

Report

Report to:	Executive Committee
Date of Meeting:	1 March 2023
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Revenue Budget Monitoring for Period 11 - 1 April 2022 to 27 January 2023 and Probable Outturn
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ advise Members of the overall financial position of the Council's General Fund Revenue Account and Housing Revenue Account for the period 1 April 2022 to 27 January 2023, and the projection for the year to 31 March 2023

2. Recommendation(s)

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

- (1) that it be noted that the Council's outturn position is break-even after Transfers to Reserves (section 4.2)
- (2) that the underspend position of £0.355 million on the General Fund Revenue Account as at 27 January 2023, after transfers to reserves (section 5.1), be noted; and
- (3) that the breakeven position on the Housing Revenue Account at 27 January 2023 and the forecast to 31 March 2023 of breakeven (sections 6.1 and 6.2), be noted.

3. Background

3.1. This overview report will summarise the previously reported Probable Outturn position for the Council's General Fund Revenue Account to 31 March 2023 (section 4). Sections 5 and 6 provide the position on the General Fund Account and the Housing Revenue Account for the current period 1 April 2022 to 27 January 2023 respectively.

4. 2022/2023 General Services Probable Outturn

4.1. As reported previously, the 2022/2023 probable outturn position for the General Services presented an underspend of £4.696 million. This underspend was after previously approved transfers of £17.420 million earmarked for the Budget Strategy, and new proposed transfers to reserves totalling £17.195 million. It was proposed that the outturn underspend of £4.696 million be transferred to reserves to assist in the 2023/2024 Budget Strategy.

4.2. Full details of the transfers to reserves were included in the 1 February 2023 report to the Executive Committee. The new proposed transfers to Reserves and the use of the £4.696 million underspend to assist in the 2023/2024 Budget Strategy, were approved at the Executive Committee (1 February 2023). The forecast position before and after Transfers to Reserves is shown in appendices 1 and 2. The position presented in Appendix 2 includes the underspend of £4.696 million as a Transfer to Reserves. This results in a break-even position for the 2023/2024 Probable Outturn.

5. 2022/2023 General Services Monitoring Position

- 5.1. **Financial Position as at 27 January 2023:** As at 27 January 2023, the position on the General Services budget, after Transfers to Reserves, is an underspend of £0.355 million (Appendix 2).
- 5.2. This position is in line with the forecast position for the General Fund (section 4).

6. Housing Revenue Account Position

- 6.1. **Financial Position as at 27 January 2023:** Appendix 3 of the report shows a break-even position against the phased budget on the Housing Revenue Account. Levels of rent collection are regularly monitored by the Housing Services team and appropriate corrective action will be taken, as required.
- 6.2. **Probable Outturn Position:** Appendix 3 also shows the forecast position for the financial year, being a break-even position for the Housing Revenue Account.

7. Employee Implications

- 7.1. None.

8. Financial Implications

- 8.1. As detailed in sections 4 to 6 of the report.

9. Climate Change, Sustainability and Environmental Implications

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

10. Other Implications

- 10.1. The main risk associated with the Council's Revenue Budget is that there is an overspend. Inflationary and budget pressures experienced this year increase the risk of overspend, however, this is mitigated going forward through provision of additional funds in next year's budget strategy, and through the one-off use of reserves in the current year.
- 10.2. The actual impact will continue to be reviewed through four weekly Budget Monitoring Meetings at which any variance is analysed. In addition, the probable outturn exercise position in this report ensures early warning for corrective action to be taken where appropriate.

11. Equality Impact Assessment and Consultation Arrangements

- 11.1. 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.
- 11.2. 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)

15 February 2023

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, effective, efficient and transparent

Previous References

- ◆ Executive Committee, 1 February 2023

List of Background Papers

- ◆ Financial Ledger and budget monitoring results to 27 January 2023

Contact for Further Information

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

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SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report (BEFORE Transfers)
Period Ended 27 January 2023 (No.11)

<u>Committee</u>	Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers (Over) / Under	Budget Proportion to 27/01/23	Actual to Period 10 27/01/23	Variance to 27/01/23	
Departments:	£m	£m	£m	£m	£m	£m	
Community and Enterprise Resources	129.797	128.520	1.277	97.467	96.407	1.060	under
Facilities, Waste and Grounds	75.626	73.869	1.757	58.380	56.929	1.451	under
Leisure and Culture Services	23.942	23.930	0.012	15.870	15.853	0.017	under
Planning and Regulatory Services	5.138	4.096	1.042	4.160	3.311	0.849	under
Enterprise and Sustainable Development	6.957	6.843	0.114	5.538	5.421	0.117	under
Roads, Transportation and Fleet	18.134	19.782	(1.648)	13.519	14.893	(1.374)	over
Education Resources	396.815	395.315	1.500	307.068	305.799	1.269	under
Education	396.815	395.315	1.500	307.068	305.799	1.269	under
Finance and Corporate Resources	48.243	48.243	0.000	46.613	46.589	0.024	-
Finance Services - Strategy	2.129	2.141	(0.012)	2.892	2.848	0.044	under
Finance Services - Transactions	23.820	23.326	0.494	20.286	19.540	0.746	under
Audit and Compliance Services	0.376	0.376	0.000	0.525	0.528	(0.003)	over
Information Technology Services	5.304	5.340	(0.036)	7.285	7.291	(0.006)	over
Communications and Strategy Services	3.353	3.504	(0.151)	2.699	2.786	(0.087)	over
Administration and Licensing Services	4.274	4.747	(0.473)	4.026	4.370	(0.344)	over
Personnel Services	8.987	8.809	0.178	8.900	9.226	(0.326)	over
Housing and Technical Resources	19.145	19.487	(0.342)	20.051	20.296	(0.245)	over
Housing Services	9.830	9.830	0.000	8.098	8.098	0.000	-
Property Services	9.315	9.657	(0.342)	11.953	12.198	(0.245)	over
Social Work Resources	217.057	211.422	5.635	167.600	162.752	4.848	under
Performance and Support Services	7.084	6.405	0.679	5.918	5.229	0.689	under
Children and Families	43.767	44.923	(1.156)	34.705	35.749	(1.044)	over
Adults and Older People	165.086	159.451	5.635	125.628	120.803	4.825	under
Justice and Substance Misuse	1.120	0.643	0.477	1.349	0.971	0.378	under
Joint Boards	2.152	2.152	0.000	1.577	1.577	0.000	-
	813.209	805.139	8.070	640.376	633.420	6.956	under

<u>Committee</u>	Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers (Over) / Under	Budget Proportion To 27/01/23	Actual to Period 10 27/01/23	Variance to 27/01/23	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	813.209	805.139	8.070	640.376	633.420	6.956	under
CFCR	0.514	0.514	0.000	0.000	0.000	0.000	-
Loan Charges	35.041	30.306	4.735	0.000	0.000	0.000	-
Corporate Items	26.583	22.011	4.572	15.113	15.081	0.032	under
Corporate Items – Strategy (Tftr to Reserves)	17.420	0.000	17.420	0.000	0.000	0.000	-
Investments – 2022/23 (Tftr to Reserves)	0.000	0.000	0.000	0.000	0.000	0.000	-
Total Expenditure	892.767	857.970	34.797	655.489	648.501	6.988	under
Council Tax	167.437	170.688	3.251	131.558	134.112	2.554	over
Less: Council Tax Reduction Scheme	(23.272)	(22.009)	1.263	(18.285)	(17.293)	0.992	under
Net Council Tax	144.165	148.679	4.514	113.273	116.819	3.546	over
General Revenue Grant	252.792	252.792	0.000	198.622	198.622	0.000	-
Non-Domestic Rates	422.591	422.591	0.000	332.036	332.036	0.000	-
Transfer from Reserves	73.219	73.219	0.000	73.219	73.219	0.000	-
Total Income	892.767	897.281	4.514	717.150	720.696	3.546	over rec
Net Expenditure / (Income)	0.000	(39.311)	39.311	(61.661)	(72.195)	10.534	under

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report (AFTER Transfers)

Period Ended 27 January 2023 (No.11)

<u>Committee</u>	Annual Budget	Annual Forecast AFTER Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion to 27/01/23	Actual to Period 10 27/01/23	Variance to 27/01/23	
Departments:	£m	£m	£m	£m	£m	£m	
Community and Enterprise Resources	129.797	129.790	0.007	97.467	97.482	(0.015)	under
Facilities, Waste and Grounds	75.626	75.099	0.527	58.380	57.970	0.410	under
Leisure and Culture Services	23.942	23.930	0.012	15.870	15.853	0.017	under
Planning and Regulatory Services	5.138	4.096	1.042	4.160	3.311	0.849	under
Enterprise and Sustainable Development	6.957	6.843	0.114	5.538	5.421	0.117	under
Roads, Transportation and Fleet	18.134	19.822	(1.688)	13.519	14.927	(1.408)	over
Education Resources	396.815	396.815	0.000	307.068	307.068	0.000	-
Education	396.815	396.815	0.000	307.068	307.068	0.000	-
Finance and Corporate Resources	48.243	48.243	0.000	46.613	46.589	0.024	-
Finance Services - Strategy	2.129	2.141	(0.012)	2.892	2.848	0.044	under
Finance Services - Transactions	23.820	23.326	0.494	20.286	19.540	0.746	under
Audit and Compliance Services	0.376	0.376	0.000	0.525	0.528	(0.003)	over
Information Technology Services	5.304	5.340	(0.036)	7.285	7.291	(0.006)	over
Communications and Strategy Services	3.353	3.504	(0.151)	2.699	2.786	(0.087)	over
Administration and Licensing Services	4.274	4.747	(0.473)	4.026	4.370	(0.344)	over
Personnel Services	8.987	8.809	0.178	8.900	9.226	(0.326)	over
Housing and Technical Resources	19.145	19.487	(0.342)	20.051	20.296	(0.245)	over
Housing Services	9.830	9.830	0.000	8.098	8.098	0.000	-
Property Services	9.315	9.657	(0.342)	11.953	12.198	(0.245)	over
Social Work Resources	217.057	217.057	0.000	167.600	167.577	0.023	-
Performance and Support Services	7.084	6.405	0.679	5.918	5.229	0.689	under
Children and Families	43.767	44.923	(1.156)	34.705	35.749	(1.044)	over
Adults and Older People	165.086	165.086	0.000	125.628	125.628	0.000	-
Justice and Substance Misuse	1.120	0.643	0.477	1.349	0.971	0.378	under
Joint Boards	2.152	2.152	0.000	1.577	1.577	0.000	-
	813.209	813.544	(0.335)	640.376	640.589	(0.213)	over

<u>Committee</u>	Annual Budget	Annual Forecast AFTER Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion to 27/01/23	Actual to Period 10 27/01/23	Variance to 27/01/23	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	813.209	813.544	(0.335)	640.376	640.589	(0.213)	over
CFCR	0.514	0.514	0.000	0.000	0.000	0.000	-
Loan Charges	35.041	33.861	1.180	0.000	0.000	0.000	-
Corporate Items	26.583	24.236	2.347	15.113	15.081	0.032	-
Corporate Items – Strategy (Tfr to Reserves)	17.420	22.116	(4.696)	0.000	0.000	0.000	-
Investments – 2022/23 (Tfr to Reserves)	0.000	0.000	0.000	0.000	0.000	0.000	-
Total Expenditure	892.767	894.271	(1.504)	655.489	655.670	(0.181)	over
Council Tax	167.437	169.078	1.641	131.558	132.502	0.944	over
Less: Council Tax Reduction Scheme	(23.272)	(23.409)	(0.137)	(18.285)	(18.693)	(0.408)	over
Net Council Tax	144.165	145.669	1.504	113.273	113.809	0.536	-
General Revenue Grant	252.792	252.792	0.000	198.622	198.622	0.000	-
Non-Domestic Rates	422.591	422.591	0.000	332.036	332.036	0.000	-
Transfer from Reserves	73.219	73.219	0.000	73.219	73.219	0.000	-
Total Income	892.767	894.271	1.504	717.150	717.686	0.536	over
Net Expenditure / (Income)	0.000	0.000	0.000	(61.661)	(62.016)	0.355	under

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 27 January 2023 (No.11)
Housing Revenue Account

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 27/01/23	Actual to Period 10 27/01/23	Variance to 27/01/23		%	Note
	£m	£m	£m	£m	£m	£m			
Employee Costs	14.641	14.140	0.501	11.899	11.654	0.245	under	2.1%	1
Property Costs	46.906	53.424	(6.518)	37.477	40.192	(2.715)	over	(7.2%)	2
Supplies & Services	0.609	1.021	(0.412)	0.439	0.451	(0.012)	over	(2.7%)	
Transport & Plant	0.195	0.183	0.012	0.094	0.084	0.010	under	10.6%	
Administration Costs	5.644	5.593	0.051	0.364	0.318	0.046	under	12.6%	3
Payments to Other Bodies	3.030	3.054	(0.024)	1.702	1.719	(0.017)	over	(1.0%)	
Payments to Contractors	0.100	0.080	0.020	0.077	0.076	1	under	1.3%	
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	-	0.0%	
Financing Charges	26.050	26.050	0.000	26.116	26.116	0.000	-	0.0%	
Total Controllable Expenditure	97.175	103.545	(6.370)	78.168	80.610	(2.442)	over	(3.1%)	
Total Controllable Income	(112.000)	(112.475)	0.475	(82.713)	(83.052)	0.339	Over recovered	0.4%	4
Transfer to/(from) Balance Sheet	(3.500)	(5.840)	2.340	(2.691)	(5.064)	2.103	over recovered	71.0%	5
Net Controllable Expenditure	(18.325)	(14.770)	(3.555)	(7.506)	(7.506)	0.000	-	0.0%	
Add: Non Controllable Budgets									
Financing Charges	18.325	14.770	(3.555)	0.000	0.000	0.000	-	0.0%	
Total Budget	0.000	0.000	0.000	(7.506)	(7.506)	0.000	-	0.0%	

Variance Explanations

1. Employee Costs

The underspend is due to higher than anticipated staff turnover.

2. Property Costs

The net overspend reflects the current cost and volume of repairs and maintenance.

3. Administration Costs

A large element of this underspend is due to the demand led legal expenses and the underspend reflects the current level of activity.

4. Total Controllable Income

Rental income from council housing is higher than forecast due to favourable timing of new build and purchased units being available to rent.

5. Transfer to (from) Balance Sheet

The net combined overspend year to date requires for a higher than budgeted level of transfer to reserves.