

# **Report**

Report to:	<b>Executive Committee</b>
Date of Meeting:	<b>25 March 2020</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Revenue Budget Monitoring for Period 11 - 1 April to 31 January 2020 and Probable Outturn</b>
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## **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 31 January 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 following the probable outturn exercise, the forecast to 31 March 2020 after transfers to reserves, is an underspend of £2.658 million (appendix 1), be noted;
- (2) that the additional income anticipated from Council Tax of £0.100 million (section 4.2), be noted;
- (3) that the additional allocation of £0.090 million of funding to SLLC to cover their in-year loss of income (section 4.3), be approved;
- (4) that the underspend of £2.709 million on the General Fund Revenue Account after transfers to reserves at 31 January 2020 as detailed in Appendix 1 of the report, be noted;
- (5) that the breakeven position on the Housing Revenue Account at 31 January 2020, as detailed in Appendix 3 of the report, and the forecast to 31 March 2020 of breakeven, be noted;
- (6) that the Chief Executive may be required to enact his delegated authority to incur emergency spend in respect of COVID-19, and that detail of the spend be reported to Committee (section 7.2), be noted;
- (7) that the Executive Committee endorse that delegated powers are granted to the Chief Executive to make decisions on issues that would normally be subject to committee approval in the absence of a committee taking place (as detailed in section 7.3) and that this is referred to Council for approval; and
- (8) that a report on the issues dealt with during such a period be submitted to committee for noting at the earliest opportunity.

### **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 31 January 2020 (Section 5).

### **4. 2019/2020 General Services Probable Outturn**

- 4.1. As reported previously, the probable outturn position for the Council shows a forecast underspend of £2.658m after transfers to reserves.
- 4.2. Following this, further information has been received in relation to Council Tax projections. The level of income forecast for the current year has increased by £0.100 million. This position will be clarified at the year end.
- 4.3. South Lanarkshire Leisure and Culture (SLLC) have notified the Council of a budget pressure resulting from a loss of income following the closure of the Dollan Aqua Centre and Hamilton Water Palace for essential works. This is estimated at £0.090 million and it is proposed that the Council provides an additional allocation of £0.090 million to allow them to meet this pressure.
- 4.4. The net impact of the increase in Council Tax anticipated (£0.100 million, section 4.2) and the additional allocation to SLLC (£0.090 million, section 4.3) is an overall increase in Council's forecast underspend of £0.010 million. This takes the overall projected underspend to £2.668 million.

### **5. 2019/2020 General Services Monitoring Position**

#### **5.1. Financial Position as at 31 January 2020 (Period 11)**

As at 31 January 2020, the position on the General Fund after approved transfers to reserves is an underspend of £2.709 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 11, the Resource is showing an overspend of £0.150 million after approved transfers to reserves (£0.040 million overspend before transfers to reserves). The actual net overspend position at period 11 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.
- 5.3. **Education Resources:** As at period 11, the Resource is showing an overspend of £0.098 million after approved transfers to reserves (£2.925 million underspend before transfers to reserves). The actual net underspend position at period 11 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 school transport costs.
- 5.4. **Finance and Corporate Resources:** The position as at period 11 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 11, the Resource is showing a breakeven position after approved transfers to reserves (£0.222 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. This is partially offset by an overspend in Property Services due to CCTV upgrades and staff costs.
- 5.6. **Social Work Resources:** The position at period 11 is a net overspend of £1.730 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, the IJB approved the request to delegate authority to the Chief Officer to draw down up to £0.350m from the IJB contingency reserves should it be required by SLC for this.
- 5.8. **Loan Charges:** The position at period 11 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. 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 11 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 11 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 11 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 11 position is showing an over recovery of £3.414 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. **Additional General Revenue Grant**

On 6 February 2020, Finance Circular 1/2020 provided an updated grant position in respect of 2019/2020. The grant position includes additional allocations, not previously notified to the Council, totalling £1.781 million in relation to: Teachers Induction Scheme (£1.743 million), Seatbelts in School Transport (£0.011 million), Personal Licence Holders (£0.007 million) and Barclay Implementation £0.020 million. In addition, the Council's grant was also reduced by £0.054 million to reflect the baselining of grant for the rates of Arms Length Organisations. The total net increase in grant is £1.727 million. The budgets contained in Appendix 1 have been updated to include these allocations.

5.15. **Other Funding**

There has been no additional funding notified since the last report.

6. **Housing Revenue Account Position**

- 6.1. As at 31 January 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**

- 7.1. The Council is reacting to the emerging issue of COVID-19, and it is likely that 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. Any spend made in this regard will be reported to this Committee alongside future financial monitoring reports.
- 7.3. It is proposed that the delegated authority to deal with urgent matters is extended to cover periods of national emergency being declared by the Government or other emergency situations involving the closure of public buildings and cancellation of meetings and that during these periods the Chief Executive be authorised to deal with any issues that would normally be subject to committee approval. A report on the issues dealt with during such a period would be submitted to committee for noting at the earliest opportunity.

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)**

26 February 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 31 January 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 (AFTER Transfers)

Period Ended 31 January 2020 (No.11)

<u>Committee</u>	Annual Budget	Annual Forecast AFTER Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion to 31/01/20	Actual to Period 11 31/01/20	Variance to 31/01/20	
Departments:	£m	£m	£m	£m	£m	£m	
<b>Community and Enterprise Resources</b>	<b>108.691</b>	<b>108.925</b>	<b>(0.234)</b>	<b>92.416</b>	<b>92.566</b>	<b>(0.150)</b>	<b>over</b>
Facilities Streets and Waste (Inc. Support)	66.377	66.431	(0.054)	52.424	52.520	(0.096)	over
Fleet, Environmental and Projects	1.479	2.117	(0.638)	1.151	1.669	(0.518)	over
Leisure and Culture Services	19.505	19.550	(0.045)	19.431	19.394	0.037	under
Planning and Economic Development	1.955	1.433	0.522	4.850	4.405	0.445	under
Roads	19.375	19.394	(0.019)	14.560	14.578	(0.018)	over
<b>Education Resources</b>	<b>339.898</b>	<b>339.936</b>	<b>(0.038)</b>	<b>268.592</b>	<b>268.690</b>	<b>(0.098)</b>	<b>over</b>
<b>Finance and Corporate Resources</b>	<b>34.363</b>	<b>34.363</b>	<b>0.000</b>	<b>35.670</b>	<b>35.670</b>	<b>0.000</b>	<b>-</b>
Finance Services - Strategy	2.139	2.218	(0.079)	3.076	3.141	(0.065)	over
Finance Services - Transactions	12.638	12.388	0.250	12.863	12.659	0.204	under
Audit and Compliance Services	0.365	0.362	0.003	0.473	0.478	(0.005)	over
Information Technology Services	4.995	5.102	(0.107)	5.559	5.654	(0.095)	over
Communications and Strategy Services	1.034	1.204	(0.170)	1.213	1.382	(0.169)	over
Administration and Licensing Services	3.780	3.821	(0.041)	4.517	4.519	(0.002)	over
Personnel Services	9.412	9.268	0.144	7.969	7.837	0.132	under
<b>Housing and Technical Resources</b>	<b>17.086</b>	<b>17.086</b>	<b>0.000</b>	<b>16.547</b>	<b>16.547</b>	<b>0.000</b>	<b>-</b>
Housing Services	8.515	8.449	0.066	6.339	6.290	0.049	under
Property Services	8.571	8.637	(0.066)	10.208	10.257	(0.049)	over
<b>Social Work Resources</b>	<b>164.668</b>	<b>166.907</b>	<b>(2.239)</b>	<b>122.772</b>	<b>124.502</b>	<b>(1.730)</b>	<b>over</b>
Performance and Support Services	7.682	7.701	(0.019)	6.705	6.628	0.077	under
Children and Families	33.059	34.989	(1.930)	27.028	28.524	(1.496)	over
Adults and Older People	122.632	123.078	(0.446)	88.250	88.693	(0.443)	over
Justice and Substance Misuse	1.295	1.139	0.156	0.789	0.657	0.132	under
<b>Joint Boards</b>	<b>2.151</b>	<b>2.151</b>	<b>0.000</b>	<b>1.838</b>	<b>1.838</b>	<b>0.000</b>	<b>-</b>
	<b>666.857</b>	<b>669.368</b>	<b>(2.511)</b>	<b>537.835</b>	<b>539.813</b>	<b>(1.978)</b>	<b>over</b>

  

<u>Committee</u>	Annual Budget	Annual Forecast AFTER Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion to 31/01/20	Actual to Period 11 31/01/20	Variance to 31/01/20	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	666.857	669.368	(2.511)	537.835	539.813	(1.978)	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	-
<b>Total Expenditure</b>	<b>723.457</b>	<b>725.234</b>	<b>(1.777)</b>	<b>592.027</b>	<b>592.732</b>	<b>(0.705)</b>	<b>over</b>
Council Tax	152.487	156.094	3.607	119.811	122.567	2.756	over rec
Less: Council Tax Reduction Scheme	(20.480)	(19.642)	0.838	(16.091)	(15.433)	0.658	under
Net Council Tax	132.007	136.452	4.445	103.720	107.134	3.414	over rec
General Revenue Grant	223.066	223.066	0.000	174.212	174.212	0.000	-
Non Domestic Rates	341.166	341.166	0.000	288.679	288.679	0.000	-
Transfer from Reserves	27.218	27.218	0.000	27.218	27.218	0.000	-
<b>Total Income</b>	<b>723.457</b>	<b>727.902</b>	<b>4.445</b>	<b>593.829</b>	<b>597.243</b>	<b>3.414</b>	<b>over rec</b>
<b>Net Expenditure / (Income)</b>	<b>0.000</b>	<b>(2.668)</b>	<b>2.668</b>	<b>(1.802)</b>	<b>(4.511)</b>	<b>2.709</b>	<b>under</b>

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report (AFTER Transfers)

Period Ended 31 January 2020 (No.11)

<u>Budget Category</u>	Annual Budget	Annual Forecast AFTER Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion to 31/01/20	Actual to Period 11 31/01/20	Variance to 31/01/20	
<b>Service Departments:</b>	£m	£m	£m	£m	£m	£m	
<b><u>Expenditure</u></b>							
Employee Cost	512.472	512.697	(0.225)	414.108	414.152	(0.044)	over
Property Costs	54.994	54.035	0.959	47.346	46.439	0.907	under
Supplies and Services	52.293	52.966	(0.673)	38.671	39.184	(0.513)	over
Transport Costs	41.643	41.621	0.022	32.884	32.792	0.092	under
Administration Costs	16.539	16.690	(0.151)	12.456	12.702	(0.246)	over
Payments to Other Bodies	63.566	64.748	(1.182)	49.420	50.163	(0.743)	over
Payments to Contractors	196.177	196.798	(0.621)	146.684	146.554	0.130	under
Transfer Payments	5.341	5.694	(0.353)	4.920	5.051	(0.131)	over
Housing Benefits	70.154	69.462	0.692	57.414	56.883	0.531	under
Financing Charges (controllable)	2.062	2.102	(0.040)	1.960	2.107	(0.147)	over
<b>Total</b>	<b>1,015.241</b>	<b>1,016.813</b>	<b>(1.572)</b>	<b>805.863</b>	<b>806.027</b>	<b>(0.164)</b>	<b>over</b>
Service Departments Total	1,015.241	1,016.813	(1.572)	805.863	806.027	(0.164)	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	-
<b>Total Expenditure</b>	<b>1,071.841</b>	<b>1,072.679</b>	<b>(0.838)</b>	<b>860.055</b>	<b>858.946</b>	<b>1.109</b>	<b>under</b>
<b><u>Income</u></b>							
Housing Benefit Subsidy	65.158	65.158	0.000	53.568	53.568	0.000	-
Other Income	283.226	282.287	(0.939)	214.460	212.646	(1.814)	under rec
Council Tax (Net of Council Tax Reduction Scheme)	132.007	136.452	4.445	103.720	107.134	3.414	over rec
General Revenue Grant	223.066	223.066	0.000	174.212	174.212	0.000	-
Non Domestic Rates	341.166	341.166	0.000	288.679	288.679	0.000	-
Transfer from Reserves	27.218	27.218	0.000	27.218	27.218	0.000	-
<b>Total Income</b>	<b>1,071.841</b>	<b>1,075.347</b>	<b>3.506</b>	<b>861.857</b>	<b>863.457</b>	<b>1.600</b>	<b>over rec</b>
<b>Net Expenditure / (Income)</b>	<b>0.000</b>	<b>(2.668)</b>	<b>2.668</b>	<b>(1.802)</b>	<b>(4.511)</b>	<b>2.709</b>	<b>under</b>

**SOUTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report (BEFORE Transfers)**  
**Period Ended 31 January 2020 (No.11)**

<u>Committee</u>	Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Budget Proportion to 31/01/20	Actual to Period 11 31/01/20	Variance to 31/01/20	
	£m	£m	£m	£m	£m	£m	
<b>Departments:</b>							
<b>Community and Enterprise Resources</b>	<b>108.691</b>	<b>108.815</b>	<b>(0.124)</b>	<b>92.416</b>	<b>92.456</b>	<b>(0.040)</b>	<b>over</b>
Facilities Streets and Waste (Inc. Support)	66.377	66.321	0.056	52.424	52.410	0.014	under
Fleet, Environmental and Projects	1.479	2.117	(0.638)	1.151	1.669	(0.518)	over
Leisure and Culture Services	19.505	19.550	(0.045)	19.431	19.394	0.037	under
Planning and Economic Development	1.955	1.433	0.522	4.850	4.405	0.445	under
Roads	19.375	19.394	(0.019)	14.560	14.578	(0.018)	over
<b>Education Resources</b>	<b>339.898</b>	<b>336.913</b>	<b>2.985</b>	<b>268.592</b>	<b>265.667</b>	<b>2.925</b>	<b>under</b>
<b>Finance and Corporate Resources</b>	<b>34.363</b>	<b>34.363</b>	<b>0.000</b>	<b>35.670</b>	<b>35.670</b>	<b>0.000</b>	<b>-</b>
Finance Services - Strategy	2.139	2.218	(0.079)	3.076	3.141	(0.065)	over
Finance Services - Transactions	12.638	12.388	0.250	12.863	12.659	0.204	under
Audit and Compliance Services	0.365	0.362	0.003	0.473	0.478	(0.005)	over
Information Technology Services	4.995	5.102	(0.107)	5.559	5.654	(0.095)	over
Communications and Strategy Services	1.034	1.204	(0.170)	1.213	1.382	(0.169)	over
Administration and Licensing Services	3.780	3.821	(0.041)	4.517	4.519	(0.002)	over
Personnel Services	9.412	9.268	0.144	7.969	7.837	0.132	under
<b>Housing and Technical Resources</b>	<b>17.086</b>	<b>16.833</b>	<b>0.253</b>	<b>16.547</b>	<b>16.325</b>	<b>0.222</b>	<b>under</b>
Housing Services	8.515	8.196	0.319	6.339	6.068	0.271	under
Property Services	8.571	8.637	(0.066)	10.208	10.257	(0.049)	over
<b>Social Work Resources</b>	<b>164.668</b>	<b>166.907</b>	<b>(2.239)</b>	<b>122.772</b>	<b>124.502</b>	<b>(1.730)</b>	<b>over</b>
Performance and Support Services	7.682	7.701	(0.019)	6.705	6.628	0.077	under
Children and Families	33.059	34.989	(1.930)	27.028	28.524	(1.496)	over
Adults and Older People	122.632	123.078	(0.446)	88.250	88.693	(0.443)	over
Justice and Substance Misuse	1.295	1.139	0.156	0.789	0.657	0.132	under
<b>Joint Boards</b>	<b>2.151</b>	<b>2.151</b>	<b>0.000</b>	<b>1.838</b>	<b>1.838</b>	<b>0.000</b>	<b>-</b>
	<b>666.857</b>	<b>665.982</b>	<b>0.875</b>	<b>537.835</b>	<b>536.458</b>	<b>1.377</b>	<b>under</b>

  

<u>Committee</u>	Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Budget Proportion to 31/01/20	Actual to Period 11 31/01/20	Variance to 31/01/20	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	666.857	665.982	0.875	537.835	536.458	1.377	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				-
<b>Total Expenditure</b>	<b>723.457</b>	<b>714.486</b>	<b>8.971</b>	<b>592.027</b>	<b>582.015</b>	<b>10.012</b>	<b>under</b>
Council Tax	152.487	156.094	3.607	119.811	122.567	2.756	over rec
Less: Council Tax Reduction Scheme	(20.480)	(19.642)	0.838	(16.091)	(15.433)	0.658	under
Net Council Tax	132.007	136.452	4.445	103.720	107.134	3.414	over rec
General Revenue Grant	223.066	223.066	0.000	174.212	174.212	0.000	-
Non Domestic Rates	341.166	341.166	0.000	288.679	288.679	0.000	-
Transfer from Reserves	27.218	27.218	0.000	27.218	27.218	0.000	-
<b>Total Income</b>	<b>723.457</b>	<b>727.902</b>	<b>4.445</b>	<b>593.829</b>	<b>597.243</b>	<b>3.414</b>	<b>over rec</b>
<b>Net Expenditure / (Income)</b>	<b>0.000</b>	<b>(13.416)</b>	<b>13.416</b>	<b>(1.802)</b>	<b>(15.228)</b>	<b>13.426</b>	<b>under</b>



**SOUTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report (BEFORE Transfers)**  
**Period Ended 31 January 2020 (No.11)**

<u>Budget Category</u>	Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Budget Proportion to 31/01/20	Actual to Period 11 31/01/20	Variance to 31/01/20	
<b>Service Departments:</b>	£m	£m	£m	£m	£m	£m	
<b>Expenditure</b>							
Employee Cost	512.472	512.551	(0.079)	414.108	414.005	0.103	under
Property Costs	54.994	53.919	1.075	47.346	46.336	1.010	under
Supplies and Services	52.293	51.465	0.828	38.671	37.683	0.988	under
Transport Costs	41.643	41.621	0.022	32.884	32.792	0.092	under
Administration Costs	16.539	16.690	(0.151)	12.456	12.702	(0.246)	over
Payments to Other Bodies	63.566	63.302	0.264	49.420	48.717	0.703	under
Payments to Contractors	196.177	196.727	(0.550)	146.684	146.486	0.198	under
Transfer Payments	5.341	5.694	(0.353)	4.920	5.051	(0.131)	over
Housing Benefits	70.154	69.462	0.692	57.414	56.883	0.531	under
Financing Charges (controllable)	2.062	2.102	(0.040)	1.960	2.107	(0.147)	over
<b>Total</b>	<b>1,015.241</b>	<b>1,013.533</b>	<b>1.708</b>	<b>805.863</b>	<b>802.762</b>	<b>3.101</b>	<b>under</b>
Service Departments Total	1,015.241	1,013.533	1.708	805.863	802.762	3.101	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	-
<b>Total Expenditure</b>	<b>1,071.841</b>	<b>1,062.037</b>	<b>9.804</b>	<b>860.055</b>	<b>848.319</b>	<b>11.736</b>	<b>under</b>
<b>Income</b>							
Housing Benefit Subsidy	65.158	65.158	0.000	53.568	53.568	0.000	-
Other Income	283.226	282.393	(0.833)	214.460	212.736	(1.724)	under rec
Council Tax (Net of Council Tax Reduction Scheme)	132.007	136.452	4.445	103.720	107.134	3.414	over rec
General Revenue Grant	223.066	223.066	0.000	174.212	174.212	0.000	-
Non Domestic Rates	341.166	341.166	0.000	288.679	288.679	0.000	-
Transfer from Reserves	27.218	27.218	0.000	27.218	27.218	0.000	-
<b>Total Income</b>	<b>1,071.841</b>	<b>1,075.453</b>	<b>3.612</b>	<b>861.857</b>	<b>863.547</b>	<b>1.690</b>	<b>over rec</b>
<b>Net Expenditure / (Income)</b>	<b>0.000</b>	<b>(13.416)</b>	<b>13.416</b>	<b>(1.802)</b>	<b>(15.228)</b>	<b>13.426</b>	<b>under</b>

**SOUTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report**  
**Period Ended 31 January 2020 (No.11)**  
**Housing Revenue Account**

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 31/01/20	Actual to Period 11 31/01/20	Variance to 31/01/20		%	Note
	£m	£m	£m	£m	£m	£m			
Employee Costs	13.526	12.785	0.741	11.054	10.535	0.519	under	4.7%	1
Property Costs	44.604	44.435	0.169	30.996	30.896	0.100	under	0.3%	2
Supplies & Services	1.475	1.475	0.000	0.737	0.737	0.000	-	0.0%	
Transport & Plant	0.195	0.195	0.000	0.167	0.171	(0.004)	over	(2.4%)	
Administration Costs	5.702	5.656	0.046	0.449	0.407	0.042	under	9.4%	
Payments to Other Bodies	3.174	3.126	0.048	0.023	0.022	0.001	under	4.3%	
Payments to Contractors	0.100	0.105	(0.005)	0.083	0.088	(0.005)	over	(6.0%)	
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	20.675	(0.019)	over	(0.1%)	
Total Controllable Expenditure	89.365	88.376	0.989	64.165	63.531	0.634	under	1.0%	
Total Controllable Income	(101.921)	(101.727)	(0.194)	(74.755)	(74.633)	(0.122)	under rec	(0.2%)	3
Transfer to/(from) Balance Sheet	(2.608)	(1.813)	(0.795)	(2.207)	(1.695)	(0.512)	under rec	(23.2%)	4
Net Controllable Expenditure	(15.164)	(15.164)	0.000	(12.797)	(12.797)	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	(12.797)	(12.797)	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.