

Report

Report to:	Executive Committee
Date of Meeting:	13 May 2020
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Revenue Budget Monitoring for Period 12 - 1 April to 28 February 2020 and Probable Outturn
----------	---

1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ advise on the overall financial position of the Council's General Fund Revenue Account and Housing Revenue Account for the period 1 April 2019 to 28 February 2020, and a projection for the year to 31 March 2020.

2. Recommendation(s)

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

- (1) that the revised probable outturn, after taking into account the additional council tax and loss of income by SLLC, to 31 March 2020 and after transfers to reserves, is an underspend of £2.668 million (Appendix 1), be noted;
- (2) that the underspend of £2.736 million on the General Fund Revenue Account after transfers to reserves at 28 February 2020, as detailed in Appendix 1 of the report, be noted;
- (3) that the breakeven position on the Housing Revenue Account at 28 February 2020, as detailed in Appendix 3 of the report, and the forecast to 31 March 2020 of breakeven, be noted;
- (4) that the COVID19 update detailing the additional costs of £1.193 million incurred to 3 April 2020 only (section 7.5), be noted; and
- (5) that the ongoing dialogue between the Scottish Government and COSLA regarding funding of these additional costs (section 7.13), be noted.

3. Background

3.1. General Services Position

This overview report will summarise the 2019/2020 Probable Outturn position for the Council's General Fund Revenue Account to 31 March 2020 (Section 4). It will also provide the position on the General Fund Account and the Housing Revenue Account for the current period 1 April 2019 to 28 February 2020 (Section 5).

4. 2019/2020 General Services Probable Outturn

4.1. The probable outturn position for the Council was revised in the report to the Executive Committee (25 March 2020). This was to reflect the anticipated increase in Council Tax income (£0.100 million) and also the allocation to South Lanarkshire Leisure and Culture (SLLC) to allow them to manage the pressure resulting from the loss of income in the current year (£0.090 million). The revised forecast is an underspend of £2.668 million after transfers to reserves.

5. 2019/2020 General Services Monitoring Position

5.1. Financial Position as at 28 February 2020 (Period 12)

As at 28 February 2020, the position on the General Fund after approved transfers to reserves is an underspend of £2.736 million (Appendix 1). Appendix 2 shows the position before transfers to reserves. This is in line with the probable outturn position being reported. The position of each Resource is detailed below.

- 5.2. Community and Enterprise Resources:** As at period 12, the Resource is showing an overspend of £0.296 million after approved transfers to reserves (£0.186 million overspend before transfers to reserves). The actual net overspend position at period 12 reflects the legal costs from the food safety case and the timing of efficiencies within Fleet, Environmental and Project Services, as previously reported. These are partially offset by an underspend in employee costs and an over recovery of income within Planning and Economic Development. The position also includes the additional allocation of £0.090 million to SLLC (section 4.1).
- 5.3. Education Resources:** As at period 12, the Resource is showing an overspend of £0.125 million after approved transfers to reserves (£2.898 million underspend before transfers to reserves). The actual net underspend position at period 12 before transfers reflects the previously reported timing of Pupil Equity Fund expenditure, the timing of expenditure on the delivery of Early Years' 1140 hours expansion and school counselling projects as well as an over recovery of income from Early Years' fees. This is partially offset by an overspend on Teachers' salaries due to pupil growth and an overspend on school transport costs.
- 5.4. Finance and Corporate Resources:** The position as at period 12 is a breakeven position. There are no proposed transfers to reserves. The breakeven position reflects underspends in employee costs in Finance (Transactions) and underspends on employability and sanitary products within Personnel Services. These are offset by overspends due to lower than anticipated turnover in Finance (Strategy) and IT Services, and a reduction in external income within Communications and Strategy.
- 5.5. Housing and Technical Resources:** As at period 12, the Resource is showing a breakeven position after approved transfers to reserves (£0.242 million underspend before transfers to reserves). This underspend position before transfers reflects an underspend in Housing Services within the homeless services and is also due to the timing of the rollout of the Rapid Rehousing Transition Programme.
- 5.6. Social Work Resources:** The position at period 12 is a net overspend of £1.926 million. There are no proposed transfers to reserves. This reflects the overspend in Children and Families due to demand, as previously reported, and an overspend in Adults and Older People due to demand for community based services. This overspend is partially offset by an underspend in Justice Services.
- 5.7.** The Chief Financial Officer of the Health and Social Care Partnership has been asked to consider the option of a non-recurring contribution from the Health and Social Care Partnership to cover the additional costs within Adults and Older People Services. At the Board Meeting on the 18 February 2020, the IJB approved the request to delegate authority to the Chief Officer to draw down up to £0.350 million from the IJB contingency reserves, should it be required by the Council for this.
- 5.8. Loan Charges:** The position at period 12 is showing an underspend of £1.903 million after approved transfers to reserves (£8.512 million underspend before transfers to reserves). The underspend position before transfers reflects the

previously reported re-phasing of the principal repayment on debt and the impact on 2019/2020 of the interest rates on the borrowing taken in 2018/2019. In addition, the Council will not require to borrow this year and instead, cash balances have been used to fund capital spend incurred. The balance of the underspend relates to an estimate of interest from deposits and interest on the balances held in the Council's reserves during the year.

- 5.9. As reported previously, this position does not take into account the outcome of the work that has taken place in the Loans Fund Review. Members were previously advised that a report showing the potential impact of the debt re-profiling for the Council will be developed and reported to a future meeting of the Executive Committee during 2020. It is anticipated that there is a potential financial benefit to the Council which could assist with future Budget Strategies as well as addressing the temporary solutions currently included in the 2020/2021 approved Budget Strategy.
- 5.10. **Corporate Items:** The position being reported at period 12 is an overspend of £0.630 million after approved transfers to reserves (£0.367 million overspend before transfers to reserves). This reflects the previously reported additional costs of Auto Enrolment partially offset by the over recovery of income in relation to spend to save project repayments which will be transferred back to the Central Energy Efficiency Fund Reserve at the year end.
- 5.11. The period 12 position does not yet include the impact of the year end entries including the bad debt provision and Council Tax Second Home commitment which will not be known until the end of the financial year.
- 5.12. **Corporate Items - 2020/2021 Strategy:** The period 12 position is a breakeven position after approved transfers to reserves (£0.490 million underspend before transfers to reserves). The underspend reflects the previously reported budgets not required in the current year which is being transferred to reserves for use in the 2020/2021 budget strategy.
- 5.13. **Council Tax and Council Tax Reduction Scheme:** The period 12 position is showing an over recovery of £3.810 million. This over recovery reflects the collection of arrears, property numbers and income from empty long term properties. There is also income from second homes which will be offset by an expenditure commitment within Corporate Items. In addition, there is an underspend as a result of the reduction in demand for the Council Tax Reduction Scheme. The final position on these budget lines will be reported at year end.
- 5.14. **Other Funding**
There has been no additional funding notified since the last report.
- 6. Housing Revenue Account Position**
- 6.1. As at 28 February 2020, Appendix 3 of the report shows a breakeven position against the phased budget on the Housing Revenue Account.
- 6.2. The forecast to 31 March 2020 on the Housing Revenue Account is a breakeven position.
- 7. COVID-19 – Expenditure and Funding Update**
- 7.1. The Council is reacting to the emerging issue of COVID-19, and unbudgeted expenditure will require to be made. The Scheme of Delegation provides authority

for the Chief Executive to allocate resources in the event of an emergency and report any action taken to committee as appropriate.

- 7.2. As part of the last report to this Committee, it was agreed that any spend made in this regard would be reported to this Committee alongside future financial monitoring reports.
- 7.3. The monitoring figures contained within this report are as at 28 February 2020 and therefore do not contain or reflect any additional costs as a result of COVID 19. However subsequently, the Council has now begun to incur additional costs and in order to capture these, specific cost centres have been set up to separately collate the spend for each Resource.
- 7.4. These costs include IT related costs to enable home working, the costs of a dedicated telephone line where vulnerable people can call to seek assistance, interim placements for hospital discharges, emergency accommodation and protective equipment for staff.
- 7.5. As at 3 April 2020, the expenditure (actual and committed) was £1.193 million, as detailed across Resources below:

Resource	Level of Spend (actual and committed)
Community and Enterprise	£256,055
Education	£33,679
Finance and Corporate	£337,663
Housing and technical	£79,651
Social Work	£486,250
Total	£1,193,298

These figures represent spend to the 3 April 2020. There will be further expenditure going forwards. We also expect that the level of Council tax collected will reduce, with more claims being made for Council Tax Reduction Scheme (CTRS) neither of which is included in these figures. Additional funding is being made available to contribute towards CTRS, but we will expect to see higher levels of bad debt on Council Tax. There will also be ongoing additional costs in relation to spend on Business Grants which is being funded by Scottish Government.

- 7.6. The £1.193 million reflects all costs incurred in respect of COVID19 from mid-March to 3 April 2020. As detailed in the table, this spend to date includes expenditure on Social Work Resources' activities. The IJB element of this spend is being recorded for submission to the Scottish Government as part of the IJB Mobilisation Plan. As a result of this bridging the financial year-end, not all of these costs will be incurred in 2019/2020. Some of it will relate to 2020/2021. There are still more costs to be included when the invoices are submitted and processed for this time period. This will be clarified through the year-end accounting process (section 7.10).
- 7.7. In addition to this, there are other areas where the Council will incur spend directly as a result of COVID -19. This includes:
- Payment to households in lieu of Free School meals (£260k per fortnight)
 - Costs of providing food for the vulnerable – estimated £10k per week.
 - Additional crisis grants through the Scottish Welfare Fund
 - Payment of Business Grants

- 7.8. In relation to Free School Meals, £30 per fortnight is being paid to those eligible for free school means. The cost of this to the start of school term will be £2.6 million. £1.9 million of funds has been provided by the Government from the Food Fund. funding provided to the Council to date is detailed in section 7.11.
- 7.9. There are other areas of Council business where there is expected to be a financial impact. The level of this impact is still being identified and will be reported later. This includes:
- Impact of non-collection of Income (Council Tax / Rents / parking etc)
 - The impact on surplus levels for Roads and Property services
 - SLLC – impact of lost income
- 7.10. **Year End Position and Impact of COVID-19**
Officers are currently working on the final outturn position for 2019/2020, and although the figures are not yet complete, the outturn position will include spend for COVID19. The main impact on the 2019/2020 outturn position is likely to be the result of a reduced level of income, particularly in relation to South Lanarkshire Leisure and Culture activities (estimated at £0.450 million) and from expenditure resulting from contractual claims for delays in construction projects, the value of which is still under discussion.
- 7.11. **Funding**
Since the last report to Committee, the Council has been notified of a number of funding streams that will be available to help manage the costs incurred as a result of COVID19.
- 7.12. To date, the Council has been notified of the following additional funding allocations, which will be received in financial year 2020/2021:
- Share of £50 million allocated direct to local authorities based on their Grant Aided Expenditure (**£2.978 million**)
 - Share of additional £45 million Scottish Welfare Fund. Of this, £22 million has been allocated (**£1.389 million**). The remainder is being held back by government and will be distributed later based on need.
 - Share of a £30 million Food Fund (**£1.937 million**). This funding is to contribute towards the free school meals and Food for the Vulnerable It is estimated that the shortfall in funding will be over £0.800 million.
 - Share of £1 billion Business Support Funding to provide grants to local businesses. 80% has been distributed (**£36.690 million**). The Council's estimated total allocation is £46.2 million, however, discussions are ongoing with the Government as we expect the level of payments made to be higher than this.
- 7.13. The Finance Secretary has written to COSLA (20 April 2020) to confirm the Scottish Government's commitment to working closely with Local Government, to arrange the best support they can provide collectively for the local communities across Scotland. In addition to the funding already confirmed, the Scottish Government will continue to work with COSLA to secure the additional resources needed from HM Treasury to provide the additional financial support and flexibility that local government requires in response to this crisis.

7.14. COSLA Return

In addition to officers collating information in relation to COVID19, COSLA have issued councils with a return, requesting information on councils' expected additional costs, loss of income and reduced spend.

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.

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)

31 March 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 28 February 2020

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 28 February 2020 (No.12)

<u>Committee</u>	Annual Budget	Annual Forecast AFTER Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion to 28/02/20	Actual to Period 12 28/02/20	Variance to 28/02/20	
Departments:	£m	£m	£m	£m	£m	£m	
Community and Enterprise Resources	108.704	108.938	(0.234)	100.895	101.191	(0.296)	over
Facilities Streets and Waste (Inc. Support)	66.390	66.444	(0.054)	58.277	58.342	(0.065)	over
Fleet, Environmental and Projects	1.479	2.117	(0.638)	1.256	1.913	(0.657)	over
Leisure and Culture Services	19.505	19.550	(0.045)	19.436	19.474	(0.038)	over
Planning and Economic Development	1.955	1.433	0.522	4.923	4.453	0.470	under
Roads	19.375	19.394	(0.019)	17.003	17.009	(0.006)	over
Education Resources	339.893	339.931	(0.038)	295.580	295.705	(0.125)	over
Finance and Corporate Resources	34.363	34.363	0.000	39.070	39.070	0.000	-
Finance Services - Strategy	2.139	2.218	(0.079)	3.292	3.370	(0.078)	over
Finance Services - Transactions	12.638	12.388	0.250	14.111	13.831	0.280	under
Audit and Compliance Services	0.365	0.362	0.003	0.525	0.524	0.001	under
Information Technology Services	4.995	5.102	(0.107)	6.138	6.230	(0.092)	over
Communications and Strategy Services	1.034	1.204	(0.170)	1.316	1.496	(0.180)	over
Administration and Licensing Services	3.780	3.821	(0.041)	4.902	4.922	(0.020)	over
Personnel Services	9.412	9.268	0.144	8.786	8.697	0.089	under
Housing and Technical Resources	17.086	17.086	0.000	17.074	17.074	0.000	-
Housing Services	8.515	8.449	0.066	6.923	6.864	0.059	under
Property Services	8.571	8.637	(0.066)	10.151	10.210	(0.059)	over
Social Work Resources	164.649	166.888	(2.239)	141.108	143.034	(1.926)	over
Performance and Support Services	7.657	7.676	(0.019)	6.935	6.856	0.079	under
Children and Families	33.059	34.989	(1.930)	29.504	31.208	(1.704)	over
Adults and Older People	122.613	123.059	(0.446)	103.685	104.125	(0.440)	over
Justice and Substance Misuse	1.320	1.164	0.156	0.984	0.845	0.139	under
Joint Boards	2.151	2.151	0.000	1.995	1.995	0.000	-
	666.846	669.357	(2.511)	595.722	598.069	(2.347)	over
<u>Committee</u>	Annual Budget	Annual Forecast AFTER Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion to 28/02/20	Actual to Period 12 28/02/20	Variance to 28/02/20	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	666.846	669.357	(2.511)	595.722	598.069	(2.347)	over
CFCR	0.000	0.000	0.000	0.000	0.000	0.000	-
Loan Charges	53.916	52.013	1.903	53.916	52.013	1.903	under
Corporate Items	2.144	3.313	(1.169)	(0.264)	0.366	(0.630)	over
Corporate Items - 2020/2021 Strategy	0.540	0.540	0.000	0.540	0.540	0.000	-
Transfer to Reserves	0.000	0.000	0.000	0.000	0.000	0.000	-
Total Expenditure	723.446	725.223	(1.777)	649.914	650.988	(1.074)	over
Council Tax	152.487	156.094	3.607	130.703	133.795	3.092	over rec
Less: Council Tax Reduction Scheme	(20.480)	(19.642)	0.838	(17.554)	(16.836)	0.718	under
Net Council Tax	132.007	136.452	4.445	113.149	116.959	3.810	over rec
General Revenue Grant	223.047	223.047	0.000	190.050	190.050	0.000	-
Non Domestic Rates	341.166	341.166	0.000	314.922	314.922	0.000	-
Transfer from Reserves	27.226	27.226	0.000	27.226	27.226	0.000	-
Total Income	723.446	727.902	4.445	645.347	649.157	3.810	over rec
Net Expenditure / (Income)	0.000	(2.668)	2.668	4.567	1.831	2.736	under

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report (AFTER Transfers)

Period Ended 28 February 2020 (No.12)

<u>Budget Category</u>	Annual Budget	Annual Forecast AFTER Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion to 28/02/20	Actual to Period 12 28/02/20	Variance to 28/02/20	
Service Departments:	£m	£m	£m	£m	£m	£m	
Expenditure							
Employee Cost	512.617	512.842	(0.225)	453.771	452.957	0.814	under
Property Costs	55.070	54.111	0.959	49.595	49.118	0.477	under
Supplies and Services	51.803	52.476	(0.673)	42.711	43.693	(0.982)	over
Transport Costs	41.668	41.646	0.022	37.147	37.803	(0.656)	over
Administration Costs	16.837	16.988	(0.151)	16.351	14.480	1.871	under
Payments to Other Bodies	64.713	65.895	(1.182)	53.700	56.299	(2.599)	over
Payments to Contractors	196.131	196.752	(0.621)	163.597	162.810	0.787	under
Transfer Payments	5.451	5.804	(0.353)	5.220	5.616	(0.396)	over
Housing Benefits	70.154	69.462	0.692	63.083	62.504	0.579	under
Financing Charges (controllable)	2.059	2.099	(0.040)	1.646	1.831	(0.185)	over
Total	1,016.503	1,018.075	(1.572)	886.821	887.111	(0.290)	over
Service Departments Total	1,016.503	1,018.075	(1.572)	886.821	887.111	(0.290)	over
CFCR	0.000	0.000	0.000	0.000	0.000	0.000	-
Loan Charges	53.916	52.013	1.903	53.916	52.013	1.903	under
Corporate Items	2.144	3.313	(1.169)	(0.264)	0.366	(0.630)	over
Corporate Items - 2020/2021 Strategy	0.540	0.540	0.000	0.540	0.540	0.000	-
Transfer to Reserves	0.000	0.000	0.000	0.000	0.000	0.000	-
Total Expenditure	1,073.103	1,073.941	(0.838)	941.013	940.030	0.983	under
Income							
Housing Benefit Subsidy	65.158	65.158	0.000	59.013	58.925	(0.088)	under rec
Other Income	284.499	283.560	(0.939)	232.086	230.117	(1.969)	under rec
Council Tax (Net of Council Tax Reduction Scheme)	132.007	136.452	4.445	113.149	116.959	3.810	over rec
General Revenue Grant	223.047	223.047	0.000	190.050	190.050	0.000	-
Non Domestic Rates	341.166	341.166	0.000	314.922	314.922	0.000	-
Transfer from Reserves	27.226	27.226	0.000	27.226	27.226	0.000	-
Total Income	1,073.103	1,076.609	3.506	936.446	938.199	1.753	over rec
Net Expenditure / (Income)	0.000	(2.668)	2.668	4.567	1.831	2.736	under

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report (BEFORE Transfers)
Period Ended 28 February 2020 (No.12)

<u>Committee</u>	Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Budget Proportion to 28/02/20	Actual to Period 12 28/02/20	Variance to 28/02/20	
	£m	£m	£m	£m	£m	£m	
Departments:							
Community and Enterprise Resources	108.704	108.828	(0.124)	100.895	101.081	(0.186)	over
Facilities Streets and Waste (Inc. Support)	66.390	66.334	0.056	58.277	58.232	0.045	under
Fleet, Environmental and Projects	1.479	2.117	(0.638)	1.256	1.913	(0.657)	over
Leisure and Culture Services	19.505	19.550	(0.045)	19.436	19.474	(0.038)	over
Planning and Economic Development	1.955	1.433	0.522	4.923	4.453	0.470	under
Roads	19.375	19.394	(0.019)	17.003	17.009	(0.006)	over
Education Resources	339.893	336.908	2.985	295.580	292.682	2.898	under
Finance and Corporate Resources	34.363	34.363	0.000	39.070	39.070	0.000	-
Finance Services - Strategy	2.139	2.218	(0.079)	3.292	3.370	(0.078)	over
Finance Services - Transactions	12.638	12.388	0.250	14.111	13.831	0.280	under
Audit and Compliance Services	0.365	0.362	0.003	0.525	0.524	0.001	over
Information Technology Services	4.995	5.102	(0.107)	6.138	6.230	(0.092)	over
Communications and Strategy Services	1.034	1.204	(0.170)	1.316	1.496	(0.180)	over
Administration and Licensing Services	3.780	3.821	(0.041)	4.902	4.922	(0.020)	over
Personnel Services	9.412	9.268	0.144	8.786	8.697	0.089	under
Housing and Technical Resources	17.086	16.833	0.253	17.074	16.832	0.242	under
Housing Services	8.515	8.196	0.319	6.923	6.622	0.301	under
Property Services	8.571	8.637	(0.066)	10.151	10.210	(0.059)	over
Social Work Resources	164.649	166.888	(2.239)	141.108	143.034	(1.926)	over
Performance and Support Services	7.657	7.676	(0.019)	6.935	6.856	0.079	under
Children and Families	33.059	34.989	(1.930)	29.504	31.208	(1.704)	over
Adults and Older People	122.613	123.059	(0.446)	103.685	104.125	(0.440)	over
Justice and Substance Misuse	1.320	1.164	0.156	0.984	0.845	0.139	under
Joint Boards	2.151	2.151	0.000	1.995	1.995	0.000	-
	666.846	665.971	0.875	595.722	594.694	1.028	under

<u>Committee</u>	Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Budget Proportion to 28/02/20	Actual to Period 12 28/02/20	Variance to 28/02/20	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	666.846	665.971	0.875	595.722	594.694	1.028	under
CFCR	0.000	0.000	0.000	0.000	0.000	0.000	-
Loan Charges	53.916	45.404	8.512	53.916	45.404	8.512	under
Corporate Items	2.144	3.050	(0.906)	(0.264)	0.103	(0.367)	over
Corporate Items - 2020/2021 Strategy	0.540	0.050	0.490	0.540	0.050	0.490	under
Transfer to Reserves	0.000	0.000	0.000	0.000	0.000	0.000	-
Total Expenditure	723.446	714.475	8.971	649.914	640.251	9.663	Under
Council Tax	152.487	156.094	3.607	130.703	133.795	3.092	over rec
Less: Council Tax Reduction Scheme	(20.480)	(19.642)	0.838	(17.554)	(16.836)	0.718	Under
Net Council Tax	132.007	136.452	4.445	113.149	116.959	3.810	over rec
General Revenue Grant	223.047	223.047	0.000	190.050	190.050	0.000	-
Non Domestic Rates	341.166	341.166	0.000	314.922	314.922	0.000	-
Transfer from Reserves	27.226	27.226	0.000	27.226	27.226	0.000	-
Total Income	723.446	727.891	4.445	645.347	649.157	3.810	over rec
Net Expenditure / (Income)	0.000	(13.416)	13.416	4.567	(8.906)	13.473	Under

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report (BEFORE Transfers)
Period Ended 28 February 2020 (No.12)

<u>Budget Category</u>	Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Budget Proportion to 28/02/20	Actual to Period 12 28/02/20	Variance to 28/02/20	
Service Departments:	£m	£m	£m	£m	£m	£m	
Expenditure							
Employee Cost	512.617	512.696	(0.079)	453.771	452.805	0.966	under
Property Costs	55.070	53.995	1.075	49.595	49.009	0.586	under
Supplies and Services	51.803	50.975	0.828	42.711	42.192	0.519	under
Transport Costs	41.668	41.646	0.022	37.147	37.803	(0.656)	over
Administration Costs	16.837	16.988	(0.151)	16.351	14.480	1.871	under
Payments to Other Bodies	64.713	64.449	0.264	53.700	54.853	(1.153)	over
Payments to Contractors	196.131	196.681	(0.550)	163.597	162.741	0.856	under
Transfer Payments	5.451	5.804	(0.353)	5.220	5.616	(0.396)	over
Housing Benefits	70.154	69.462	0.692	63.083	62.504	0.579	under
Financing Charges (controllable)	2.059	2.099	(0.040)	1.646	1.831	(0.185)	over
Total	1,016.503	1,014.795	1.708	886.821	883.834	2.987	under
Service Departments Total	1,016.503	1,014.795	1.708	886.821	883.834	2.987	under
CFCR	0.000	0.000	0.000	0.000	0.000	0.000	-
Loan Charges	53.916	45.404	8.512	53.916	45.404	8.512	under
Corporate Items	2.144	3.050	(0.906)	(0.264)	0.103	(0.367)	over
Corporate Items - 2020/2021 Strategy	0.540	0.050	0.490	0.540	0.050	0.490	under
Transfer to Reserves	0.000	0.000	0.000	0.000	0.000	0.000	-
Total Expenditure	1,073.103	1,063.299	9.804	941.013	929.391	11.622	under
Income							
Housing Benefit Subsidy	65.158	65.158	0.000	59.013	58.925	(0.088)	under rec
Other Income	284.499	283.666	(0.833)	232.086	230.215	(1.871)	under rec
Council Tax (Net of Council Tax Reduction Scheme)	132.007	136.452	4.445	113.149	116.959	3.810	over rec
General Revenue Grant	223.047	223.047	0.000	190.050	190.050	0.000	-
Non Domestic Rates	341.166	341.166	0.000	314.922	314.922	0.000	-
Transfer from Reserves	27.226	27.226	0.000	27.226	27.226	0.000	-
Total Income	1,073.103	1,076.715	3.612	936.446	938.297	1.851	over rec
Net Expenditure / (Income)	0.000	(13.416)	13.416	4.567	(8.906)	13.473	under

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 28 February 2020 (No.12)
Housing Revenue Account

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 28/02/20	Actual to Period 12 28/02/20	Variance to 28/02/20		%	Note
	£m	£m	£m	£m	£m	£m			
Employee Costs	13.526	12.785	0.741	12.087	11.519	0.568	under	4.7%	1
Property Costs	44.604	44.435	0.169	34.604	34.339	0.265	under	0.8%	2
Supplies & Services	1.475	1.475	0.000	0.746	0.733	0.013	under	1.7%	
Transport & Plant	0.195	0.195	0.000	0.183	0.182	0.001	under	0.5%	
Administration Costs	5.702	5.656	0.046	0.519	0.475	0.044	under	8.5%	
Payments to Other Bodies	3.174	3.126	0.048	0.022	0.022	0.000	-	0.0%	
Payments to Contractors	0.100	0.105	(0.005)	0.090	0.103	(0.013)	over	(14.4%)	
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	-	n/a	
Financing Charges	20.589	20.599	(0.010)	20.656	20.677	(0.021)	over	(0.1%)	
Total Controllable Expenditure	89.365	88.376	0.989	68.907	68.050	0.857	under	1.2%	
Total Controllable Income	(101.921)	(101.727)	(0.194)	(82.632)	(82.519)	(0.113)	under rec	(0.1%)	3
Transfer to/(from) Balance Sheet	(2.608)	(1.813)	(0.795)	(2.407)	(1.663)	(0.744)	under rec	(30.9%)	4
Net Controllable Expenditure	(15.164)	(15.164)	0.000	(16.132)	(16.132)	0.000		0.0%	
Add: Non Controllable Budgets									
Financing Charges	15.164	15.164	0.000	0.000	0.000	0.000		0.0%	
Total Budget	0.000	0.000	0.000	(16.132)	(16.132)	0.000		0.0%	

Variance Explanations

1. Employee Costs

The variance in Employee Costs relates to an underspend in pension contributions and vacancies, which are being actively recruited or being held whilst service requirements are determined.

2. Property Costs

The underspend relates to the bad debt provision due to the demands following the rollout of Universal Credit and better than anticipated collection rates for rental income. This is partially offset by higher than anticipated spend on repairs and grounds maintenance works, which are demand led.

3. Income

The under recovery in rental income is due to the timing of completion of new build properties.

4. Transfer to/(from) Balance Sheet

The net impact of the underspends within the service has resulted in a reduced requirement to drawdown from reserves in the current year.

