

# Report

Report to:	<b>Financial Resources Scrutiny Forum</b>
Date of Meeting:	<b>30 November 2023</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Revenue Budget Monitoring 2023/2024</b>
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## 1. Purpose of Report

### 1.1. The purpose of the report is to:

- ◆ advise the Forum on the overall financial position of the Council's General Fund Revenue Account and Housing Revenue Account for the period 1 April 2023 to 6 October 2023.

## 2. Recommendation(s)

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

- (1) that the break-even position on the General Fund Revenue Account at 6 October 2023 (section 4 and Appendix 1), be noted; and
- (2) that the break-even position on the Housing Revenue Account at 6 October 2023 (section 5 and Appendix 2 of the report), be noted.

## 3. Background

- 3.1. The Revenue reports attached provide detail on the most recent report considered at the Executive Committee on 22 November 2023.
- 3.2. Section 4 of this overview report will summarise the 2023/2024 position for the Council's General Fund Revenue Account to 8 September, and section 5, the position on the Housing Revenue Account for the same period.

## 4. 2023/2024 General Services

### 4.1. General Services Current Position as at 6 October

As at 6 October, 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 detailed previously, 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 and 27 September 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 6 October 2023 assumes funding will be available and will be drawn down later in the financial year, as required. The Resource are working towards managing the overall budget pressure in Children and Families by 2024/2025.

- 4.5. Ongoing actions on plans to manage the budget pressures include the consideration of emergency expenditure only requirements and exploring the potential for an Intensive Support and Monitoring Service (ISMS) as a community alternative to care for young people currently within external placements.
- 4.6. **Adults and Older People:** A previously advised, 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 6 October, costs of £3.0 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.
- 4.7. Officers within the IJB have been looking to identify recurring funding solutions. These solutions and an overall recovery plan were agreed by the IJB on 18 October 2023. Budgets will be realigned in the coming months to reflect this agreement.
- 4.8. **Teacher Numbers:** As previously reported, the Cabinet Secretary has 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 amounts to £2.934 million.
- 5. Housing Revenue Account Position as at 6 October 2023**
- 5.1. As at 6 October 2023, Appendix 2 shows a break-even position against the phased budget on the Housing Revenue Account. This break-even position includes a higher than budgeted Transfer from Reserves at this time, and is due to the increased level of costs experienced. The Resource are looking at options to manage these increased costs, and will report back to Committee as part of the formal Probable Outturn exercise.
- 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.
- 9.2. There are no implications for sustainability in terms of the information contained in this report.

## **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)**

24 October 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 6 October 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 6 October 2023 (No.7)

Resource / Committee**Departments:**

	Annual Budget	Annual Forecast	Annual Forecast Variance	Budget Proportion to 06/10/23	Actual to 06/10/23	Variance to 06/10/23	
	£m	£m	£m	£m	£m	£m	
<b>Community and Enterprise Resources</b>	<b>129.436</b>	<b>129.436</b>	<b>0.000</b>	<b>63.718</b>	<b>63.718</b>	<b>0.000</b>	
Facilities, Waste and Grounds	77.608	77.608	0.000	36.452	36.209	0.243	under
Leisure and Culture	23.227	23.227	0.000	16.809	16.809	0.000	
Planning and Regulatory	4.966	4.966	0.000	2.489	2.262	0.227	under
Environmental and Sustainable Development	4.732	4.732	0.000	(0.085)	(0.206)	0.121	under
Roads, Transportation and Fleet	18.903	18.903	0.000	8.053	8.644	(0.591)	over
<b>Education Resources</b>	<b>420.577</b>	<b>420.577</b>	<b>0.000</b>	<b>206.309</b>	<b>206.309</b>	<b>0.000</b>	
Education	420.577	420.577	0.000	206.309	206.309	0.000	
<b>Finance and Corporate Resources</b>	<b>41.772</b>	<b>41.772</b>	<b>0.000</b>	<b>25.632</b>	<b>25.632</b>	<b>0.000</b>	
Finance Services - Strategy	2.118	2.118	0.000	1.770	1.738	0.032	under
Finance Services - Transactions	18.557	18.557	0.000	8.496	8.287	0.209	under
Audit and Compliance Services	0.374	0.374	0.000	0.273	0.301	(0.028)	over
Information Technology Services	5.226	5.226	0.000	7.050	7.128	(0.078)	over
Communications and Strategy Services	2.910	2.910	0.000	1.635	1.628	0.007	under
Administration and Licensing Services	4.279	4.279	0.000	2.408	2.563	(0.155)	over
Personnel Services	8.308	8.308	0.000	4.000	3.987	0.013	under
<b>Housing and Technical Resources</b>	<b>14.204</b>	<b>14.204</b>	<b>0.000</b>	<b>17.574</b>	<b>17.574</b>	<b>0.000</b>	
Housing Services	8.464	8.464	0.000	4.764	4.764	0.000	
Property Services	5.740	5.740	0.000	12.810	12.810	0.000	
<b>Social Work Resources</b>	<b>214.884</b>	<b>214.884</b>	<b>0.000</b>	<b>104.217</b>	<b>104.217</b>	<b>0.000</b>	
Performance and Support Services	6.356	6.356	0.000	3.152	2.964	0.188	under
Children and Families	37.379	37.379	0.000	21.898	22.196	(0.298)	over
Adults and Older People	170.058	170.058	0.000	78.377	78.377	0.000	
Justice and Substance Misuse	1.091	1.091	0.000	0.790	0.680	0.110	under
<b>Joint Boards</b>	<b>2.053</b>	<b>2.053</b>	<b>0.000</b>	<b>1.105</b>	<b>1.105</b>	<b>0.000</b>	
	<b>822.926</b>	<b>822.926</b>	<b>0.000</b>	<b>418.555</b>	<b>418.555</b>	<b>0.000</b>	

Summary

	Annual Budget	Annual Forecast	Annual Forecast Variance	Budget Proportion to 06/10/23	Actual to 06/10/23	Variance to 06/10/23	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	822.926	822.926	0.000	418.555	418.555	0.000	
CFCR	0.352	0.352	0.000	0.000	0.000	0.000	
Loan Charges	23.669	23.669	0.000	0.000	0.000	0.000	
Corporate Items	14.399	14.399	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>864.622</b>	<b>864.622</b>	<b>0.000</b>	<b>418.627</b>	<b>418.627</b>	<b>0.000</b>	
Council Tax	178.602	178.602	0.000	96.170	96.170	0.000	
Less: Council Tax Reduction Scheme	(23.278)	(23.278)	0.000	(12.534)	(12.534)	0.000	
Net Council Tax	155.324	155.324	0.000	83.636	83.636	0.000	
General Revenue Grant	319.941	319.941	0.000	172.276	172.276	0.000	
Non-Domestic Rates	341.536	341.536	0.000	183.904	183.904	0.000	
Transfer from Reserves	47.821	47.821	0.000	47.821	47.821	0.000	
<b>Total Income</b>	<b>864.622</b>	<b>864.622</b>	<b>0.000</b>	<b>487.637</b>	<b>487.637</b>	<b>0.000</b>	
<b>Net Expenditure / (Income)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(69.010)</b>	<b>(69.010)</b>	<b>0.000</b>	

**SOUTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report**  
**Period Ended 6 October 2023 (No.7)**

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

	Annual Budget £m	Annual Forecast £m	Annual Forecast Variance £m	Budget Proportion to 06/10/23 £m	Actual to 06/10/23 £m	Variance to 06/10/23 £m	
Employee Cost	617.784	617.784	0.000	308.143	307.416	0.727	under
Property Costs	65.257	65.257	0.000	40.351	40.913	(0.562)	over
Supplies and Services	58.225	58.225	0.000	25.888	26.410	(0.522)	over
Transport Costs	45.889	45.889	0.000	24.536	26.567	(2.031)	over
Administration Costs	15.760	15.760	0.000	5.600	5.613	(0.013)	over
Payments to Other Bodies	80.298	80.298	0.000	39.416	39.134	0.282	under
Payments to Contractors	242.666	242.666	0.000	129.350	125.865	3.485	under
Transfer Payments	6.320	6.320	0.000	5.188	4.968	0.220	under
Housing Benefits	65.650	65.650	0.000	29.645	29.645	0.000	
Financing Charges (controllable)	2.340	2.340	0.000	0.455	0.454	0.001	under
<b>Total</b>	<b>1,200.189</b>	<b>1,200.189</b>	<b>0.000</b>	<b>608.572</b>	<b>606.985</b>	<b>1.587</b>	<b>under</b>
Service Departments Total	1,200.189	1,200.189	0.000	608.572	606.985	1.587	under
CFCR	0.352	0.352	0.000	0.000	0.000	0.000	
Loan Charges	23.669	23.669	0.000	0.000	0.000	0.000	
Corporate Items	14.399	14.399	0.000	0.072	0.072	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>1,241.885</b>	<b>1,241.885</b>	<b>0.000</b>	<b>608.644</b>	<b>607.057</b>	<b>1.587</b>	<b>under</b>
<b>Income</b>							
Housing Benefit Subsidy	60.258	60.258	0.000	28.021	28.021	0.000	
Other Income	317.005	317.005	0.000	161.996	160.409	(1.587)	under rec.
Council Tax (Net of Council Tax Reduction Scheme)	155.324	155.324	0.000	83.636	83.636	0.000	
General Revenue Grant	319.941	319.941	0.000	172.276	172.276	0.000	
Non-Domestic Rates	341.536	341.536	0.000	183.904	183.904	0.000	
Transfer from Reserves	47.821	47.821	0.000	47.821	47.821	0.000	
<b>Total Income</b>	<b>1,241.885</b>	<b>1,241.885</b>	<b>0.000</b>	<b>677.654</b>	<b>676.067</b>	<b>(1.587)</b>	<b>under rec</b>
<b>Net Expenditure / (Income)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(69.010)</b>	<b>(69.010)</b>	<b>0.000</b>	

**SOUTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report**  
**Period Ended 6 October 2023 (No.7)**  
**Housing Revenue Account**

	Annual Budget £m	Forecast for Year £m	Annual Forecast Variance £m	Budget Proportion to 06/10/23 £m	Actual to 06/10/23 £m	Variance to 06/10/23 £m		%	Note
Employee Costs	14.253	14.253	0.000	7.070	7.152	(0.082)	over	(1.2%)	
Property Costs	50.929	50.929	0.000	22.153	23.235	(1.082)	over	(4.9%)	1
Supplies & Services	0.433	0.433	0.000	0.103	0.097	0.006	under	5.8%	
Transport & Plant	0.196	0.196	0.000	0.091	0.061	0.030	under	33.0%	
Administration Costs	5.570	5.570	0.000	0.256	0.244	0.012	under	4.7%	
Payments to Other Bodies	2.974	2.974	0.000	1.085	1.225	(0.140)	over	(12.9%)	
Payments to Contractors	0.100	0.100	0.000	0.048	0.048	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	15.152	15.152	0.000	-	0.0%	
Total Controllable Expenditure	101.617	101.617	0.000	45.958	47.214	(1.256)	over	(2.7%)	
Total Controllable Income	(115.940)	(115.940)	0.000	(51.735)	(51.959)	0.224	over recovered	0.4%	2
Transfer to/(from) Balance Sheet	(4.907)	(4.907)	0.000	(2.265)	(3.297)	1.032	over recovered	45.6%	3
Net Controllable Expenditure	(19.230)	(19.230)	0.000	(8.042)	(8.042)	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	(8.042)	(8.042)	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.