.657</b>

- 6.5. The lost income in Table 3 above includes income in relation to SLLC. The figure shown has been updated following refinement of the estimates by SLLC. However, the final position will depend on the return to service and also on the uptake of those services.
- 6.6. The net cost reported in Table 3 includes a number of assumptions including the assumption that a level of charge is made to HRA and capital programmes (£23.485 million). If this level of recharge was not made the level of costs would increase to £28.142 million (see Appendix 6).
- 6.7. **Education Flexible Funding**  
As reported previously, of the £3.100 million of Pupil Equity funding that could be used to contribute towards the cost of COVID-19 under the flexibility provided by the Scottish Government, £1.500 million is required by schools to address inequity, leaving a balance of £1.600 million that could be spent on COVID-19 costs. This situation continues to be monitored.

- 6.8. **Council Tax / CTRS** - The figure does not include any impact of COVID-19 on Council Tax or CTRS, on the basis that a recent projection of the net income position, compared to budget for the year, shows a minimal variance.
7. **Funding Update**
- 7.1. Work continues on ensuring we are aware of all opportunities on funding to help meet costs pressures.
- 7.2. **Loss of Income Scheme:** Work continues between COSLA, the Scottish Government and Local Government stakeholders on designing a Loss of Income scheme appropriate for Scotland. COSLA has co-ordinated an exercise to collect and collate information relating to budgeted income across all service areas including ALEO's. This was shared with the Scottish Government and draft guidance is due to be issued, which COSLA will share with Directors of Finance in order to obtain their professional opinion on the proposals.
- 7.3. **Fiscal Flexibility:** It was previously reported that six requests were made to the Government for fiscal flexibilities including permission to borrow for revenue costs, flexibility on how capital grant is used, as well as holidays for debt interest and principal payments. The flexibilities requested also included being able to meet the costs of any deficit in our financial position over a number of years, and for flexibility in using any unspent business grants.
- 7.4. Of the six options previously proposed for consideration, three have been approved: the flexibility to use Capital Receipts to fund the Revenue cost of COVID-19, Loans Fund Principal Repayment Holiday and changes to the accounting for Service concessions for PPP/PFI contracts. Work is ongoing to fully understand the implications of the Service Concessions for PPP/PFI Contracts. It is our understanding that we will be able to benefit from the flexibility around capital receipts which would release £5 million of receipts that was identified to pay loan charges. Using this £5 million as flexibility means that the funding plan to use reserves created by the loans fund review will be brought forward. This would affect the period to 2024/2025. At present, we are unlikely to see benefit from the other 2 options.
- 7.5. COSLA has written to the Cabinet Secretary for Economy, Fair Work and Culture seeking commitment that the £15.5 million of the £107 million Culture Recovery Fund which has not been committed, be made accessible to Local Government to support local authority and ALEO cultural services. No feedback has been received to date.
- 7.6. **Education Funding:** Work is ongoing to ensure that the additional costs associated with the safe return to school are captured in a consistent way for the first term, to allow councils to access the additional £30 million that has been committed for this purpose.
- 7.7. **Health and Social Care Funding:** Discussions are currently taking place around the distribution of the remaining £17 million of the original £100 million of funding for Local Mobilisation Plans. In addition, the Local Mobilisation Plans, routed through IJB's, are currently being analysed by the Scottish Government with a view to making allocations to NHS Boards and Health and Social Care Partnerships over and above the £100 million already agreed. Recommendations for forward-looking allocations will be put to the Cabinet Secretary for consideration.
8. **Employee Implications**
- 8.1. None.

## **9. Financial Implications**

- 9.1. As detailed within this report.

## **10. Climate Change, Sustainability and Environmental Implications**

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

## **11. Other Implications**

- 11.1. 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.

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

## **12. Equality Impact Assessment and Consultation Arrangements**

- 12.1. 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.

- 12.2. 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)**

21 September 2020

### **Link(s) to Council Values/Ambitions/Objectives**

- ◆ Accountable, Effective, Efficient and Transparent

### **Previous References**

- ◆ None

### **List of Background Papers**

- ◆ Financial ledger and budget monitoring results to 11 September 2020

### **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**  
**Period Ended 11 September 2020 (No.6)**

<u>Committee</u>	Annual Budget	Annual Forecast	Annual Forecast Variance	Budget Proportion to 11/09/20	Actual to Period 6 11/09/20	Variance to 11/09/20	
Departments:	£m	£m	£m	£m	£m	£m	
<b>Community and Enterprise Resources</b>	<b>108.190</b>	<b>108.190</b>	<b>0.000</b>	<b>42.352</b>	<b>46.753</b>	<b>(4.401)</b>	<b>over</b>
Facilities Streets Waste and Grounds	66.087	66.087	0.000	24.560	24.458	0.102	under
Environmental Services (Inc. Projects)	0.925	0.925	0.000	(1.279)	(0.996)	(0.283)	over
Leisure and Culture Services	19.321	19.321	0.000	9.653	9.633	0.020	under
Planning and Economic Development	2.140	2.140	0.000	1.520	1.878	(0.358)	over
Roads	19.717	19.717	0.000	7.898	8.664	(0.766)	over
COVID19	0.000	0.000	0.000	0.000	3.116	(3.116)	over
<b>Education Resources</b>	<b>349.374</b>	<b>349.374</b>	<b>0.000</b>	<b>115.907</b>	<b>117.855</b>	<b>(1.948)</b>	<b>over</b>
Education	349.374	349.374	0.000	115.907	115.668	0.239	under
COVID19	0.000	0.000	0.000	0.000	2.187	(2.187)	over
<b>Finance and Corporate Resources</b>	<b>36.143</b>	<b>36.143</b>	<b>0.000</b>	<b>20.240</b>	<b>21.305</b>	<b>(1.065)</b>	<b>over</b>
Finance Services - Strategy	1.982	1.982	0.000	1.535	1.531	0.004	under
Finance Services - Transactions	13.685	13.685	0.000	7.099	7.179	(0.080)	over
Audit and Compliance Services	0.330	0.330	0.000	0.282	0.281	0.001	under
Information Technology Services	4.707	4.707	0.000	4.144	4.042	0.102	under
Communications and Strategy Services	0.957	0.957	0.000	0.642	0.717	(0.075)	over
Administration and Licensing Services	4.204	4.204	0.000	2.390	2.566	(0.176)	over
Personnel Services	10.278	10.278	0.000	4.148	4.147	0.001	under
COVID19	0.000	0.000	0.000	0.000	0.842	(0.842)	over
<b>Housing and Technical Resources</b>	<b>13.994</b>	<b>13.994</b>	<b>0.000</b>	<b>4.465</b>	<b>4.936</b>	<b>(0.471)</b>	<b>over</b>
Housing Services	8.543	8.543	0.000	2.011	2.011	0.000	-
Property Services	5.451	5.451	0.000	2.454	2.454	0.000	-
COVID19	0.000	0.000	0.000	0.000	0.471	(0.471)	over
<b>Social Work Resources</b>	<b>172.411</b>	<b>172.411</b>	<b>0.000</b>	<b>80.937</b>	<b>81.401</b>	<b>(0.464)</b>	<b>over</b>
Performance and Support Services	8.043	8.043	0.000	3.634	3.622	0.012	under
Children and Families	35.608	35.608	0.000	15.206	15.449	(0.243)	over
Adults and Older People	127.253	127.253	0.000	61.751	61.778	(0.027)	over
Justice and Substance Misuse	1.507	1.507	0.000	0.346	0.310	0.036	under
COVID19	0.000	0.000	0.000	0.000	0.242	(0.242)	over
<b>Joint Boards</b>	<b>2.245</b>	<b>2.245</b>	<b>0.000</b>	<b>0.914</b>	<b>0.914</b>	<b>0.000</b>	<b>-</b>
	<b>682.357</b>	<b>682.357</b>	<b>0.000</b>	<b>264.815</b>	<b>273.164</b>	<b>(8.349)</b>	<b>over</b>

  

<u>Committee</u>	Annual Budget	Annual Forecast	Annual Forecast Variance	Budget Proportion to 11/09/20	Actual to Period 6 11/09/20	Variance to 11/09/20	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	682.357	682.357	0.000	264.815	273.164	(8.349)	over
CFCR	1.531	1.531	0.000	0.000	0.000	0.000	-
Loan Charges	49.743	49.743	0.000	21.318	21.318	0.000	-
Corporate Items	5.706	5.706	0.000	0.064	0.064	0.000	-
Corporate Items – COVID-19	22.981	22.981	0.000	11.272	3.105	8.167	under
Corporate Items – 21/22 Strategy	5.389	5.389	0.000	0.000	0.000	0.000	-
<b>Total Expenditure</b>	<b>767.707</b>	<b>767.707</b>	<b>0.000</b>	<b>297.469</b>	<b>297.651</b>	<b>(0.182)</b>	<b>over</b>
Council Tax	159.471	159.471	0.000	68.345	68.345	0.000	-
Less: Council Tax Reduction Scheme	(21.304)	(21.304)	0.000	(9.130)	(9.130)	0.000	-
Net Council Tax	138.167	138.167	0.000	59.215	59.215	0.000	-
General Revenue Grant	344.036	344.036	0.000	146.557	146.557	0.000	-
General Revenue Grant - COVID19	24.594	24.594	0.000	9.233	9.233	0.000	-
Non Domestic Rates	226.179	226.179	0.000	102.421	102.421	0.000	-
Transfer from Reserves	34.731	34.731	0.000	34.731	34.731	0.000	-
<b>Total Income</b>	<b>767.707</b>	<b>767.707</b>	<b>0.000</b>	<b>352.157</b>	<b>352.157</b>	<b>0.000</b>	<b>-</b>
<b>Net Expenditure / (Income)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(54.688)</b>	<b>(54.506)</b>	<b>(0.182)</b>	<b>over</b>

**SOUTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report**  
**Period Ended 11 September 2020 (No.6)**

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

	<b>Annual Budget</b>	<b>Annual Forecast</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion to 11/09/20</b>	<b>Actual to Period 6 11/09/20</b>	<b>Variance to 11/09/20</b>	
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	
Employee Cost	529.379	529.379	0.000	227.122	229.416	(2.294)	over
Property Costs	52.843	52.843	0.000	11.877	12.894	(1.017)	over
Supplies and Services	54.440	54.440	0.000	20.280	15.952	4.328	under
Transport Costs	40.409	40.409	0.000	17.234	17.186	0.048	under
Administration Costs	15.274	15.274	0.000	5.976	6.032	(0.056)	over
Payments to Other Bodies	116.889	116.889	0.000	70.065	69.977	0.088	under
Payments to Contractors	199.970	199.970	0.000	77.232	82.473	(5.241)	over
Transfer Payments	5.741	5.741	0.000	3.796	3.655	0.141	under
Housing Benefits	70.686	70.686	0.000	28.113	26.913	1.200	under
Financing Charges (controllable)	2.089	2.089	0.000	1.149	1.251	(0.102)	over
<b>Total</b>	<b>1,087.720</b>	<b>1,087.720</b>	<b>0.000</b>	<b>462.844</b>	<b>465.749</b>	<b>(2.905)</b>	<b>over</b>
Service Departments Total	1,087.720	1,087.720	0.000	462.844	465.749	(2.905)	over
CFCR	1.531	1.531	0.000	0.000	0.000	0.000	-
Loan Charges	49.743	49.743	0.000	21.318	21.318	0.000	-
Corporate Items	5.706	5.706	0.000	0.064	0.064	0.000	-
Corporate Items - COVID-19	22.981	22.981	0.000	11.272	3.105	8.167	under
Corporate Items - 21/22 Strategy	5.389	5.389	0.000	0.000	0.000	0.000	-
<b>Total Expenditure</b>	<b>1,173.070</b>	<b>1,173.070</b>	<b>0.000</b>	<b>495.498</b>	<b>490.236</b>	<b>5.262</b>	<b>under</b>
<b>Income</b>							
Housing Benefit Subsidy	65.542	65.542	0.000	25.826	24.808	(1.018)	under rec
Other Income	339.821	338.821	0.000	172.203	167.777	(4.426)	under rec
Council Tax (Net of Council Tax Reduction Scheme)	138.167	138.167	0.000	59.215	59.215	0.000	-
General Revenue Grant	344.036	344.036	0.000	146.557	146.557	0.000	-
General Revenue Grant - COVID-19	24.594	24.594	0.000	9.233	9.233	0.000	-
Non Domestic Rates	226.179	226.179	0.000	102.421	102.421	0.000	-
Transfer from Reserves	34.731	34.731	0.000	34.731	34.731	0.000	-
<b>Total Income</b>	<b>1,173.070</b>	<b>1,173.070</b>	<b>0.000</b>	<b>550.186</b>	<b>544.742</b>	<b>(5.444)</b>	<b>under rec</b>
<b>Net Expenditure / (Income)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(54.688)</b>	<b>(54.506)</b>	<b>(0.182)</b>	<b>over</b>

## COVID-19 Expenditure to 11 September 2020

## Additional Costs

Service	Description of Cost	Value £m
<b>Community and Enterprise Resources</b>		
Fleet, Environmental and Projects	Staffing costs supporting COVID response	0.142
Facilities, Streets, Waste and Grounds	Staffing costs supporting COVID response	0.027
Planning and Economic Development	Staffing costs supporting COVID response	0.003
Facilities, Streets, Waste and Grounds	PPE, Equipment and cleaning materials for staff.	0.707
Facilities, Streets, Waste and Grounds	Fleet costs including fuel supporting COVID19 response	0.101
Facilities, Streets, Waste and Grounds and Fleet, Environmental and Projects	Printing and Stationery, signage and mobile phones	0.047
Facilities, Streets, Waste and Grounds	Increase in domestic waste tonnage	0.810
Facilities, Streets, Waste and Grounds	Webcast system and live webcasts	0.010
Leisure	Impact of lost income on SLLCT establishments	1.269
<b>Education Resources</b>		
Schools	Supply Teachers (April, May and June)	0.502
Support Services	Education Additional Staffing (to August)	0.100
Schools	Additional Teachers	0.254
Schools	Additional School Support Assistants	0.021
YFCL	Hub School Janitors (April and May)	0.020
YFCL	YFCL Sessional Additional Hours (April and May)	0.032
YFCL	Summer Hubs Sessional Sat (July and August)	0.220
Schools	Facilities Orders (Hand sanitisers / soap dispensers / bins / wipes / hand towels)	0.264
Schools / ELC	Central Orders (Gloves /wipes / aprons / masks)	0.557
Schools	Hub Schools Supplies / Materials	0.064
Schools	Schools Hand Washing Supplies / Home Working Materials etc	0.025
Schools	Hub Schools Replenishment of Supplies / Materials	0.023
Schools	Signage / Posters / Stickers	0.062
ELC	ELC Provision to Key Workers	0.043
<b>Finance and Corporate Resources</b>		
IT Services	IT related spend to allow home working and PPP cleaning	0.170
Finance (Transactions), Personnel and Communications and Strategy	Additional staff costs to process Business Grants, Scottish Welfare Fund applications, work on Wellbeing line and provision of additional information on social media.	0.501
All	PPE, Telephones and mail to support COVID response	0.121
Finance (Transactions)	Benefits costs associated with homeless use of Bed and Breakfast	0.050
<b>Housing and Technical Resources</b>		
Housing and Property Services	Temporary accommodation costs for homeless people, set up costs for temporary mortuary facility and the cost of PPE for housing and property services staff.	0.471
<b>Social Work Resources</b>		
Children & Family, Justice	Staffing costs to maintain service in children's home, support to vulnerable families and young people and costs related to the early release from prison	0.242
<b>Total Additional Costs as at Period 6</b>		<b>6.858</b>

**Council Tax and Council Tax Reduction Scheme (CTRS)**

Service	Description of Lost Income	Value £m
Council Tax	Loss of 2020/21 Council Tax Income including cancelled Direct Debits at end July 2020	0.000
Council Tax	Loss of Council Tax arrears collection income at end July 2020	0.000
CTRS	Cost of additional payments as at end July 2020	0.000
<b>Additional Cost/Lost Income as at Period 5</b>		<b>0.000</b>

**Expenditure on Food Fund**

Service	Description of Cost	Value £m
Corporate Items	Expenditure on Food Fund related items including Free School Meals provision, paypoint costs for Free School Meals, provision of meals to hubs and social work and food to vulnerable households	3.105
<b>Additional Costs as at Period 6</b>		<b>3.105</b>

**Lost Income**

Service	Description of Lost Income	Value £m
<b>Community and Enterprise Resources</b>		
Planning and Economic Development	Reduced income from Planning applications	0.390
Roads	Reduced Parking income and income from Roads Act legislation	0.939
Facilities, Streets, Waste and Grounds	Reduced school meals, care of gardens and special uplifts income	1.114
Fleet, Environmental and Projects	Reduced income from taxi inspections.	0.043
<b>Education Resources</b>		
Early Years	Reduced income from Early Years Fees, playgroups and nursery milk claims	0.354
Support Services	Reduced income from Music Tuition fees	0.059
Support Services	Reduced income from Privilege transport	0.005
<b>Finance and Corporate Resources</b>		
Administration, Legal and Licensing	Reduced income for Licensing and Registration	0.138
Communications and Strategy	Reduced print room income.	0.085
<b>Total Lost Income as at Period 6</b>		<b>3.127</b>

**Unspent Budget**

Service	Description of Lost Income	Value £m
<b>Community and Enterprise Resources</b>		
Facilities, Streets, Waste and Grounds	Reduced expenditure on food purchases	(1.054)
Facilities, Streets, Waste and Grounds	Reduced expenditure on fireworks display	(0.020)
Planning and Economic Development	Reduced expenditure due to cancellation of Christmas events	(0.045)
Roads	On flooding works	(0.042)
<b>Education Resources</b>		
Support Services	West Partnership Income	(0.012)
Schools	Gas (April and May)	(0.103)
YFCL	Holiday Lunch Clubs	(0.542)
<b>Unspent Budget as at Period 6</b>		<b>(1.818)</b>

<b>Net Cost of COVID-19 as at Period 6</b>		<b>11.272</b>
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**SOUTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report**  
**Period Ended 11 September 2020 (No.6)**  
**Housing Revenue Account**

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 11/09/20	Actual to Period 6 11/09/20	Variance to 11/09/20		%	Note
	£m	£m	£m	£m	£m	£m			
Employee Costs	13.721	13.721	0.000	5.831	5.733	0.098	under	1.7%	1
Property Costs	46.661	46.661	0.000	19.855	19.751	0.104	under	0.5%	2
Supplies & Services	0.996	0.996	0.000	0.258	0.264	(0.006)	over	(2.3%)	
Transport & Plant	0.195	0.195	0.000	0.026	0.026	0.000	-	0.0%	
Administration Costs	5.644	5.644	0.000	2.442	2.449	(0.007)	over	(0.3%)	
Payments to Other Bodies	3.176	3.176	0.000	1.397	1.397	0.000	-	0.0%	
Payments to Contractors	0.100	0.100	0.000	0.080	0.081	(0.001)	over	(1.3%)	
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	-	n/a	
Financing Charges	19.448	19.448	0.000	5.807	5.805	0.002	under	0.0%	
Total Controllable Expenditure	89.941	89.941	0.000	35.696	35.506	0.190	under	0.5%	
Total Controllable Income	(107.634)	(107.634)	0.000	(39.689)	(38.945)	(0.744)	under rec	(1.9%)	3
Transfer to/(from) Balance Sheet	(0.315)	(0.315)	0.000	(0.142)	(0.696)	0.554	over rec	390.1%	4
Net Controllable Expenditure	(18.008)	(18.008)	0.000	(4.135)	(4.135)	0.000	-	0.0%	
Add: Non Controllable Budgets									
Financing Charges	18.008	18.008	0.000	8.091	8.091	0.000	-	0.0%	
Total Budget	0.000	0.000	0.000	3.956	3.956	0.000	-	0.0%	

**Variance Explanations**

**1. Employee Costs**

This underspend reflects the level of turnover within the Service.

**2. Property Costs**

This underspend reflects the reduction in the level of repairs and maintenance that can be undertaken due to COVID19 lockdown.

**3. Income**

The under recovery of income reflects the delay in the level of additional new build properties due to COVID19 lockdown.

**4. Transfer to/(from) Balance Sheet**

This reflects the current anticipated year end transfer from reserves. The transfer will depend on the final outturn, and currently the transfer required is higher than anticipated due to the under recovery of income as a result of COVID19 lockdown. The position will be closely monitored as lockdown arrangements change over the coming months.

## Appendix 5

Budget Revision 2020/2021	Community and Enterprise	Education	Finance and Corporate	Housing and Technical	Social Work	Total
<b>Projected Costs including Recovery Plan</b>	8.863	10.331	1.573	5.527	0.416	<b>26.710</b>
<b>Lost Income</b>	7.128	0.755	0.476	0.500	0	<b>8.859</b>
<b>Total Costs</b>	<b>15.991</b>	<b>11.086</b>	<b>2.049</b>	<b>6.027</b>	<b>0.416</b>	<b>35.569</b>
<b>Less: Spend Not Made</b>	(2.880)	(0.850)	(0.436)	0	0	<b>(4.166)</b>
<b>Net Cost to the Council in 2020/2021</b>	<b>13.111</b>	<b>10.236</b>	<b>1.613</b>	<b>* 6.027</b>	<b>0.416</b>	<b>31.403</b>
<b>Funding</b>						
- Hardship Fund (£50m)						<b>2.227</b>
- Consequentials (£155m)						<b>9.233</b>
- Food Fund (£30m)						<b>1.937</b>
- Additional Food Fund (£27.6m)						<b>1.345</b>
- Additional Education Funding Streams (£130m) (confirmed element for 2020/2021 only)						<b>2.167</b>
- IT Equipment (Revenue and Capital)						<b>1.469</b>
- Teachers (£30m)						<b>1.300</b>
- Transport Mobilisation (£1.5m)						<b>0.072</b>
- Mobilisation (£20m)						<b>1.206</b>
- Consequentials (£49m)						<b>2.919</b>
<b>Total Funding</b>						<b>23.875</b>
Add: Savings Not Achievable						<b>1.020</b>
Add: SLLCT Shortfall						<b>3.200</b>
Less: Costs Associated with Capital						<b>(7.091)</b>
<b>Balance</b>						<b>4.657</b>

\* these figures assume that income is recharged to HRA and Capital for the period of lockdown

**Presentation of costs including recharging to HRA and Capital**

	£m	£m
Overall Costs and loss of income (including lost income from Property services, and Ground / facilities and waste services)		54.888
SLLC and Savings not Achievable		<u>4.220</u>
		<b>59.108</b>
Less : Recharging to HRA , General Fund and Capital	<b>** (23.485)</b>	
Less : Capital costs being met from capital	<u>(7.091)</u>	<u>(30.576)</u>
Revised costs		28.532
Less : Government Grant confirmed		<u>(23.875)</u>
<b>Net costs to the council (excluding capital)</b>		<b>4.657</b>

**\*\* As shown at Section 6.12 – if costs are not recharged to HRA and Capital the overall costs increase to £28.142m (£23.485m + £4.657m)**