

Report

Report to:	Financial Resources Scrutiny Forum
Date of Meeting:	9 February 2023
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Revenue Budget Monitoring 2022/2023 and Probable Outturn
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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 2022 to 29 December 2022.

2. Recommendation(s)

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

- (1) that including Resources, Corporate Items and Council Tax, and the proposed transfer to Reserves, the Council's outturn underspend of £4.696 million (section 4.2), be noted;
- (2) that the proposed transfers to reserves totalling £17.195 million (section 4.2), be noted;
- (3) that the non-recurring underspend of £1.423 million in the delegated budget to the IJB be held in reserves for their use in future years (section 4.6), be noted;
- (4) that the proposal to include within the transfer to Reserves the unplanned underspend in the current year of £5.635 million in the budget delegated to the IJB which will be retained by the Council to assist in managing pressures in Children and Families (section 4.7), be noted;
- (5) that £5.7 million of the retrospective benefit released by the implementation of the guidance on Accounting for Service Concessions be used to support the increased 2022/2023 Pay Award (section 4.10), be noted;
- (6) that the outturn underspend of £4.696 be transferred to reserves to assist in the 2023/2024 Budget Strategy (section 4.16), be noted;
- (7) that the underspend of £0.092 million on the General Fund Revenue Account at 29 December 2022 (section 5.1), be noted; and
- (8) that the breakeven position on the Housing Revenue Account at 4 November 2022 (section 6.1) and the forecast to 31 March 2022 of breakeven (section 6.2), be noted.

3. Background

- 3.1. The Revenue reports attached provide detail on the most recent report considered at the Executive Committee on 1 February 2022.
- 3.2. This overview report will summarise the 2022/2023 Probable Outturn position for the Council's General Fund Revenue Account to 31 March 2023. Section 4 provides the summary of the General Fund outturn position including details of proposed transfers

to Reserves. 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 29 December 2022 respectively.

- 3.3. Appendix 1 of the report provides details of the General Fund Probable Outturn for 2022/2023. When establishing the probable outturn position for the year, Resources were asked to take all known commitments into account. This report details the anticipated spend for the current year (Appendix 2) and proposes funds to be transferred to reserves for future commitments required in the next financial year (Appendix 3). Appendix 4 details those transfers to Reserves which have already been approved as part of the 2023/2024 Budget Strategy and the report will therefore detail the position after all transfers to reserves for known commitments (Appendix 5). Finally, Appendix 6 provides the Housing Revenue Account position.

4. 2022/2023 General Services Probable Outturn

- 4.1. This report and appendices provide a detailed analysis of the Council's financial position. While the full detail and background is provided in the report, the summary position including the key highlights is detailed in this Executive Summary.
- 4.2. The final outturn position after transfers to reserves is an underspend of £4.696 million. This is including new proposed transfers to reserves totalling £17.195 million (Appendix 3), as well as previously approved transfers of £17.420 million arising from the underspend in Loan Charges due to the timing of borrowing, increased deposit interest and the Loans Fund Review, which are earmarked for the Budget Strategy (Appendix 4). A summary of the Outturn is detailed in Table 1.

Table 1: Analysis of Outturn Position After Transfers to Reserves

	£m
Resource Position (section 4.4)	(0.335)
Loan Charges (section 4.8)	1.180
Corporate Items (section 4.9)	2.347
Council Tax (section 4.13)	1.504
Probable Outturn Position	4.696

- 4.3. Each of these items are detailed below.
- 4.4. **Resources:** As covered in Appendix 1 (section 1.2), Resources are reporting a combined overspend of £0.335 million. This Resource overspend position includes Transfers to Reserves totalling £8.405 million.
- 4.5. The overall Resource overspend includes a Housing and Technical Resources' overspend of £0.342 million includes a provision in respect of the management of the Estates' function.
- 4.6. The overall Resource Position also includes a break-even position for Social Work Resources. In relation to Adults and Older People specifically, the position includes a £1.423 million commitment in relation to the element of the budget delegated to the Integrated Joint Board (IJB). This commitment reflects recommendation 3 where it is proposed that the Council allows the IJB to retain this non-recurring underspend within their reserves earmarked for future care costs, in line with the approach to integrating health and social care budgets.
- 4.7. There is a further underspend of £5.635 million relating to core Council funding passed over to the IJB. The IJB financial regulations entitle the Council to adjust its

contributions in respect of unplanned underspends like this. The Councils contribution can be reduced by this amount. The position relates to the financial year 2022/23. It is proposed that this underspend is retained by the Council to help cover the Children and Families' budget pressures into 2023/2024. This will be facilitated via a transfer to Reserves which is why Adult's and Older people budget shows a break-even position after transfers to Reserves (Appendix 1, sections 1.4 to 1.6). The amount may be revisited if there is a change in financial outlook by the end of the financial year.

- 4.8. **Loan Charges:** There is an in-year underspend of £4.735 million. This is after the £17.420 million of budget for previously approved transfers to Reserves has been transferred to Corporate Items – Strategy to assist with the Budget Strategy for 2023/2024. Taking into account the previously proposed transfers to Reserves to assist in the 2023/2024 Budget Strategy, and the proposed transfers relating to Interest on Reserves, there is an in-year underspend of £1.180 million. (Appendix 1, sections 1.7 to 1.10).
- 4.9. **Corporate Items:** There is a net underspend of £4.572 million for corporate items which includes known commitments including the outstanding Pay Award and the Apprentice Levy. After proposed transfers to Reserves totalling £2.225 million, the underspend on corporate Items is £2.347 million (Appendix 1, sections 1.11 to 1.14).
- 4.10. It is noted that the budget for Corporate Items assumes a Transfer from Reserves of £5.700 million. This reflects the Councils contribution to the increased Pay Award for 2022/2023, and it is proposed that this is funded by the retrospective benefit released by the implementing the new guidance on Accounting for Service Concessions (see Recommendation 5) detailed in the paper to Council on 18 January 2023.
- 4.11. **Corporate Items – 2023/2024 Strategy:** This line is currently showing a break-even position. This is after transfers to reserves totalling £17.420m which form part of the previously approved Budget Strategy for 2023/2024 and are detailed in Appendix 4 for reference (Appendix 1, section 1.15).
- 4.12. **2021/2022 and 2022/2023 Investments:** As detailed in Appendix 1, section 1.16, the Investment budgets have been realigned during 2022/2023 and sits in Resources. The balance carried forward from 2021/2022 will be retained in Reserves for spend anticipated in future years. A break-even position is anticipated this year.
- 4.13. **Council Tax / Council Tax Reduction Scheme (CTRS):** After transfers to Reserves totalling £3.010 million, with £2.400 million of that proposed to assist in the 2023/2024 Budget Strategy (Executive Committee, 2 November 2022), there is a net over recovery of Council Tax / CTRS of £1.504 million (Appendix 1, section 1.17 to 1.18). The over recovery of Council Tax mainly reflects levels of in-year collection from properties.
- 4.14. **Summary of Overall Outturn Position:** As noted in section 4.2 and taking into account the detail in sections 4.2 to 4.13, the final outturn position is an underspend of £4.696 million. This is summarised in Table 2, showing the position before and after the transfers to Reserves.

Table 2: Summary of Overall Outturn Position

	£m
Position before Transfers:	
Resources Overspend (sections 4.4 – section 4.7)	8.070
Loan Charges Underspend (section 4.8)	4.735
Corporate Items Underspend (section 4.9)	4.572
Corporate Items – Strategy 2023/2024 (section 4.11)	17.420
Council Tax / CTRS Net Over Recovery (section 4.13)	4.514
Forecast Underspend Before Transfers to Reserves	39.311
<i>Less:</i>	
Proposed Transfers to Reserves (Appendix 3)	(17.195)
<i>Less:</i>	
Previously Approved Transfers to Reserves for 2022/2023 Strategy (Appendix 4)	(17.420)
Forecast Underspend AFTER Transfers to Reserves	4.696

- 4.15. Table 2 shows the outturn position before transfers to Reserves and then takes account of the proposed transfers to Reserves (Appendix 3) and the previously approved transfers (Appendix 4). Taking these into account leaves an underspend of £4.696 million. The outturn position after these transfers to Reserves is shown in Appendix 5.
- 4.16. It is proposed that the underspend of £4.696 million shown in Table 2, be considered to support the 2023/2024 Budget Strategy.
- 5. 2022/2023 General Services Monitoring Position**
- 5.1. **Financial Position as at 29 December 2022**
As at 29 December 2022, the position on the General Services budget is a net underspend of £0.092 million, after transfers to Reserves. This is shown in Appendix 5.
- 5.2. **Scottish Government Funding – 2022/2023 Grant Redeterminations:** The Council received Finance Circular 11/2022 in late December. While this included information on the Government Grant allocations for 2023/2024, it also confirmed a number of 2022/2023 Grant Redeterminations for the current year. These are included in the relevant Resource positions with the commitments noted as appropriate.
- 6. Housing Revenue Account Position**
- 6.1. **Financial Position as at 29 December 2022:** Appendix 6 of the report shows a breakeven 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 6 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 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 exercise included in this report ensures early warning for corrective action to be taken where appropriate.
- 10.3. There are no implications for sustainability in terms of the information contained in this report.

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)

20 January 2022

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 29 December 2022

Contact for Further Information

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

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2022/2023 General Services Probable Outturn – Resources and Corporate Lines

- 1.1. **Total Resource Position:** The outturn position, before any transfers to reserves is an underspend of £8.070 million.
- 1.2. Resources are proposing transfers to reserves totalling £8.405 million. These are detailed in Appendix 3. Taking these transfers into account results in a net Resources' overspend of £0.335 million, mainly sitting with Housing and Technical Resources. Details across Resources are shown in Table 1.

Table 1: Resource Outturn

	Outturn Before Transfers to Reserves £m	Transfers to Reserves £m	Outturn After Transfers to Reserves £m	over/ under £m
Community and Enterprise	1.277	1.270	0.007	under
Education	1.500	1.500	0.000	-
Finance and Corporate	0.000	0.000	0.000	-
Housing and Technical	(0.342)	0.000	(0.342)	-
Social Work	5.635	5.635	0.000	-
Joint Boards	0.000	0.000	0.000	-
	(8.070)	8.405	(0.335)	over

- 1.3. The Housing and Technical Resources' overspend of £0.342 million includes a provision in respect of the management of the Estates' function.
- 1.4. The Social Work Resources' break-even position reflects an anticipated overspend in Children and Families (£1.156 million) which is offset by underspends in Performance and Support, and Justice and Substance Misuse. This overspend is the position after significant additional budget of £6.5 million was provided this year to support that budget.
- 1.5. The break-even position in the delegated Adults and Older People budget includes funding which is not anticipated to spend this financial year (£1.423 million). This treatment of this specific funding is reflected in Recommendation 3 of this paper and is that the Council allows the Integrated Joint Board (IJB) to retain this non-recurring underspend within their reserves earmarked for future care costs. This is in line with the approach to integrating health and social care budgets.
- 1.6. The Adults and Older People position includes a further underspend relating to core Council funding passed over to the IJB (£5.635 million). In 2021/2022 some of the core Adult and Older People budget underspend was retained by the Council to help cover the Children and Families' budget pressure. The same approach has been proposed to the Integrated Joint Board (IJB) for 2022/2023 and will be facilitated by a Transfer to Reserves allowing the monies to be used into 2023/2024 to support Children and Families' pressures, and is reflected in Recommendation 4 of this paper. After Transfers to Reserves, Adults and Older People show a break-even position.
- 1.7. **Loan Charges:** The loan charges budget outturn is showing an in-year underspend of £4.735 million before transfers to Reserves of £3.555 million. After transfers, the underspend is £1.180 million and is due to lower than anticipated interest costs as a

result of taking a lower amount of long-term borrowing than previously anticipated during 2022/2023.

- 1.8. This position is after some elements of the budget have been transferred to Corporate Items – Strategy as part of the approved Budget Strategy for 2023/2024: the underspend due to the Loans Fund review and the underspend due to the timing of borrowing (see Corporate Items and Appendix 4). It is also after a further transfer to Reserves was proposed in relation to the underspend from an increased level of deposit interest anticipated this year (£1.000 million). As was noted in the Executive Committee paper in early November, the proposal was that this underspend is transferred to Reserves for use in future budget strategies. The position also includes transfers for Interest on Revenue Reserves (£0.573 million) which will be allocated at the end of the financial year. The proposed transfers are detailed in Appendix 3.
- 1.9. As noted in the Service Concessions paper (Council, 18 January 2023), the underspend in Loan Charges resulting from the implementation of the new guidance must be set aside to manage anticipated overspends in future years. This totals £1.982 million and is also included in the proposed transfers in Appendix 3.
- 1.10. The underspend position of £1.180 million is after the proposed transfers to Reserves in Table 2, totalling £3.555m (details in Appendix 3):

Table 2: Loan Charges – Transfers to Reserves

	£m
Underspend to manage future interest cost from the implementation of Service Concessions (Council, 18 January 2023)	1.982
2023/2024 Budget Strategy – underspend due to timing of borrowing (Executive Committee, 02 November 2022)	1.000
Interest on Reserves	0.573
Total Proposed Transfers to Reserves	3.555

- 1.11. **Corporate Items:** The outturn position before proposed transfers to reserves of £2.225 million (Appendix 3) is an underspend of £4.572 million. After transfers the outturn is an underspend of £2.347 million. In the main, the underspend relates to budget for Fuel which has not been required this year (£0.400 million), the balance on the National Insurance budget which is not required after the change in the rate (£1.225 million), and the Administration grant for the Cost-of-Living Payments which is being managed within normal budgets (£0.282 million).
- 1.12. It is noted that the budget for Corporate Items assumes a Transfer from Reserves of £5.700 million. This reflects the Councils contribution to the increased Pay Award for 2022/2023, and it is proposed that this is funded by the retrospective benefit released by the implementing the new guidance on Accounting for Service Concessions (see Recommendation 5) detailed in the paper to Council on 18 January 2023.
- 1.13. The Corporate Items underspend position is after taking account of estimated commitments in relation to significant items such as the Cost-of-Living Payments (£16.9 million), Pay Award (£9.3 million) and the Apprenticeship Levy (£2.4 million).
- 1.14. As noted the position above is after the following proposed transfers to reserves totalling £2.225m:

- **National Insurance (£0.500 million):** Budget was allocated to the Strategy for 2022/2023 for the National Insurance increase. Not all of this was required and therefore £0.500 million can be transferred to Reserves for use in the 2023/2024 Budget Strategy on a one-off basis. This is included in the proposed transfers to reserves (Appendix 3), to leave a breakeven position.
- **Wellbeing Day (£0.600 million):** As notified to Committee previously, an amount of £0.600 million has been set aside to fund the Wellbeing Day. It is proposed that this be transferred to Reserves for use into 2023/2024 as required.
- **Central Energy Efficiency Fund (£0.211 million):** Resources are allocated funding from the Central Energy Efficiency Fund (CEEF) Reserve to pay for spend to save projects. When the savings are generated from the project in future years, they repay the initial costs to the CEEF Reserve. This over recovery of income (£0.211 million) represents the repayment to be transferred to the CEEF Reserve in 2022/2023, and is included in the proposed transfers to reserves in Appendix 3. The position after this is break-even.
- **Finance Exercise (£0.914 million):** As part of the solutions identified to reduce the 2023/2024 Budget Gap, an exercise was undertaken to identify any one-off underspends and accounting transactions. An amount of £0.914 million has been identified and this is included in Appendix 3 for consideration.

1.15. **Corporate Items – 2023/2024 Budget Strategy:** As noted in section 1.8, this budget line holds monies previously transferred from Loan Charges and approved to be used to assist in the 2023/2024 Budget Strategy (Executive Committee, June 2022). This includes the Loans Fund Review underspend (£15.897m) and the previously anticipated loan charges underspend due to the timing of borrowing (£0.873m). These transfers are detailed in Appendix 4. The outturn before transfers is an underspend of £17.420 million, and after transfers is break-even.

1.16. **Investments:** As noted in the last report to Executive Committee (30 November 2022), an exercise was undertaken to establish the current commitments and spend profile of the 2021/2022 and 2022/2023 investment funding which will incur spend across a number of financial years. As part of this exercise an uncommitted element has been identified which has been agreed can be used to manage the costs of the Warm Welcome Initiative. The last report noted that after realignment, this left £1.090 million of 2023/2023 budget to be carried forward. This has been offset against the monies previously brought forward from the 2021/2022 Reserves meaning that the monies now held in Reserves are earmarked for 2023/2024 and are no longer in the budget for 2022/2023.

1.17. **Council Tax including Council Tax Reduction Scheme (CTRS):**
The Net Council Tax / CTRS budget line is showing an over recovery of £4.514 million. After transfers to Reserves of £3.010 million (£0.610 million for second homes and agreed transfer to Reserves of £1.000m from Council Tax and £1.400 million from CTRS as part of the 2023/2024 Budget Strategy approved in June 2022), the net over recovery is £1.504 million. This is made up of an over recovery of Council Tax of £1.641m and a CTRS overspend of £0.137m.

1.18. The Council Tax over recovery of £1.641m is due to:

- Empty Properties (£0.107m) – higher than anticipated income from empty properties against an increased budget in 2022/2023 of £0.650m.
- Arrears (£0.284m) – higher than anticipated arrears income against an increased budget in 2022/2023 of £1.4m based on the trend over the last few years.
- Additional properties (£1.250m) – higher than anticipated income from additional in year properties now contributing to Council Tax income, and this is the position after a Transfer to Reserves of £1.000m agreed as part of the 2023/2024 Budget Strategy (Executive Committee, 2 November 2022).

1.19. **Summary:** Taking into account the position detailed in sections 1.1 to 1.18 including the proposed transfers to Reserves (Appendix 3) and the previously approved transfers to Reserves (Appendix 4), leaves an underspend of £4.696 million.

11.3. It is proposed that the underspend of £4.696 million be considered to support the 2023/2024 Budget Strategy.

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report (BEFORE Transfers)
Period Ended 29 December 2022 (No.10)

<u>Committee</u>	Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Budget Proportion To 29/12/22	Actual to Period 10 29/12/22	Variance to 29/12/22	
Departments:	£m	£m	£m	£m	£m	£m	
Community and Enterprise Resources	128.915	127.638	1.277 under	87.338	86.356	0.982	under
Facilities, Waste and Grounds	75.626	73.869	1.757 under	52.027	50.641	1.386	under
Leisure and Culture Services	23.064	23.052	0.012 under	15.868	15.852	0.016	under
Planning and Regulatory Services	5.138	4.096	1.042 under	3.634	2.904	0.730	under
Enterprise and Sustainable Development	6.953	6.839	0.114 under	4.995	4.877	0.118	under
Roads, Transportation and Fleet	18.134	19.782	(1.648) over	10.814	12.082	(1.268)	over
Education Resources	396.815	395.315	1.500 under	273.544	272.390	1.154	under
Education	396.815	395.315	1.500 under	273.544	272.390	1.154	under
Finance and Corporate Resources	47.758	47.758	0.000	44.502	44.502	0.000	-
Finance Services - Strategy	2.129	2.141	(0.012) over	2.610	2.592	0.018	under
Finance Services - Transactions	23.530	23.036	0.494 under	19.066	18.561	0.505	under
Audit and Compliance Services	0.376	0.376	0.000	0.463	0.474	(0.011)	over
Information Technology Services	5.304	5.340	(0.036) over	7.696	7.721	(0.025)	over
Communications and Strategy Services	3.353	3.504	(0.151) over	2.482	2.579	(0.097)	over
Administration and Licensing Services	4.274	4.747	(0.473) over	3.568	3.918	(0.350)	over
Personnel Services	8.792	8.614	0.178 under	8.617	8.657	(0.040)	over
Housing and Technical Resources	19.145	19.487	(0.342) over	17.074	17.201	(0.127)	over
Housing Services	9.830	9.830	0.000	7.396	7.396	0.000	-
Property Services	9.315	9.657	(0.342) over	9.678	9.805	(0.127)	over
Social Work Resources	217.057	211.422	5.635 under	146.291	142.476	3.815	under
Performance and Support Services	7.126	6.447	0.679 under	5.146	4.584	0.562	under
Children and Families	43.767	44.923	(1.156) over	31.397	32.314	(0.917)	over
Adults and Older People	165.044	159.409	5.635 under	108.443	104.628	3.815	under
Justice and Substance Misuse	1.120	0.643	0.477 under	1.305	0.950	0.355	under
Joint Boards	2.152	2.152	0.000	1.577	1.577	0.000	-
	811.842	803.772	8.070 under	570.326	564.502	5.824	under

<u>Committee</u>	Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Budget Proportion To 29/12/22	Actual to Period 10 29/12/22	Variance to 29/12/22	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	811.842	803.772	8.070 under	570.326	564.502	5.824	under
CFCR	0.514	0.514	0.000	0.000	0.000	0.000	-
Loan Charges	35.041	30.306	4.735 under	0.000	0.000	0.000	-
Corporate Items	27.461	22.889	4.572 under	0.056	0.056	0.000	-
Corporate Items – Strategy (Tfr to Reserves)	17.420	0.000	17.420 under	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	892.278	857.481	34.797 under	570.382	564.558	5.824	under
Council Tax	167.437	170.688	3.251 over	119.598	121.920	2.322	over
Less: Council Tax Reduction Scheme	(23.272)	(22.009)	1.263 under	(16.623)	(15.721)	0.902	under
Net Council Tax	144.165	148.679	4.514 over	102.975	106.199	3.224	over
General Revenue Grant	252.662	252.662	0.000	180.473	180.473	0.000	-
Non-Domestic Rates	422.591	422.591	0.000	301.851	301.851	0.000	-
Transfer from Reserves	72.860	72.860	0.000	72.860	72.860	0.000	-
Total Income	892.278	896.792	4.514 over	658.159	661.383	3.224	over
Net Expenditure / (Income)	0.000	(39.311)	39.311 under	(87.777)	(96.825)	9.048	under

Proposed Transfers to Reserves included in the Probable Outturn

Purpose / Description	Resource	Value £m
Resources		
Unbudgeted Waste Income Income from waste to be carried forward to meet the anticipated increase in cost of waste contracts in 2023/2024.	Community and Enterprise	1.080
Fleet Sinking Fund Annual contribution to the Fleet sinking fund to maintain the asset replacement programme.	Community and Enterprise	0.025
Year 3 of Electric Vehicle Payback Ring-fenced reserves used to manage purchase of electric vehicles in short term which have to be repaid over next few years. This contribution is the second repayment.		0.015
Crematorium Sink Fund Annual contribution to the Crematorium sinking fund to maintain asset replacement programme.	Community and Enterprise	0.050
Allotments This funding is required to support and pay for objectives and targets within the Food Growing Strategy and the Sustainable Development and Climate Change Strategy. This funding support the delivery of future allotment provision and food growing projects	Community and Enterprise	0.100
Total Community and Enterprise Resources		1.270
Pupil Equity Fund The funding received from the Government can be used up to the end of the school term (June 2023). The underspend reflects the element of the funding that will be utilised in April to June 2023.	Education	1.500
Total Education Resources		1.500
Children and Families In line with the proposal made to the IJB, unspent core Council funding for Adults and Older People will be carried forward to support the pressures in Children and Families into 2023/2024.	Social Work Resources	5.635
Total Social Work Resources		5.635
Total Resource Proposed Transfers to Reserves		8.405
Loan Charges		
Interest Costs Underspend to manage future interest cost from the implementation of Service Concessions (Council, 18 January 2023)	Loan Charges	1.982
Loan Charges Underspend Underspend generated by an increase in Deposit Interest to be used to support the 2023/2024 Budget Strategy (Executive Committee, 2 November 2022) ALREADY PROPOSED IN BUDGET STRATEGY	Loan Charges	1.000
IORB on Reserves	Loan Charges	0.573
Total Loan Charges Proposed Transfers to Reserves		3.555
Corporate Items		
2023/2024 Budget Strategy – National Insurance Underspend National Insurance Underspend in 2022/2023 to be used for the 2023/2024 Budget Strategy (Executive Committee, 2 November 2022) ALREADY PROPOSED IN BUDGET STRATEGY	Corporate Items	0.500
Wellbeing Day Transfer the underspend in the Wellbeing Day budget to Reserves, to manage the costs anticipated into 2023/2024.	Corporate Items	0.600
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	0.211
2023/2024 Budget Strategy – One-Off Underspend / Accounting Transactions Finance Exercise – for the 2023/2024 Budget Strategy (Executive Committee, 2 November 2022) taking these one-off or recurring underspends and accounting transactions to Reserves, will help offset increased costs into 2023/2024. ALREADY PROPOSED IN BUDGET STRATEGY	Corporate Items	0.914
Total Corporate Items Proposed Transfers to Reserves		2.225
Council Tax / CTRS		
2023/2024 Budget Strategy – Council Tax Over-Recovery of Council Tax to be used to support the Budget Strategy (Executive Committee, 2 November 2022). ALREADY PROPOSED IN BUDGET STRATEGY	Council Tax / CTRS	1.000
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 is required to be transferred to the Housing Revenue Account for use on social housing.	Corporate Items	0.610
2023/2024 Budget Strategy – CTRS Over-Recovery of CTRS to be used to support the Budget Strategy (Executive Committee, 2 November 2022). ALREADY PROPOSED IN BUDGET STRATEGY	Council Tax / CTRS	1.400
Total Council Tax / CTRS Proposed transfers to Reserves		3.010
Total Proposed Transfers		17.195

Previously Approved Transfers to Reserves included in the Probable Outturn

Purpose / Description	Resource	Value £m
Corporate Items – Strategy (previously approved)		
Loans Fund Review Use of underspend generated by the Loans Fund Review to support future Budget Strategies. (Executive Committee, June 2022)	Corporate Items – Strategy	15.897
Loan Charges Underspend Underspend generated by the timing of borrowing to be used to support the 2023/2024 Budget Strategy (Executive Committee, June 2022)	Corporate Items – Strategy	0.873
A&OP – Job Evaluation Budget Budget not Required therefore can be used to support the 2023/2024 Budget Strategy (Executive Committee, June 2022)	Corporate Items – Strategy	0.650
Total Corporate Items – Strategy Transfers to Reserves (previously approved)		17.420

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report (AFTER Transfers)
Period Ended 29 December 2022 (No.10)

<u>Committee</u>	Annual Budget	Annual Forecast AFTER Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion To 29/12/22	Actual to Period 10 29/12/22	Variance to 29/12/22	
Departments:	£m	£m	£m	£m	£m	£m	
Community and Enterprise Resources	128.915	128.908	0.007 under	87.338	87.333	0.005	under
Facilities, Waste and Grounds	75.626	75.099	0.527 under	52.027	51.587	0.440	under
Leisure and Culture Services	23.064	23.052	0.012 under	15.868	15.852	0.016	under
Planning and Regulatory Services	5.138	4.096	1.042 under	4.995	4.877	0.118	under
Enterprise and Sustainable Development	6.953	6.839	0.114 under	3.634	2.904	0.730	under
Roads, Transportation and Fleet	18.134	19.822	(1.688) over	10.814	12.113	(1.299)	over
Education Resources	396.815	396.815	0.000	273.544	273.544	0.000	-
Education	396.815	396.815	0.000	273.544	273.544	0.000	-
Finance and Corporate Resources	47.758	47.758	0.000	44.502	44.502	0.000	-
Finance Services - Strategy	2.129	2.141	(0.012) over	2.610	2.592	0.018	under
Finance Services - Transactions	23.530	23.036	0.494 under	19.066	18.561	0.505	under
Audit and Compliance Services	0.376	0.376	0.000	0.463	0.474	(0.011)	over
Information Technology Services	5.304	5.340	(0.036) over	7.696	7.721	(0.025)	over
Communications and Strategy Services	3.353	3.504	(0.151) over	2.482	2.579	(0.097)	over
Administration and Licensing Services	4.274	4.747	(0.473) over	3.568	3.918	(0.350)	over
Personnel Services	8.792	8.614	0.178 under	8.617	8.657	(0.040)	over
Housing and Technical Resources	19.145	19.487	(0.342) over	17.074	17.201	(0.127)	over
Housing Services	9.830	9.830	0.000	7.396	7.396	0.000	-
Property Services	8.792	9.657	(0.342) over	9.678	9.805	(0.127)	over
Social Work Resources	217.057	217.057	0.000	146.291	146.291	0.000	-
Performance and Support Services	7.126	6.447	0.679 under	5.146	4.584	0.562	under
Children and Families	43.767	44.923	(1.156) over	31.397	32.314	(0.917)	over
Adults and Older People	165.044	165.044	0.000	108.443	108.443	0.000	-
Justice and Substance Misuse	1.120	0.643	0.477 under	1.305	0.950	0.355	under
Joint Boards	2.152	2.152	0.000	1.577	1.577	0.000	-
	811.842	812.177	(0.335) over	570.326	570.448	(0.122)	over

<u>Committee</u>	Annual Budget	Annual Forecast AFTER Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion To 29/12/22	Actual to Period 10 29/12/22	Variance to 29/12/22	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	811.842	812.177	(0.335) over	570.326	570.448	(0.122)	over
CFCR	0.514	0.514	0.000	0.000	0.000	0.000	-
Loan Charges	35.041	33.861	1.180 under	0.000	0.000	0.000	-
Corporate Items	27.461	25.114	2.347 under	0.056	0.056	0.000	-
Corporate Items – Strategy (Tfr to Reserves)	17.420	17.420	0.000	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	892.278	889.086	3.192 under	570.382	570.504	(0.122)	over
Council Tax	167.437	169.078	1.641 over	119.598	120.310	0.712	over
Less: Council Tax Reduction Scheme	(23.272)	(23.409)	(0.137) over	(16.623)	(17.121)	(0.498)	over
Net Council Tax	144.165	145.669	1.504 over	102.975	103.189	0.214	-
General Revenue Grant	252.662	252.662	0.000	180.473	180.473	0.000	-
Non-Domestic Rates	422.591	422.591	0.000	301.851	301.851	0.000	-
Transfer from Reserves	72.860	72.860	0.000	72.860	72.860	0.000	-
Total Income	892.278	893.782	1.504 over	658.159	658.373	0.214	over
Net Expenditure / (Income)	0.000	(4.696)	4.696 under	(87.777)	(87.869)	0.092	under

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 29 December 2022 (No.10)
Housing Revenue Account

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 29/12/22	Actual to Period 10 29/12/22	Variance to 29/12/22		%	Note
	£m	£m	£m	£m	£m	£m			
Employee Costs	14.641	14.140	0.501	10.838	10.548	0.290	under	2.7%	1
Property Costs	46.906	53.424	(6.518)	34.450	36.391	(1.941)	over	(5.6%)	2
Supplies & Services	0.609	1.021	(0.412)	0.306	0.308	(0.002)	over	(0.7%)	
Transport & Plant	0.195	0.183	0.012	0.089	0.079	0.010	under	11.2%	
Administration Costs	5.644	5.593	0.051	0.338	0.289	0.049	under	14.5%	3
Payments to Other Bodies	3.030	3.054	(0.024)	2.118	2.137	(0.019)	over	(0.9%)	
Payments to Contractors	0.100	0.080	0.020	0.100	0.142	(0.042)	over	(42.0%)	
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)	74.355	76.010	(1.655)	over	(2.2%)	
Total Controllable Income	(112.000)	(112.475)	0.475	(77.409)	(77.686)	0.277	over	0.4%	
Transfer to/(from) Balance Sheet	(3.500)	(5.840)	2.340	(2.691)	(4.069)	1.378	over recovered	51.2%	4
Net Controllable Expenditure	(18.325)	(14.770)	(3.555)	(5.745)	(5.745)	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	(5.745)	(5.745)	0.000	-	0.0%	

Variance Explanations

- Employee Costs**
The underspend is due to higher than anticipated staff turnover to date.
- Property Costs**
The net overspend reflects the current cost and volume of repairs and maintenance.
- Administration Costs**
The underspend reflects the demand led nature of legal activity.
- Income**
The net combined underspend to date allows for a lower than anticipated transfer from reserves.