

Report

Report to:	Financial Resources Scrutiny Forum
Date of Meeting:	1 July 2021
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Revenue Budget Monitoring 2020/2021
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ advise the Forum of the overall financial position of the Council's General Fund Revenue Account and Housing Revenue Account for the period 1 April 2020 to 31 March 2021.

2. Recommendation(s)

2.1. The Forum is asked to note the following recommendation(s):-

- (1) that across Resources, Corporate Items and Council Tax, the Council is showing an outturn underspend of £2.595 million after proposed transfers to reserves (section 6.1 and Appendix 1), be noted;
- (2) that the probable outturn transfers approved by members has now been revised to £24.626million (previously (£24.863 million) (Appendix 3), be noted;
- (3) that the Resources requests for transfers to reserves which reflects the impact of COVID on the Resources ability to spend on commitments against specific streams of funding during the final part of the year totalling £12.942 million (Appendix 4), be approved;
- (4) that as proposed in sections 5.5, the underspend in the budget delegated to the IJB (£0.236 million and £0.585 million) be held in the Council's balance Sheet for their use in 2021/2022, be approved;
- (5) that after using Scottish Government funding, the position on COVID expenditure is break-even, with a carry forward of funding of £31.490 million (section 7.1), be noted;
- (6) that the £31.490 million underspend on COVID funding (section 7.2), be transferred to Reserves for use on COVID expenditure in 2021/2022, be approved;
- (7) that the £2.595 million underspend after proposed transfers to reserves, be allocated as detailed in section 8.2, resulting in a break-even position for the Council, be approved; and
- (8) that the break-even position on the Housing Revenue Account (section 9), be noted.

3. Background

- 3.1. The Revenue reports attached provide detail on the most recent report considered at the Executive Committee on 23 June 2021.
- 3.2. This overview report will summarise the 2020/2021 Outturn position for the Council's General Fund Revenue Account and Housing Revenue Account.

- 3.3. Section 4 provides details of the previously reported position for the Council for reference (COVID and General Services) while an Executive Summary of the Council's year-end position is provided in section 5. Section 6 provides the detail of this Outturn position. This includes the cost of COVID with further details, including the balance of COVID funds to be carried forward, provided in section 7. A summary is provided in section 8 along with proposals for consideration regarding the Council's underspend position. The Housing Revenue position is shown in Section 9.
- 3.4. Appendix 1 to the report details the overall spend position for the current year. As noted above, this position includes the cost of COVID as well as all transfers to reserves proposed: the transfers to Reserves approved at Probable (Executive Committee, February 2021) are shown in Appendix 3 and those new proposed Transfers to Reserves requested by Resources at year-end are shown in Appendix 4.

4. Summary of Previously Reported Probable Outturn

- 4.1. For reference, the Council's overall probable outturn position for the year (including COVID and approved Transfers to Reserves), was last reported to Committee as an **underspend of £2.163 million** (Executive Committee, 28 April 2021). This assumed full funding of COVID expenditure and an underspend of £2.163 million on the Council's General Services. Table 1 shows the position across COVID and General Services.

Table 1 – Previously Reported Overall Council Probable Outturn

		Revised Outturn £m
COVID	Total COVID Expenditure	45.104
	Total COVID Funding	(63.172)
	Funding received in 2020/2021 to be c/f to 2021/2022	18.068
	Net COVID Position in 2020/2021	-
General Services	Expenditure Position Probable Outturn Exercise	(0.441)
	Over Recovery of Council Tax excluding COVID 19	2.604
	General Services Underspend	2.163
Revised Council Outturn Position (at Period 12)		2.163

5. Executive Summary – 2020/2021 Overall Council Outturn

- 5.1. The Council's position for the year, including COVID and all proposed Transfers to Reserves, is an **underspend of £2.595 million**.
- 5.2. The underspend position of £2.595 million is an improvement of £0.432 million since the last reported position (Executive Committee, 28 April 2021). This is due to increased income from Council Tax (£0.272 million) as well as reduced spend across Resources and Centrally Held Budgets (being (£0.160 million). Details are provided in section 6 and Appendix 2.
- 5.3. In arriving at this underspend position of £2.595 million, the Transfers to Reserves agreed at Probable have been taken into account as well as a number of proposed Outturn Transfers to Reserves. The transfers at Probable and Outturn are detailed

in Appendices 3 and 4 respectively. The Resources' Transfers to Reserves agreed at Probable were originally £10.574 million and are now £10.337 million being a reduction of £0.237 million. This reflects the increase in spend achieved in year.

- 5.4. The additional Transfers to Reserves proposed at Outturn total £12.942 million. This reflects the impact of COVID on the Resources ability to spend on commitments against specific streams of funding during the final part of the year, and the carry forward of these monies in Reserves would allow these committed areas of spend to be incurred in 2021/2022. The main reasons for Resources' Transfer requests are summarised in sections 6.4 to 6.11 with the detail in Appendix 4.
- 5.5. The overall Outturn position includes a commitment of £0.236 million within Social Work (Adult and Older People) and £0.585 million in Housing and Technical Resources in relation to the Integrated Joint Board (IJB). This reflects the proposal that the Council allows the IJB to retain this non-recurring underspend within their reserves earmarked for future care costs (Appendix 2 sections 6 and 7).
- 5.6. Section 7 shows the details of the break-even position on COVID expenditure in 2020/2021. Total COVID spend is £35.488 million which has been managed by the utilisation of Scottish Government funding of £35.488 million. Taking this from the total COVID funding available of £66.978 million means that there is £31.490 million to carry forward into 2021/2022. This is split between Specific Funding of £14.290 million and General (or non-specific) funding of £17.199 million.
- 5.7. The COVID carry forward last reported to Executive Committee (April 2021) was £18.068 million. Comparing this to Outturn position of £31.490 million is an movement of £13.422 million. The main reasons for the movement of £13.422 million includes additional funding that was received in relation to Discretionary Fund for Business Support Grants that has not yet been paid out and will be carried forward (£4.6 million of the movement). There was also a lower than anticipated level of Capital Spend (£1.4 million) as by the end of the year, the level of Covid related contractor claims that were agreed was lower than we had estimated.
- 5.8. In addition, the position in relation to SLLC is £2.8 million better than anticipated mainly due to higher than anticipated income from the Job Retention scheme, the NHS for providing vaccination and testing sites and also from lower expenditure than anticipated. The balance of the movement reflects the actual Covid related expenditure made including timing of spend on education recovery and logistics. It also includes an increase in the level of unspent budget identified which was primarily in relation to reduced spend on food purchases reflecting the level of school meals actually delivered in the year.
- 5.9. As noted in section 8.2, now that the Outturn position is finalised, consideration can now be given to transferring the underspend to Reserves for use on the following proposals:
 - **Replacement for Financial management, HR, Payroll, Purchasing and procurement system (£1.000 million):** As the Council's Enterprise Resource System (Oracle) is nearing the end of its supported life, a replacement is being considered. An allocation of £1.000 million would contribute towards the initial costs for licencing and towards supporting the implementation costs.
 - **Committee Room Audio-visual equipment upgrades (£0.150 million):** This allocation along with £0.250 million already earmarked in the Council's Capital Priority Investment Fund, would facilitate the necessary upgrades to the Committee Rooms in terms of audio-visual equipment.

- **COVID related expenditure in 2021/2022 (£1.445 million):** It is proposed that the balance of the underspend is set aside for potential COVID costs in 2021/2022 and their knock-on impact into 2022/2023.

5.10. If it is agreed that the underspend is allocated for the above purposes, then these monies will be Transferred to Reserves for use in 2021/2022 and will mean that the Council will return a break-even position for financial year 2020/2021.

5.11. As at 31 March 2021, the position on the Housing Revenue Account is a breakeven position. This is after a transfer to the Reserve of £2.569 million, which is £0.849 million less than budgeted.

6. 2020/2021 Council Outturn

6.1. Following the year-end, the Council's outturn position for financial year 2020/2021 is an **underspend of £2.595 million**. This is detailed in Appendix 1 and summarised in Table 2. This Council Outturn includes a break-even position in relation to the cost of COVID incurred during the year – the cost of COVID is discussed separately in section 7.

Table 2 – Overall Council Probable Outturn

	Previously Reported Position £m	Final Outturn £m
Resources	(0.324)	(0.237)
Centrally Held Budgets	(0.117)	(0.044)
Over Recovery of Council Tax (excluding COVID 19)	2.604	2.876
General Services Underspend	2.163	2.595

6.2. **Movement from Last reported Position:** Table 2 shows the Outturn underspend of £2.595 million and previously reported underspend position of £2.163 million (Executive Committee, 28 April 2021). This an improvement of £0.432 million. The details of this are shown in Table 3 and reflect increased income from Council Tax (£0.272 million) as well as reduced spend across Resources and Centrally Held Budgets (£0.160 million). The details of the Outturn across Resources and Centrally Held Budgets is included in Appendix 2.

Table 3 – Details of Movement from Previously Reported Position

	£m
Total Resources (section 6.12)	0.087
Centrally Held Budgets (section 6.11)	0.073
Council Tax / Council Tax Reduction Scheme (section 6.20)	0.272
Movement from Probable Outturn Position	0.432

6.3. **Transfers to Reserves:** The outturn underspend of £2.595 million includes non-COVID Transfers to Reserves of £37.508 million. This includes the Transfers to Reserves approved as part of the Probable Outturn (£24.863 million) adjusted for minor movements totalling £0.237 million to reflect the Outturn position. These revised Transfers are shown in Appendix 3 (£24.626 million) and include the £14.289 million agreed as funding for the 2021/2022 Budget Strategy and £3.000 million transfer to reserves for corporate funds: £1.000 million each to the Insurance Fund, Winter Maintenance Fund and Strategic Waste Fund.

- 6.4. **Additional Transfers at Outturn:** The Outturn underspend also includes a number of proposed Outturn Transfers to Reserves totalling £12.942 million. This reflects the impact of COVID on the Resources' ability to spend on commitments during the final part of the year the year. The carry forward of these monies in Reserves would allow these committed areas of spend to be incurred in 2021/2022. The main reasons for the additional Outturn Transfer requests are taken in turn below and detailed in Appendix 4. These additional Outturn Transfers do not include the COVID funding transfers which are detailed separately in section 7.
- 6.5. **Community and Enterprise Resources:** Additional Transfer to Reserves proposed of £0.560 million. This is required to extend the Grounds Maintenance season and to pay for Waste and Food Regulation Commitments in 2021/2022.
- 6.6. **Education Resources:** Additional Transfers to Reserves proposed totalling £6.958 million (Appendix 4). These are required to fund commitments against specific funding on 1,140 Early Learning and Childcare, Teachers' Salaries, Developing Scotland's Young Workforce and School Counsellors.
- 6.7. **Finance and Corporate Resources:** Additional Transfers to Reserves proposed total £3.346 million. These are required to fund employability projects where Government funding was notified to us later in the year, training costs and Area Committee Grants.
- 6.8. **Housing and Technical Resources:** Additional Transfer to Reserves proposed of £0.758 million. This is required for expenditure on the Rapid Rehousing Transition Plan (RRTP) and Homelessness.
- 6.9. **Social Work Resources:** Additional Transfer to Reserves of £0.762 million is proposed. This is required to manage COVID related pressures in Children and Families into future years.
- 6.10. **Joint Boards:** Additional Transfer to Reserves of £0.277 million is proposed. This is in respect of Postal Vote funding from the Scottish Government (for the Lanarkshire Valuation Joint Board) and is needed in 2021/2022 to accommodate any further spend.
- 6.11. **Centrally Held Budgets:** A Transfer is proposed in Corporate Items for income received for Renewable Heat Initiative (RHI) / Feed In Tariff (FIT). This is required to be held for future energy efficiency projects.
- 6.12. **Overall Resource Position:** The Resources' Outturn position of an overspend of £0.237 million is after the impact of COVID (spend, lost income, savings not achieved and spend not made) totalling £23.840 million is removed from the figures. This is shown in Table 4. The majority of the overspend is within Housing and Technical Resources and is the cost of a one-off realignment of Estates income into the financial year, rather than the calendar year. As noted in Table 3, the Outturn position for Resources is an improvement of £0.087 million on the position reported as part of the Probable.

Table 4: Resource Outturn excluding COVID

Resource	£m	over/under
Community and Enterprise	0.024	under
Education	0.032	under
Finance and Corporate	(0.046)	over
Housing and Technical	(0.249)	over
Social Work	0.000	-
Joint Boards	0.002	under
Outturn excluding COVID	(0.237)	over

7. COVID Expenditure and Funding

- 7.1. Appendix 5 shows the COVID Cost of Recovery in 2020/2021 across Resources with the funding utilised to manage this to a break-even position. Table 5 summarises this position and shows that after funding the costs incurred in 2020/2021, there is funding remaining to be carried into 2021/2022 to fund the cost of COVID in that year. The overall position is a carry forward of £31.490 million and is shown in Table 5 as well as the previously reported carry forward position of £18.068 million (Executive Committee, 28 April 2021).

Table 5: COVID Expenditure and Funding

	Previously Reported Position £m	Final Outturn £m
Additional Resource Spend	29.049	24.508
Lost Income	7.430	7.299
Unspent Budget	(2.719)	(3.485)
Unachieved Savings	0.553	0.553
SLLC	2.900	0.139
Total Expenditure per Cost of Recovery	37.213	29.014
Add: Capital Spend	7.891	6.474
Total COVID Expenditure	45.104	35.488
Total COVID Funding	(63.172)	(66.978)
Funding received in 2020/2021 to be c/f to 2021/2022	(18.068)	(31.490)

- 7.2. The COVID carry forward funding into 2021/2022 is £31.490 million. This is split between Specific Funding of £14.291 million and General Funding of £17.199 million and approval is sought to carry this underspend forward for use on COVID expenditure into 2021/2022. As noted above, the COVID carry forward is an improvement of £13.422 million from the previously reported position.
- 7.3. The main reasons for the increase in the carry forward includes additional funding that was received in relation to Discretionary Fund for Business Support Grants that has not yet been paid out and will be carried forward (£4.6 million of the movement). There was also a lower than anticipated level of Capital Spend (£1.4 million) as by the end of the year, the level of Covid related contractor claims that were agreed was lower than we had estimated.
- 7.4. In addition, the position in relation to SLLC is £2.8 million better than anticipated mainly due to higher than anticipated income from the Job Retention scheme, the

NHS for providing vaccination and testing sites and also from lower expenditure than anticipated. The balance of the movement reflects the actual Covid related expenditure made including timing of spend on education recovery and logistics. It also includes an increase in the level of unspent budget identified which was primarily in relation to reduced spend on food purchases reflecting the level of school meals actually delivered in the year.

8. Summary of Overall Outturn Position

- 8.1. The final outturn position of an underspend of £2.595 million, as detailed in Section 6, is summarised in Table 6. This assumes a break-even position in respect of the Cost of COVID Recovery (detailed in section 7).

Table 6 – Final Outturn Position

	£m
Underspend Before Transfers to Reserves and inc. COVID	71.653
Less: Previously Approved Transfers to Reserves for 2021/2022 Strategy (<i>Appendix 3</i>)	(24.626)
Less: Proposed Transfers to Reserves (<i>Appendix 4</i>)	(12.942)
Less: COVID Transfers to Reserves (<i>Section 7.2</i>)	(31.490)
Revised Underspend After Transfers to Reserves	2.595

- 8.2. The final underspend of £2.595 million is now confirmed and it is proposed that consideration be given to transferring these monies to Reserves for the following purposes:

- **Replacement for Financial management, HR, Payroll, Purchasing and procurement system (£1.000 million):** As the Council's Enterprise Resource System (Oracle) is nearing the end of its supported life, a replacement is being considered. An allocation of £1.000 million would contribute towards the initial costs for licencing and towards supporting the implementation costs.
- **Committee Room Audio-visual equipment upgrades (£0.150 million):** This allocation along with £0.250 million already earmarked in the Council's Capital Priority Investment Fund, would facilitate the necessary upgrades to the Committee Rooms in terms of audio-visual equipment.
- **COVID related expenditure in 2021/2022 (£1.445 million):** It is proposed that the balance of the underspend is set aside for potential COVID costs in 2021/2022 and their knock-on impact into 2022/2023.

- 8.3. If this proposal is agreed, then these monies will be Transferred to Reserves for use in 2021/2022 and will mean that the Council will return a break-even position for financial year 2020/2021.

9. Housing Revenue Account Position

- 9.1. As at 31 March 2021, the position on the Housing Revenue Account is a breakeven position. This is after a transfer to the Reserve of £2.569 million, which is £0.849 million less than budgeted.
- 9.2. The details of the variances across the Housing Revenue Account are shown in Appendix 6 and in the main are the net of an underspend on Property Costs and an under-recover of Income.

10. Employee Implications

- 10.1. None.

11. Financial Implications

11.1. As detailed within this report.

12. Climate Change, Sustainability and Environmental Implications

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

13. Other Implications

13.1. 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.

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

14. Equality Impact Assessment and Consultation Arrangements

14.1. 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.

14.2. 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)

23 June 2021

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 March 2021

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 (including COVID and AFTER Transfers)

Period Ended 31 March 2021

Committee

Departments:

Community and Enterprise Resources

Facilities Streets, Waste and Grounds

Fleet, Environmental and Projects

Leisure and Culture Services

Planning and Economic Development

Roads

COVID-19

Education Resources

Education Resources

COVID-19

Finance and Corporate Resources

Finance Services - Strategy

Finance Services - Transactions

Audit and Compliance Services

Information Technology Services

Communications and Strategy Services

Administration and Licensing Services

Personnel Services

COVID-19

Housing and Technical Resources

Housing Services

Property Services

COVID-19

Social Work Resources

Performance and Support Services

Children and Family

Adults and Older People

Justice and Substance Misuse

COVID-19

Joint Boards**Total Resources**

Total Resources

CFCR

Loan Charges

Corporate Items

Corporate Items - COVID

Corporate Items - 21/22 Strategy

Total Expenditure

Council Tax

Less: Council Tax Reduction Scheme

Net Council Tax

General Revenue Grant

General Revenue Grant - COVID

Non-Domestic Rates

Transfer from Reserves

Total Income**Net Expenditure / (Surplus) Before
Transfers to Reserves****Net Expenditure / (Surplus) Before
Transfers to Reserves**

Transfers to Specific Reserves

**(Surplus) After Transfers to Specific
Reserves**

Transfer to Earmarked General Fund

**Surplus for Year Transferred to
Uncommitted General Fund**

	Annual Budget £m <i>Col 1</i>	Forecast Before Transfers £m <i>Col 2</i>	Forecast After Transfers £m <i>Col 3</i>	Annual Forecast Variance (After Transfers) £m <i>Col 4</i>
Community and Enterprise Resources	115.111	122.833	123.280	(8.169)
Facilities Streets, Waste and Grounds	67.132	67.297	67.534	(0.402)
Fleet, Environmental and Projects	0.977	1.698	1.743	(0.766)
Leisure and Culture Services	19.616	19.581	19.581	0.035
Planning and Economic Development	2.138	2.619	2.784	(0.646)
Roads	20.752	22.441	22.441	(1.689)
COVID-19	4.496	9.197	9.197	(4.701)
Education Resources	352.612	355.391	361.652	(9.040)
Education Resources	352.612	346.347	352.608	0.004
COVID-19	0.000	9.044	9.044	(9.044)
Finance and Corporate Resources	36.057	39.590	39.693	(3.636)
Finance Services - Strategy	2.292	2.293	2.293	(0.001)
Finance Services - Transactions	13.515	13.513	13.513	0.002
Audit and Compliance Services	0.334	0.334	0.334	0.000
Information Technology Services	4.921	5.234	5.234	(0.313)
Communications and Strategy Services	1.084	1.099	1.099	(0.015)
Administration and Licensing Services	4.228	4.779	4.779	(0.551)
Personnel Services	9.683	9.582	9.685	(0.002)
COVID-19	0.000	2.756	2.756	(2.756)
Housing and Technical Resources	15.743	17.990	17.990	(2.247)
Housing Services	9.090	8.935	8.935	0.155
Property Services	6.653	7.790	7.790	(1.137)
COVID-19	0.000	1.265	1.265	(1.265)
Social Work Resources	173.527	173.906	173.906	(0.379)
Performance and Support Services	8.120	7.820	7.820	0.300
Children and Family	36.514	36.822	36.222	(0.308)
Adults and Older People	127.350	127.393	127.393	(0.043)
Justice and Substance Misuse	1.543	1.501	1.501	0.042
COVID-19	0.000	0.370	0.370	(0.370)
Joint Boards	2.245	2.245	2.245	0.000
Total Resources	695.295	711.955	718.766	(23.471)

	Annual Budget £m <i>Col 1</i>	Forecast Before Transfers £m <i>Col 2</i>	Forecast After Transfers £m <i>Col 3</i>	Annual Forecast Variance (After Transfers) £m <i>Col 4</i>
Total Resources	695.295	711.955	718.766	(23.471)
CFCR	3.355	3.355	3.355	0.000
Loan Charges	40.843	37.843	40.843	0.000
Corporate Items	2.468	1.537	2.300	0.168
Corporate Items - COVID	50.259	27.359	27.359	22.900
Corporate Items - 21/22 Strategy	14.289	0.000	14.289	0.000
Total Expenditure	806.509	782.049	806.912	(0.403)
Council Tax	159.471	161.227	161.227	1.756
Less: Council Tax Reduction Scheme	(22.590)	(21.780)	(21.780)	0.810
Net Council Tax	136.881	139.447	139.447	2.566
General Revenue Grant	346.438	346.438	346.438	0.000
General Revenue Grant - COVID	60.695	60.695	60.695	0.000
Non-Domestic Rates	226.179	226.179	226.179	0.000
Transfer from Reserves	36.316	36.316	36.316	0.000
Total Income	806.509	809.075	809.075	2.566
Net Expenditure / (Surplus) Before Transfers to Reserves	0.000	(27.026)	(2.163)	2.163

	Annual Budget £m <i>Col 1</i>	Forecast Before Transfers £m <i>Col 2</i>	Forecast After Transfers £m <i>Col 3</i>	Annual Forecast Variance (After Transfers) £m <i>Col 4</i>
Net Expenditure / (Surplus) Before Transfers to Reserves	0.000	(27.026)	(27.026)	27.026
Transfers to Specific Reserves	0.000	0.000	3.975	(3.975)
(Surplus) After Transfers to Specific Reserves	0.000	(27.026)	(23.051)	23.051
Transfer to Earmarked General Fund	0.000	0.000	20.888	(20.888)
Surplus for Year Transferred to Uncommitted General Fund	0.000	(27.026)	(2.163)	2.163

Actual to 31/03/21 Before Transfers £m <i>Col 5</i>	Variance Annual Budget To Actual Before Transfers £m <i>Col 6</i>	Actual to 31/03/21 After Transfers £m <i>Col 7</i>	Variance Annual Budget To Actual After Transfers £m <i>Col 8</i>
116.749	(1.638)	122.172	(7.061)
66.708	0.424	67.505	(0.373)
1.855	(0.878)	1.880	(0.903)
19.581	0.035	19.581	0.035
1.763	0.375	1.868	0.270
22.999	(2.247)	22.999	(2.247)
3.843	0.653	8.339	(3.843)
343.155	9.457	356.540	(3.928)
339.125	13.487	352.220	0.392
4.030	(4.030)	4.320	(4.320)
38.273	(2.216)	41.709	(5.652)
2.314	(0.022)	2.314	(0.022)
13.198	0.317	13.327	0.188
0.358	(0.024)	0.358	(0.024)
5.477	(0.556)	5.477	(0.556)
0.986	0.098	0.986	0.098
4.751	(0.523)	4.811	(0.583)
6.371	3.312	9.618	0.065
4.818	(4.818)	4.818	(4.818)
22.253	(6.510)	22.827	(7.084)
8.383	0.707	8.957	0.133
8.017	(1.364)	8.017	(1.364)
5.853	(5.853)	5.853	(5.853)
173.119	0.408	173.881	(0.354)
7.669	0.451	8.120	0.000
36.207	0.307	36.514	0.000
127.350	0.000	127.350	0.000
1.539	0.004	1.543	0.000
0.354	(0.354)	0.354	(0.354)
1.966	0.279	2.243	0.002
695.515	(0.220)	719.372	(24.077)

Actual to 31/03/21 Before Transfers £m <i>Col 5</i>	Variance Annual Budget To Actual Before Transfers £m <i>Col 6</i>	Actual to 31/03/21 After Transfers £m <i>Col 7</i>	Variance Annual Budget To Actual After Transfers £m <i>Col 8</i>
695.515	(0.220)	719.372	(24.077)
3.355	0.000	3.355	0.000
37.808	3.035	40.841	0.002
1.054	1.414	2.229	0.239
0.000	50.259	26.704	23.555
0.000	14.289	14.289	0.000
737.732	68.777	806.790	(0.281)
161.533	2.062	161.533	2.062
(21.776)	0.814	(21.776)	0.814
139.757	2.876	139.757	2.876
346.738	0.000	346.738	0.000
60.695	0.000	60.695	0.000
226.179	0.000	226.179	0.000
36.316	0.000	36.316	0.000
809.385	2.876	809.385	2.876
(71.653)	71.653	(2.595)	2.595

Actual to 31/03/21 Before Transfers £m <i>Col 5</i>	Variance Annual Budget To Actual Before Transfers £m <i>Col 6</i>	Actual to 31/03/21 After Transfers £m <i>Col 7</i>	Variance Annual Budget To Actual After Transfers £m <i>Col 8</i>
(71.653)	71.653	(71.653)	71.653
0.000	0.000	5.286	(5.286)
(71.653)	71.653	(66.367)	66.367
0.000	0.000	63.772	(63.772)
(71.653)	71.653	(2.595)	2.595

Detail of Outturn Across Resources and Centrally Held Budgets

1. **Movement from Last Reported Position:** The previously reported position for General Services was an underspend of £2.163 million. At financial year-end, the position is now an underspend of £2.595 million – an improvement of £0.432 million. This is made up of an improvement in Resources of £0.087 million, an improvement in the Centrally Held budgets of Corporate Items and Loan Charges (£0.073 million) and an increase in the over-recovery of Council Tax (£0.272 million). Each of the individual areas of the Council's General Services budgets are detailed in the remainder of this Appendix.
2. **Resources and Centrally Held Budgets:** Details of the Resource positions, including any assumptions are detailed below. These figures include the costs associated with COVID and include Transfers to Reserves.
3. **Community and Enterprise Resources:** The outturn position after transfers to reserves is an overspend of £7.061 million. Removing the cost of COVID leaves an underspend of £0.024 million. This is comparable to the reported Probable Outturn position.
4. **Education Resources:** The outturn position after transfers to reserves is an overspend of £3.928 million. Removing the cost of COVID leaves an underspend of £0.032 million. This is an improvement of £0.340 million Resource's Probable Outturn position.
5. **Finance and Corporate Resources:** The outturn position after transfers to reserves is an overspend of £5.652 million. Removing the cost of COVID leaves an overspend of £0.046 million, which is in line with the reported Probable Outturn position.
6. **Housing and Technical Resources:** The outturn position after transfers to reserves is an overspend of £7.084 million. Removing the cost of COVID leaves an overspend of £0.249 million. This reflects a one-off realignment of Estates income to the financial year, rather than the calendar year, to bring it in line with audit requirements. The position includes a commitment in relation to element of the budget delegated to the Integrated Joint Board (IJB) for Aids and Adaptations. The IJB has underspent by £0.585 million. The commitment reflects the proposal that the Council allows the IJB to retain this non-recurring underspend within their reserves earmarked for future costs. This allows the IJB to retain these funds in line with the approach to integrating health and social care budgets.
7. **Social Work Resources:** The outturn position is a net overspend of £0.354 million. Removing the cost of COVID leaves a break even position. The position includes a commitment within Adult and Older People in relation to the Integrated Joint Board (IJB). The IJB has underspent by £0.236 million. The commitment within Adults and Older People reflects the proposal that the Council allows the IJB to retain this non-recurring underspend within their reserves earmarked for future care costs. This allows the IJB to retain these funds in line with the approach to integrating health and social care budgets but earmarks the funding for social care.
8. **Loan Charges:** After taking into account the £3.000 million agreed transfer to reserves (Executive Committee, 10 February 2021), the loan charges outturn is an underspend of £0.002 million.

9. **Corporate Items - Non COVID:** The outturn position after proposed transfers to reserves of £1.175 million (Appendices 3 and 4) is a net underspend of £0.239 million, including the commitment for Council Tax Second Homes. This includes COVID related underspends of £0.285 million and if the impact of these is removed the budget is showing an overspend of £0.046 million.
10. **Corporate Items - COVID-19:** The underspend of £23.555 million represents the COVID funding held centrally to fund the COVID expenditure that is included within Resource outturn positions.
11. **Corporate Items - 2021/2022 Strategy:** The Executive Committee (24 June 2020) approved the transfer of funds totalling £14.289 million to reserves for use in future strategies, leaving a breakeven position after transfers to reserves.
12. **Loans Fund Review:** As part of the Revenue Budget Strategy paper (24 June 2020), the Executive Committee agreed that the 2020/2021 underspend generated by the Loans Fund Review would be taken to reserves for use in future years budget strategies. This transfer to reserves of £8.900 million is reflected in the outturn position shown.
13. **Capital Funding (CFCR):** The 2020/2021 revenue budget included £5.389 million in the CFCR budget to be used to fund the capital programme. The Executive Committee (June 2020) agreed that as a result of COVID-19, and the fact that the Capital Programme did not need this funding this year, the £5.389 million would be transferred to reserves for use in the 2021/2022 Revenue Budget Strategy. This transfer to reserves of £5.389 million is included in the outturn position shown.
14. **Council Tax including Council Tax Reduction Scheme (CTRS):** The Council Tax is showing an over recovery of £2.876 million, comprising an over recovery of Council Tax of £2.062 million and an underspend on CTRS of £0.814 million. This is an increase of £0.272 million on the position reported as part of the Probable.
15. The over recovery of £2.062 million is due to:
- Empty Property charges - £0.454 million,
 - Arrears collection - £1.048 million,
 - Additional in-year properties - (£0.064 million) and
 - Income from Council Tax Second Homes - £0.624 million which is offset by a corresponding commitment in Corporate Items (section 9).
16. The underspend of £0.814 million on the CTRS reflects current demand for these payments. This position includes the additional funding from the Scottish Government to assist with managing the impact of COVID on these payments.
-

Transfers to Reserves – Approved At Probable

Purpose / Description	Resource	Value £m
Resources		
Parent Pay Development Contribution to meet the costs of the development of the Parent Pay system.	Community and Enterprise	0.070
Crematorium Sinking Fund Annual contribution to the Crematorium sinking fund for the future replacement of the mercury filters and brick works.	Community and Enterprise	0.025
Electric Sweeper – Payback Ring-fenced reserves used to manage purchase of electric vehicles in short term which have to be repaid over next few year. This contribution is the first repayment.	Community and Enterprise	0.065
Restoration works – Alexander Park, Stonehouse Funding required to rectify the landslip and re-instate a core path in Alexander Hamilton Memorial Park for health and safety reasons.	Community and Enterprise	0.077
Fleet Sinking Fund Annual contribution to cover the expected future costs of replacing ramp equipment at the Fleet depot in the Hamilton International Technology Park.	Community and Enterprise	0.045
Local Plan To fund ongoing costs in relation to the judicial review and legal challenges as a result of adopting the new local plan.	Community and Enterprise	0.025
Business Support Contribution to assist in funding the anticipated increase in demand for support from local business in 2021/2022 as a result of the ongoing economic fallout from the COVID19 pandemic.	Community and Enterprise	0.140
Total Community and Enterprise Resources		0.447
Adjust: reduction in transfers to reflect increased spend achieved during the financial year.		(0.080)
Revised Community and Enterprise Resources		0.367
Pupil Equity Fund The funding received from the Government can be used up to the end of the school term (June 2021). The underspend reflects the element of the funding that will be utilised in April to June 2021.	Education	2.450
Early Years 1140 Hours This transfer relates to the underspend on the current year grant allocation to be carried forward to meet the commitments in line with the spend profile of the project.	Education	3.811
Total Education Resources		6.261
Adjust: reduction in transfers to reflect increased spend achieved during the financial year.		(0.124)
Revised Education Resources		6.137
Sanitary Products This transfer relates to the underspend on the current year grant allocation to be carried forward to meet commitments.	Finance and Corporate	0.072
Men's Shed This contribution is required as it is match funding required to secure Lottery funding for extension of the contract.	Finance and Corporate	0.025
British Sign Language This transfer relates to funding to enable the implementation of the British Sign Language (Scotland) Bill which was not fully used in the current year. The funding is required to meet commitments in 2021/2022.	Finance and Corporate	0.006
Total Finance and Corporate Resources		0.103
Adjust: reduction in transfers to reflect increased spend achieved during the financial year.		(0.013)
Revised Finance and Corporate Resources		0.090
Total Resource Proposed Transfers to Reserves		6.811
Adjust: Total reduction in transfers to reflect increased spend during the financial year.		(0.217)
Revised Resource Proposed Transfers to Reserves at Outturn		6.594

Loan Charges		
Winter Maintenance Fund Contribution required to ensure there is an ability to manage underspends and overspends on winter activity across financial years.	Loan Charges	1.000
Insurance Fund The contribution will allow the increased costs of insurance to be met from the fund for a further year covering 2021/22.	Loan Charges	1.000
Strategic Waste Fund The contribution will the Council to continue to meet the costs of the Councils waste service from 2021/22.	Loan Charges	1.000
Total Loan Charges Proposed Transfers to Reserves		3.000
Corporate Items		
Central Energy Efficiency Fund (CEEF) Resources are allocated funding from the CEEF Reserve to pay for spend to save projects which they repay over future years from the revenue savings generated by the project. This transfer represents the payback of savings from Resources and allows the Reserve to be regenerated for use on future projects.	Corporate Items	0.181
Council Tax Second Homes This transfer represents the over recovery of income from Council Tax on second homes included in the Council's Council Tax income line. This requires to be transferred to the Housing Revenue Account for use on social housing.	Corporate Items	0.582
Total Corporate Proposed Transfers to Reserves		0.763
Adjust: Total increase in transfers to reflect additional income received during the year		(0.020)
Revised Corporate Proposed Transfers to Reserves at Outturn		0.743
Total Transfers to Reserves Approved at Probable Outturn		10.574
Adjust: Total net decrease in transfers to reflect final outturn position (Resources and Corporate Items)		(0.237)
Revised Transfers to Reserves Approved at Probable Outturn		10.337
2021/2022 Budget Strategy – Approved Transfers to Reserves		
Loans Funds Review - 21/22 Budget Strategy This transfer is to support the 2021/2022 Budget set in February 2021 (approved at Executive Committee in June 2020).		8.900
CFCR Not utilised - 21/22 Budget Strategy This transfer is to support the 2021/2022 Budget set in February 2021 (approved at Executive Committee in June 2020).		5.389
Total 2021/2022 Budget Strategy – Approved Transfers to Reserves		14.289
Total Transfers to Reserves at Probable Outturn and 2021/2022 Budget Strategy Transfers		24.863
Adjust: Total net decrease in transfers to reflect final outturn position (Resources and Corporate Items)		(0.237)
Revised Transfers to Reserves (Probable Outturn and 2021/2022 Budget Strategy Transfers)		24.626

Transfers to Reserves – Additional Proposed Transfers at Outturn

Purpose / Description	Resource	Value £m
Resources		
Food Regulations Changes to food/drink standards will have an impact on spend into 2021/2022. This transfer would allow the Resource to manage this additional expenditure in 2021/2022.	Community and Enterprise	0.180
Waste Strategy The cost of Waste collection and disposal are met partly through contributions from reserves. This transfer would allow the Resource to manage anticipated additional expenditure in 2021/2022.	Community and Enterprise	0.220
Grounds Seasonal staff Due to the ongoing COVID restrictions, the seasonal workforce were not recruited to start in March 2021. This transfer of funds will allow the extension of the seasonal workforce from the 22 September 2021 (usual date) to the 15 October 2021 and allow the core summer maintenance to be completed.	Community and Enterprise	0.160
Total Community and Enterprise Resources		0.560
Developing Scotland's' Young Workforce (DSYW) Following the impact of the further restrictions on schools from January 2021, it has been more difficult for schools to spend this and engage in programmes and activity relating to Developing Scotland's Young Workforce. The transfer of this specific funding will allow commitments in these areas to be met following schools reopening from 19 April 2021.	Education Resources	0.090
Counselling Following the impact of the further restrictions on schools from January 2021, it has been more difficult for schools to spend and engage in programmes and activity relating to Counselling. The transfer of this specific funding will allow commitments in these areas to be met following schools reopening from 19 April 2021.	Education Resources	0.714
Additional Support for Learning Following the impact of the further restrictions on schools from January 2021, there has been an impact on staffing in Additional Support for Learning. The transfer of this specific funding will allow commitments in these areas to be met following schools reopening from 19 April 2021.	Education Resources	0.330
Teachers' Salaries This transfer relates to the in-year underspend on teachers' salaries and will be carried forward to pay for teachers pay in 2021/2022.	Education Resources	1.300
Employability Due to ongoing restrictions in place as a result of COVID, there has been an impact on the deliverability of Youth Employability programmes. This transfer will allow enhanced programmes to be delivered in 2021/2022.	Education Resources	0.300
Sanitary Products Following the impact of the further restrictions on schools from January 2021, it has been more difficult for schools to spend and engage in programmes and activity relating to Sanitary programmes. The transfer of this specific funding will allow commitments in these areas to be met following schools reopening from 19 April 2021.	Education Resources	0.113
Education Capital Items In line with Devolved school management guidelines within schools, this reflects spend to be incurred up to the end of school term (June 2021) and the transfer is required to allow the spend to be undertaken in April to June 2021.	Education Resources	0.596
1,140 Specific Grant The transfer of this specific funding underspend is required to meet the commitments in line with the spend profile of the project.	Education Resources	3.515
Total Education Resources		6.958

Learning and Development – Council wide Due to the ongoing restrictions of COVID, training for Craft and Road apprentices and Health and Safety did not take place as planned in 2020/2021. This transfer is to ensure the outstanding training is carried out in 2021/2022, alongside the training planned for that year.	Finance and Corporate Resources	0.169
Employability Projects Due to the timing of monies received and the timetable for project delivery, this external Employability Project funding requires to be carried forward to ensure the projects can continue in 2021/2022: UpSkillling (£0.106m), Connect 2 (£0.194m), No One Left Behind (NOLB) (£0.118m), Adult Gateway (£0.066m), Parental Employability Support Fund (PESF) (£0.290m), PESF Boost (£0.386m), Youth Guarantee (£1.655m) and PACE (£0.173m).	Finance and Corporate Resources	2.988
Area Committee Grants This transfer reflects the underspend in Area Grants monies in 2020/2021, and which members requested be considered for carry forward to be used in 2021/2022 (as referenced in section 7.4 Executive Committee 28 April 2021).	Finance and Corporate Resources	0.060
Scottish Welfare Fund During the year additional funding was received to assist with the impact of COVID on Scottish Welfare Payments. This underspend in the core funding is required to be carried forward to meet commitments in 2021/2022.	Finance and Corporate Resources	0.129
Total Finance and Corporate Resources		3.346
Homelessness & Rapid Rehousing Transitions Plan (RRTP) The Scottish Government funding for RRTP was not fully utilised in 2020/2021, and it is proposed that the funding is carry forward to meet commitments in future years. The general revenue grant funded by the Scottish Government contains a specific element for Homelessness, there is an underspend in the current year forecast and it is proposed to transfer this to reserves to fund future investment in the Homelessness service to meet future demands.	Housing and Technical Resources	0.574
Total Housing and Technical Resources		0.574
2021/2022 Residential Care – Children and Families Government funding received allowed the Council to meet the costs of COVID related budget pressures in 2020/2021. This transfer of council funds is to assist in managing these ongoing COVID related pressures of increased number within the Children and Families service, into 2021/2022.	Social Work Resources	0.762
Total Social Work Resources		0.762
Total Resource Proposed Transfers to Reserves		12.200
Joint Boards		
Scottish Government - Postal Funding Underspend The conditions of the funding require the Lanarkshire Valuation Joint Board to return any unspent funding to the Council, to enable it to be carried forward for use in 2021/2022 (or for return to the Scottish Government).	Joint Boards	0.277
Total Joint Boards		0.277
Corporate Items		
Feed In Tariff Carry forward income received from energy transferred back to the grid for use on future energy efficiency projects.	Corporate Items	0.053
Renewable Heat Initiative Income Carry forward subsidy income received from the Government for use on future energy efficiency related projects.	Corporate Items	0.379
Corporate Items		0.432
Loan Charges		
Interest on Revenue Balances – Reserves This is the interest on Reserves balances and the transfer will be added to the balances on each Balance Sheet Reserve as appropriate.	Loan Charges	0.033
Total Loan Charges Proposed Transfers to Reserves		0.033
Total Proposed Transfers to Reserves at Outturn (Resources, Joint Boards and Corporate Items)		12.942

Appendix 5

Cost of COVID 2020/2021	Costs Incurred	Lost Income	Savings not Achieved	Less: Spend Not Made	Total Costs
Community and Enterprise	3.704	5.328	0.100	(2.186)	6.946
Education	7.765	0.516	0.099	(0.975)	7.405
Finance and Corporate	11.461	0.455	0.354	(0.306)	11.964
Housing and Technical	1.224	1.000	0.000	(0.018)	2.206
Social Work	0.354	0.000	0.000	0.000	0.354
Net Cost to the Council in 2020/2021	24.508	7.299	0.553	(3.485)	28.875
Funding					
Scottish Government Funding (Specific and General)					(66.978)
Total Funding					(66.978)
Balance of Funding after Resource Expenditure					(38.103)
Add: Capital					6.474
Add: SLLCT Shortfall					0.139
Balance of Funding					(31.490)
Transfer to Reserves for Use in 2021/2022					31.490
Balance					-

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report 2020/21

Year Ended 31st March 2021

Housing Revenue Account

Budget Category	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion 31/03/21	Actual 31/03/21	Variance 31/03/21		% Variance 31/03/21	Notes
Employee Costs	13,721	13,384	337	337	13,721	13,596	125	under	0.9%	1
Property Costs	44,394	45,485	(1,091)	(1,091)	44,394	44,694	700	under	1.6%	2
Supplies & Services	996	809	187	187	996	790	206	under	20.7%	3
Transport & Plant	195	223	(28)	(28)	195	165	30	under	15.4%	
Administration Costs	5,644	5,632	12	12	5,644	5,701	(57)	over	(1.0%)	
Payments to Other Bodies	3,176	3,130	46	46	3,176	3,225	(49)	over	(1.5%)	
Payments to Contractors	100	131	(31)	(31)	100	97	3	under	3.0%	
Transfer Payments	0	0	0	0	0	0	0	-	0.0%	
Financing Charges	18,134	18,142	(8)	(8)	18,134	18,159	(25)	over	(0.1%)	a
Total Controllable Exp.	86,360	86,936	(576)	(576)	86,360	85,427	933	under	1.1%	
Total Controllable Inc.	(105,367)	(103,634)	(1,733)	(1,733)	(105,367)	(103,477)	(1,888)	under recovered	(1.8%)	4
Transfer to/(from) Balance Sheet	3,418	1,109	2,309	2,309	3,418	2,569	849	under	24.8%	5, a
Net Controllable Exp.	(15,589)	(15,589)	0	0	(15,589)	(15,483)	(106)	over	(0.7%)	
Loan Charges	15,589	15,589	0	0	15,589	15,483	106	over recovered		
Net Controllable Exp.	0	0	0	0	0	0	0	-	0.0%	

Variance Explanations

- Employee Costs:** the underspend is due to higher than anticipated staff turnover.
- Property Costs:** The net variance reflects an overall overspend on repairs and maintenance work, which includes payments to Property Services for fixed overheads. This is more than offset by an underspend on Bad Debt Provision at year-end.
- Supplies and Services:** The underspend relates to reduced IT costs resulting from implementation delays. The funding will be carried forward into future years.
- Income:** The under-recover of rental income reflects the delay in new build properties due to Covid-19 as well as a shortfall in insurance commission and insurance repair recoveries.
- Transfer to / (from) Balance Sheet:** The year-end transfer to or from balance sheet reflects a transfer to reserves of £2.976m.

Virements

- Rechargeable Repairs and Owner Contributions (£nil):** The budget for rechargeable repairs and owners' contributions to investment works has been reduced by £2.267m in both income and expenditure. This reflects the reduced workload in 2020/21 due to Covid-19.