

# Report

Report to:	<b>Executive Committee</b>
Date of Meeting:	<b>16 August 2023</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Revenue Budget Monitoring for Period 1 April 2023 to 14 July 2023</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:

- ◆ advise the Committee of the overall financial position of the Council's General Fund Revenue Account and Housing Revenue Account for the period 1 April 2023 to 14 July 2023

## 2. Recommendation(s)

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

- (1) that the break-even position on the General Fund Revenue Account at 14 July 2023, (section 4 and Appendix 1), be noted; and
- (2) that the breakeven position on the Housing Revenue Account at 14 July 2023 (section 5 and Appendix 2 of the report), be noted.

## 3. Background

3.1. This overview report will summarise the actual expenditure and income to 14 July 2023 compared with the budget for the same period for both the Council's General Fund (section 4) and for the Housing Revenue Account (section 5).

## 4. 2023/2024 General Services

### 4.1. General Services Current Position as at 14 July 2023

As at 14 July 2023, the position on the General Services budget is break-even. The position across Resources is detailed in Appendix 1.

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

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

4.4. The Social Work Resources position as at 14 July 2023 assumes funding will be available and will be drawn down later in the financial year, as required. The Resource is working towards managing the overall budget pressure in Children and Families by 2024/2025.

- 4.5. **Adults and Older People:** Within Adults and Older People, the outcome of the Job Evaluation exercise for Home Carers will result in recurring costs of approximately £7 million from 2023/2024. These costs are not included in the IJB budget set for 2023/2024. As at 14 July, costs of £1.9 million have been incurred in relation to the cost of the grade changes. These costs are incurred through the IJB budget. As a consequence of the reporting requirements for these integrated authorities, these costs also appear within the figures included in Appendix 1. This does not show as an overspend in Appendix 1 as there is sufficient budget available at this stage in the financial year to cover the additional costs incurred to date.
- 4.6. Officers within the IJB are looking to identify solutions. These solutions and an overall recovery plan will be reported to the IJB on 19 September 2023 and, subject to their approval, budgets will be realigned.
- 5. Housing Revenue Account Position as at 14 July 2023**
- 5.1. As at 14 July 2023, Appendix 2 shows a break-even position against the phased budget on the Housing Revenue Account.
- 6. Employee Implications**
- 6.1. None.
- 7. Financial Implications**
- 7.1. As detailed in sections 4 to 5 of the report.
- 8. Climate Change, Sustainability and Environmental Implications**
- 8.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.
- 9. Other Implications**
- 9.1. The main risk associated with the Council's Revenue Budget is that there is an overspend. 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.
- 10. Equality Impact Assessment and Consultation Arrangements**
- 10.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.
- 10.2. There is also no requirement to undertake any consultation in terms of the information contained in this report.

**Paul Manning**  
**Executive Director (Finance and Corporate Resources)**

26 July 2023

**Link(s) to Council Values/Priorities/Outcomes**

- ◆ Accountable, Effective, Efficient and Transparent

**Previous References**

- ◆ None

### **List of Background Papers**

- ◆ Financial Ledger and budget monitoring results to 14 July 2023.

### **Contact for Further Information**

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

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## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Period Ended 14 July 2023 (No.4)

Resource / Committee

	Annual Budget	Annual Forecast	Annual Forecast Variance	Budget Proportion to 14/07/23	Actual to 14/07/23	Variance to 14/07/23	
	£m	£m	£m	£m	£m	£m	
<b>Departments:</b>							
<b>Community and Enterprise Resources</b>	<b>129.568</b>	<b>129.568</b>	<b>0.000</b>	<b>32.158</b>	<b>32.158</b>	<b>0.000</b>	
Facilities, Waste and Grounds	77.505	77.505	0.000	18.260	18.170	0.090	under
Leisure and Culture	23.227	23.227	0.000	5.340	5.340	0.000	
Planning and Regulatory	4.966	4.966	0.000	1.385	1.228	0.157	under
Environmental and Sustainable Development	4.995	4.995	0.000	0.869	0.846	0.023	under
Roads, Transportation and Fleet	18.875	18.875	0.000	6.304	6.574	(0.270)	over
<b>Education Resources</b>	<b>417.667</b>	<b>417.667</b>	<b>0.000</b>	<b>119.307</b>	<b>119.307</b>	<b>0.000</b>	
Education	417.667	417.667	0.000	119.307	119.307	0.000	
<b>Finance and Corporate Resources</b>	<b>40.774</b>	<b>40.774</b>	<b>0.000</b>	<b>18.057</b>	<b>18.057</b>	<b>0.000</b>	
Finance Services - Strategy	2.118	2.118	0.000	0.949	0.916	0.033	under
Finance Services - Transactions	18.397	18.397	0.000	6.087	5.894	0.193	under
Audit and Compliance Services	0.374	0.374	0.000	0.169	0.187	(0.018)	over
Information Technology Services	5.226	5.226	0.000	5.446	5.404	0.042	under
Communications and Strategy Services	2.754	2.754	0.000	1.065	1.085	(0.020)	over
Administration and Licensing Services	4.239	4.239	0.000	1.400	1.480	(0.080)	over
Personnel Services	7.666	7.666	0.000	2.941	3.091	(0.150)	over
<b>Housing and Technical Resources</b>	<b>14.176</b>	<b>14.176</b>	<b>0.000</b>	<b>13.441</b>	<b>13.441</b>	<b>0.000</b>	
Housing Services	8.464	8.464	0.000	2.721	2.721	0.000	
Property Services	5.712	5.712	0.000	10.720	10.720	0.000	
<b>Social Work Resources</b>	<b>214.719</b>	<b>214.719</b>	<b>0.000</b>	<b>61.098</b>	<b>61.098</b>	<b>0.000</b>	
Performance and Support Services	6.358	6.358	0.000	1.558	1.470	0.088	under
Children and Families	37.215	37.215	0.000	11.982	12.107	(0.125)	over
Adults and Older People	170.058	170.058	0.000	46.996	46.996	0.000	
Justice and Substance Misuse	1.088	1.088	0.000	0.562	0.525	0.037	under
<b>Joint Boards</b>	<b>2.053</b>	<b>2.053</b>	<b>0.000</b>	<b>0.632</b>	<b>0.632</b>	<b>0.000</b>	
	<b>818.957</b>	<b>818.957</b>	<b>0.000</b>	<b>244.693</b>	<b>244.693</b>	<b>0.000</b>	

Summary

	Annual Budget	Annual Forecast	Annual Forecast Variance	Budget Proportion to 14/07/23	Actual to 14/07/23	Variance to 14/07/23	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	818.957	818.957	0.000	244.693	244.693	0.000	
CFCR	0.012	0.012	0.000	0.000	0.000	0.000	
Loan Charges	23.669	23.669	0.000	0.000	0.000	0.000	
Corporate Items	2.073	2.073	0.000	0.041	0.041	0.000	
Corporate Items (Strategy)	15.211	15.211	0.000	0.000	0.000	0.000	
2023/24 Investments – Transfers to Reserves	3.276	3.276	0.000	0.000	0.000	0.000	
			0.000				
<b>Total Expenditure</b>	<b>863.198</b>	<b>863.198</b>	<b>0.000</b>	<b>244.734</b>	<b>244.734</b>	<b>0.000</b>	
Council Tax	178.602	178.602	0.000	54.954	54.954	0.000	
Less: Council Tax Reduction Scheme	(23.278)	(23.278)	0.000	(7.162)	(7.162)	0.000	
Net Council Tax	155.324	155.324	0.000	47.792	47.792	0.000	
General Revenue Grant	319.300	319.300	0.000	98.246	98.246	0.000	
Non-Domestic Rates	341.536	341.536	0.000	105.088	105.088	0.000	
Transfer from Reserves	47.038	47.038	0.000	47.038	47.038	0.000	
<b>Total Income</b>	<b>863.198</b>	<b>863.198</b>	<b>0.000</b>	<b>298.164</b>	<b>298.164</b>	<b>0.000</b>	
<b>Net Expenditure / (Income)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(53.430)</b>	<b>(53.430)</b>	<b>0.000</b>	

**SOUTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report**  
**Period Ended 14 July 2023 (No.2)**

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

	Annual Budget	Annual Forecast	Annual Forecast Variance	Budget Proportion to 19/05/23	Actual to 19/05/23	Variance to 19/05/23	
	£m	£m	£m	£m	£m	£m	
Employee Cost	611.305	611.305	0.000	165.272	165.738	(0.466)	over
Property Costs	61.080	61.080	0.000	11.040	11.203	(0.163)	over
Supplies and Services	61.744	61.744	0.000	15.702	16.143	(0.441)	over
Transport Costs	44.896	44.896	0.000	13.556	14.206	(0.650)	over
Administration Costs	15.522	15.522	0.000	3.074	3.105	(0.031)	over
Payments to Other Bodies	73.935	73.935	0.000	24.259	24.197	0.062	under
Payments to Contractors	245.026	245.026	0.000	56.634	54.906	1.728	under
Transfer Payments	6.248	6.248	0.000	3.485	3.509	(0.024)	over
Housing Benefits	65.302	65.302	0.000	15.641	15.641	0.000	
Financing Charges (controllable)	2.346	2.346	0.000	0.273	0.277	(0.004)	over
<b>Total</b>	<b>1,187.404</b>	<b>1,187.404</b>	<b>0.000</b>	<b>308.936</b>	<b>308.925</b>	<b>0.011</b>	<b>under</b>
Service Departments Total	1,187.404	1,187.404	0.000	308.936	308.925	0.011	under
CFCR	0.012	0.012	0.000	0.000	0.000	0.000	
Loan Charges	23.669	23.669	0.000	0.000	0.000	0.000	
Corporate Items	2.073	2.073	0.000	0.041	0.041	0.000	
Corporate Items (Strategy)	15.211	15.211	0.000	0.000	0.000	0.000	
2023/24 Investments – Transfers to Reserves	3.276	3.276	0.000	0.000	0.000	0.000	
<b>Total Expenditure</b>	<b>1,231.645</b>	<b>1,231.645</b>	<b>0.000</b>	<b>308.977</b>	<b>308.966</b>	<b>0.011</b>	<b>under</b>
<b>Income</b>							
Housing Benefit Subsidy	60.258	60.258	0.000	14.010	14.010	0.000	
Other Income	308.189	308.189	0.000	50.233	50.222	(0.011)	under rec.
Council Tax (Net of Council Tax Reduction Scheme)	155.324	155.324	0.000	47.792	47.792	0.000	
General Revenue Grant	319.300	319.300	0.000	98.246	98.246	0.000	
Non-Domestic Rates	341.536	341.536	0.000	105.088	105.088	0.000	
Transfer from Reserves	47.038	47.038	0.000	47.038	47.038	0.000	
<b>Total Income</b>	<b>1,231.645</b>	<b>1,231.645</b>	<b>0.000</b>	<b>362.407</b>	<b>362.396</b>	<b>(0.011)</b>	<b>under rec.</b>
<b>Net Expenditure / (Income)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(53.430)</b>	<b>(53.430)</b>	<b>0.000</b>	

**SOUTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report**  
**Period Ended 14 July 2023 (No.4)**  
**Housing Revenue Account**

	Annual Budget £m	Forecast for Year £m	Annual Forecast Variance £m	Budget Proportion to 14/07/23 £m	Actual to 14/07/23 £m	Variance to 14/07/23 £m		%	Note
Employee Costs	14.253	14.253	0.000	3.781	3.816	(0.035)	over	(0.9%)	a
Property Costs	50.929	50.929	0.000	10.910	11.259	(0.349)	over	(3.2%)	1
Supplies & Services	0.433	0.433	0.000	0.159	0.177	(0.018)	over	(11.3%)	
Transport & Plant	0.196	0.196	0.000	0.045	0.049	(0.004)	over	(8.9%)	
Administration Costs	5.570	5.570	0.000	0.152	0.137	0.015	under	9.9%	
Payments to Other Bodies	2.974	2.974	0.000	0.634	0.661	(0.027)	over	(4.3%)	
Payments to Contractors	0.100	0.100	0.000	0.025	0.025	0.000	-	0.0%	
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	-	0.0%	
Financing Charges	27.162	27.162	0.000	5.904	5.904	0.000	-	0.0%	
Total Controllable Expenditure	101.617	101.617	0.000	21.610	22.028	(0.418)	over	(1.9%)	
Total Controllable Income	(115.940)	(115.940)	0.000	(28.015)	(28.113)	0.098	over recovered	0.3%	2, a
Transfer to/(from) Balance Sheet	(4.907)	(4.907)	0.000	(0.377)	(0.697)	0.320	over recovered	84.9%	3
Net Controllable Expenditure	(19.230)	(19.230)	0.000	(6.782)	(6.782)	0.000	-	0.0%	
Add: Non Controllable Budgets									
Financing Charges	19.230	19.230	0.000	0.000	0.000	0.000	-	0.0%	
Total Budget	0.000	0.000	0.000	(6.782)	(6.782)	0.000	-	0.0%	

**Variance Explanations**

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

**Virements**

- a. Realignment of Housing Advice and Support Team Establishment Costs. Net £0.000m: (Employee Costs £0.396m); Income £0.396m.