

Report

Report to:	Executive Committee
Date of Meeting:	20 March 2024
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Revenue Budget Monitoring for Period 1 April to 26 January 2024 and Probable Outturn
----------	---

1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ advise the Committee on the overall financial position of the Council's General Fund Revenue Account and Housing Revenue Account for the period 1 April 2023 to 26 January 2024, and a projection for the year to 31 March 2024

2. Recommendation(s)

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

- (1) that the Council's breakeven probable outturn position after Transfers to Reserves (section 4.1), be noted;
- (2) that the underspend of £2.617 million on the General Fund Revenue Account at 26 January 2024 (section 5.1), be noted; and
- (3) that the breakeven position on the Housing Revenue Account at 26 January 2024, and the forecast to 31 March 2024 of breakeven (sections 6.1 and 6.2), be noted.

3. Background

3.1. This report will summarise the previously reported Probable Outturn position for the Council's General Fund Revenue Account to 31 March 2024 (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 2023 to 26 January 2024, respectively.

4. 2023/2024 General Services Probable Outturn

4.1. As reported previously, the 2023/2024 probable outturn position for the General Fund presented an underspend of £9.000 million. This underspend was after proposed Transfers to Reserves totalling £14.985 million. It was proposed that the £9.000 million probable outturn underspend be transferred to Reserves with £3.000 million being set aside to support budget pressures in 2024/2025 and the remaining £6.000 million be considered to support the Council's Budget Strategy, including pay.

4.2. Full details of the Transfers to Reserves were included in the 24 January 2024 report to the Executive Committee. The forecast position before and after Transfers to Reserves is shown in Appendices 1 and 2. The position presented in Appendix 2 includes the probable outturn underspend of £9.000 million as a Transfer to Reserves resulting in a breakeven position for the Council's 2023/2024 Probable Outturn.

- 4.3. **Teacher Numbers:** As previously reported, the Cabinet Secretary had held back £45.5 million of funding nationally for the maintenance of Teacher Numbers, until after the 2023 Census details are received by the Government, and until councils provide assurance that they have maintained teacher numbers and pupil support numbers at the 2022 level. For the Council, this amounted to £2.934 million. As part of the Local Government Finance Order issued on 29 February, the held back funds have now been released to the Council.

5. 2023/2024 General Services Monitoring Position

- 5.1. **Financial Position as at 26 January 2024:** As at 26 January 2024, the position on the General Services budget is a net underspend of £2.617 million, after Transfers to Reserves. This is shown in Appendix 2 with the position before Transfers to Reserves in Appendix 1 for information.

- 5.2. The underspend of £2.617 million to date differs from the breakeven Probable Outturn position as the net underspend on Council Tax (£3.262 million) and the 2023/2024 Probable Outturn underspend, to be transferred to Reserves (£9.000 million), have not been included in the position to date. These variances will materialise at financial year-end.

6. Housing Revenue Account Position

- 6.1. **Financial Position as at 26 January 2024:** Appendix 3 of the report shows a breakeven position against the phased budget on the Housing Revenue Account.

- 6.2. **Probable Outturn Position:** Appendix 3 also shows the forecast position for the financial year, being a breakeven position for the Housing Revenue Account.

- 6.3. This break-even position includes a lower than budgeted Transfer from Reserves being required in the financial year. It is assumed that the increased level of costs experienced will be offset by an underspend in Loan Charges this financial year.

- 6.4. The reduction in Loan Charges is anticipated in 2023/2024 as a result of utilising an in-year benefit from the Housing Revenue Account Loans Fund Review. The Loans Fund Review is detailed in the 2024/2025 budget setting report for the Housing Revenue Account which was approved by Members at the full Council meeting on 21 February 2024.

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. As detailed in section 4, inflationary and budget pressures this year increase the risk of overspend, however, we have mitigated this going forwards through providing additional funds in future years budget strategy, and through the one-off use of reserves in the current year.

10.2. We will also continue to monitor the actual impact through four weekly Budget Monitoring Meetings at which any variance is analysed. In addition, the Probable Outturn information included 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.

Jackie Taylor

Executive Director (Finance and Corporate Resources))

11 March 2024

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 26 January 2024

Contact for Further Information

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

Lorraine O'Hagan, Finance Manager (Strategy)

Ext: 2601 (Tel: 01698 452601)

E-mail: lorraine.o'hagan@southlanarkshire.gov.uk

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report (BEFORE Transfers)
Period Ended 26 January 2024 (No.11)

<u>Committee</u>	Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Budget Proportion To 26/01/24	Actual to Period 11 26/01/24	Variance to 26/01/24	
Departments:	£m	£m	£m	£m	£m	£m	
Community and Enterprise Resources	139.295	139.055	0.240	112.063	111.859	0.204	under
Facilities, Waste and Grounds	83.216	82.889	0.327	64.042	63.623	0.419	under
Leisure and Culture Services	23.227	23.044	0.183	22.445	22.289	0.156	under
Planning and Regulatory Services	5.382	5.018	0.364	4.631	4.350	0.281	under
Enterprise and Sustainable Development	5.973	5.664	0.309	3.784	3.479	0.305	under
Roads, Transportation and Fleet	21.497	22.440	(0.943)	17.161	18.118	(0.957)	over
Education Resources	439.709	440.004	(0.295)	352.207	352.405	(0.198)	over
Education	439.709	440.004	(0.295)	352.207	352.405	(0.198)	over
Finance and Corporate Resources	45.240	45.456	(0.216)	44.833	45.038	(0.205)	over
Finance Services - Strategy	2.306	2.272	0.034	2.910	2.858	0.052	under
Finance Services - Transactions	20.586	20.767	(0.181)	16.347	16.490	(0.143)	over
Audit and Compliance Services	0.411	0.417	(0.006)	0.493	0.517	(0.024)	over
Information Technology Services	5.542	5.542	0.000	9.410	9.442	(0.032)	over
Communications and Strategy Services	2.966	2.966	0.000	2.724	2.720	0.004	under
Administration and Licensing Services	4.510	4.730	(0.220)	4.243	4.405	(0.162)	over
Personnel Services	8.919	8.762	0.157	8.706	8.606	0.100	under
Housing and Technical Resources	17.592	16.082	1.510	26.476	26.476	0.000	-
Housing Services	10.229	8.673	1.556	8.763	8.702	0.061	under
Property Services	7.363	7.409	(0.046)	17.713	17.774	(0.061)	over
Social Work Resources	239.322	239.322	0.000	180.385	180.385	0.000	-
Performance and Support Services	6.686	6.501	0.185	5.149	4.891	0.258	under
Children and Families	48.943	49.233	(0.290)	39.083	39.474	(0.391)	over
Adults and Older People	182.252	182.252	0.000	134.552	134.552	0.000	-
Justice and Substance Misuse	1.441	1.336	0.105	1.601	1.468	0.133	under
Joint Boards	2.053	2.053	0.000	1.737	1.737	0.000	-
	883.211	881.972	1.239	717.701	717.900	(0.199)	over

<u>Committee</u>	Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Budget Proportion To 26/01/24	Actual to Period 11 26/01/24	Variance to 26/01/24	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	883.211	881.972	1.239	717.701	717.900	(0.199)	over
CFCR	0.038	0.038	0.000	0.000	0.000	0.000	-
Loan Charges	38.796	29.340	9.456	0.000	0.000	0.000	-
Corporate Items	(5.093)	(12.127)	7.034	1.137	(1.883)	3.020	under
Investments – 2023/24 (T/f to Reserves)	2.994	0.000	2.994	0.000	0.000	0.000	-
2023/2024 Probable Outturn Underspend (T/f to Reserves)	0.000	0.000	0.000	0.000	0.000	0.000	-
Total Expenditure	919.946	899.223	20.723	718.838	716.017	2.821	under
Council Tax	179.102	182.394	3.292	137.771	137.771	0.000	-
Less: Council Tax Reduction Scheme	(23.278)	(23.308)	(0.030)	(17.906)	(17.906)	0.000	-
Net Council Tax	155.824	159.086	3.262	119.865	119.865	0.000	-
General Revenue Grant	350.757	350.757	0.000	296.794	296.794	0.000	-
Non-Domestic Rates	341.536	341.536	0.000	288.992	288.992	0.000	-
Transfer from Reserves	71.829	71.829	0.000	71.829	71.829	0.000	-
Total Income	919.946	923.208	3.262	777.480	777.480	0.000	-
Net Expenditure / (Income)	0.000	(23.985)	23.985	(58.642)	(61.463)	2.821	under

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report (AFTER Transfers)
Period Ended 26 January 2024 (No.11)

<u>Committee</u>	Annual Budget	Annual Forecast AFTER Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion To 26/01/24	Actual to Period 11 26/01/24	Variance to 26/01/24	
Departments:	£m	£m	£m	£m	£m	£m	
Community and Enterprise Resources	139.295	139.295	0.000	112.063	112.063	0.000	
Facilities, Waste and Grounds	83.216	82.889	0.327	64.042	63.623	0.419	under
Leisure and Culture Services	23.227	23.244	(0.017)	22.445	22.459	(0.014)	over
Planning and Regulatory Services	5.382	5.018	0.364	4.631	4.350	0.281	under
Enterprise and Sustainable Development	5.973	5.664	0.309	3.784	3.479	0.305	under
Roads, Transportation and Fleet	21.497	22.480	(0.983)	17.161	18.152	(0.991)	over
Education Resources	439.709	440.004	(0.295)	352.207	352.405	(0.198)	over
Education	439.709	440.004	(0.295)	352.207	352.405	(0.198)	over
Finance and Corporate Resources	45.240	45.456	(0.216)	44.833	45.038	(0.205)	over
Finance Services - Strategy	2.306	2.272	0.034	2.910	2.858	0.052	under
Finance Services - Transactions	20.586	20.767	(0.181)	16.347	16.490	(0.143)	over
Audit and Compliance Services	0.411	0.417	(0.006)	0.493	0.517	(0.024)	over
Information Technology Services	5.542	5.542	0.000	9.410	9.442	(0.032)	over
Communications and Strategy Services	2.966	2.966	0.000	2.724	2.720	0.004	under
Administration and Licensing Services	4.510	4.730	(0.220)	4.243	4.405	(0.162)	over
Personnel Services	8.919	8.762	0.157	8.706	8.606	0.100	under
Housing and Technical Resources	17.592	17.592	0.000	26.476	26.476	0.000	-
Housing Services	10.229	10.158	0.071	8.763	8.702	0.061	under
Property Services	7.363	7.434	(0.071)	17.713	17.774	(0.061)	over
Social Work Resources	239.322	239.322	0.000	180.385	180.385	0.000	-
Performance and Support Services	6.686	6.501	0.185	5.149	4.891	0.258	under
Children and Families	48.943	49.233	(0.290)	39.083	39.474	(0.391)	over
Adults and Older People	182.252	182.252	0.000	134.552	134.552	0.000	-
Justice and Substance Misuse	1.441	1.336	0.105	1.601	1.468	0.133	under
Joint Boards	2.053	2.053	0.000	1.737	1.737	0.000	-
	883.211	883.722	(0.511)	717.701	718.104	(0.403)	over

<u>Committee</u>	Annual Budget	Annual Forecast AFTER Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion To 26/01/24	Actual to Period 11 26/01/24	Variance to 26/01/24	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	883.211	883.722	(0.511)	717.701	718.104	(0.403)	over
CFCR	0.038	0.038	0.000	0.000	0.000	0.000	-
Loan Charges	38.796	38.598	0.198	0.000	0.000	0.000	-
Corporate Items	(5.093)	(11.144)	6.051	1.137	(1.883)	3.020	under
Investments – 2023/24 (T/f to Reserves)	2.994	2.994	0.000	0.000	0.000	0.000	-
2023/204 Probable Outturn Underspend (T/f to Reserves)	0.000	9.000	(9.000)	0.000	0.000	0.000	-
Total Expenditure	919.946	923.208	(3.262)	718.838	716.221	2.617	under
Council Tax	179.102	182.394	3.292	137.771	137.771	0.000	-
Less: Council Tax Reduction Scheme	(23.278)	(23.308)	(0.030)	(17.906)	(17.906)	0.000	-
Net Council Tax	155.824	159.086	3.262	119.865	119.865	0.000	-
General Revenue Grant	350.757	350.757	0.000	296.794	296.794	0.000	-
Non-Domestic Rates	341.536	341.536	0.000	288.992	288.992	0.000	-
Transfer from Reserves	71.829	71.829	0.000	71.829	71.829	0.000	-
Total Income	919.946	923.208	3.262	777.480	777.480	0.000	-
Net Expenditure / (Income)	0.000	0.000	0.000	(58.642)	(61.259)	2.617	under

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 26 January 2024 (No.11)
Housing Revenue Account

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 26/01/24	Actual to Period 11 26/01/24	Variance to 26/01/24		%	Note
	£m	£m	£m	£m	£m	£m			
Employee Costs	15.310	15.401	(0.091)	12.343	12.409	(0.066)	over	(0.5%)	
Property Costs	50.929	56.610	(5.681)	34.269	38.885	(4.616)	over	(13.5%)	1
Supplies & Services	0.653	0.691	(0.038)	0.557	0.551	0.006	under	(1.1%)	
Transport & Plant	0.196	0.189	0.007	0.119	0.113	0.006	under	5.0%	
Administration Costs	5.570	5.597	(0.027)	0.427	0.443	(0.016)	over	(3.7%)	
Payments to Other Bodies	2.974	2.979	(0.005)	1.696	1.703	(0.007)	over	(0.4%)	
Payments to Contractors	0.100	0.145	(0.045)	0.068	0.068	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	25.167	25.167	0.000	-	0.0%	
Total Controllable Expenditure	102.894	108.774	(5.880)	74.646	79.339	(4.693)	over	(6.3%)	
Total Controllable Income	(115.940)	(116.768)	0.828	(85.715)	(85.908)	0.193	over recovered	0.2%	2
Transfer to/(from) Balance Sheet	(4.907)	(0.853)	(4.054)	(3.118)	(1.123)	(1.995)	under recovered	(64.0%)	3
Net Controllable Expenditure	(17.953)	(8.847)	(9.107)	(14.187)	(7.692)	(6.495)	over	(45.8%)	
Add: Non Controllable Budgets									
Financing Charges	17.953	8.847	9.107	6.495	0.000	6.495	under	(100.0%)	
Total Budget	0.000	0.000	0.000	(7.692)	(7.692)	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

None.