

Report

Report to:	Financial Resources Scrutiny Forum
Date of Meeting:	2 November 2023
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Revenue Budget Monitoring 2023/2024
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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 8 September 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 8 September 2023 (section 4 and Appendix 1), be noted; and
- (2) that the break-even position on the Housing Revenue Account at 8 September 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 11 October 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 8 September

As at 8 September, 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 8 September 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. A paper has been prepared by the Head of Service for the Director of Health and Social Care to identify options in relation to emergency expenditure only requirements to address the current financial challenges within the Service.
- 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 8 September, 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. This does not show as an overspend in Appendix 1 as there is sufficient budget available at this stage in the financial year to cover the additional costs incurred to date.
- 4.7. Officers within the IJB have been looking to identify recurring funding solutions. A budget recovery plan presented to the IJB on 19 September was not agreed. To manage the spend position this year, work will be required by the IJB Chief Officer and Chief Financial Officer, in conjunction with the Council's officers, to address this. This is likely to be achieved, in the short term, through management controls pending further decisions to be taken by the IJB to balance the in-year budget.
- 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 8 September 2023

- 5.1. As at 8 September 2023, Appendix 2 shows a break-even position against the phased budget on the Housing Revenue Account.

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)

12 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 8 September 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 8 September 2023 (No.6)

<u>Resource / Committee</u>	Annual Budget	Annual Forecast	Annual Forecast Variance	Budget Proportion to 08/09/23	Actual to 08/09/23	Variance to 08/09/23	
	£m	£m	£m	£m	£m	£m	
Departments:							
Community and Enterprise Resources	129.375	129.375	0.000	47.670	47.670	0.000	
Facilities, Waste and Grounds	77.569	77.569	0.000	29.680	29.471	0.209	under
Leisure and Culture	23.227	23.227	0.000	11.204	11.210	(0.006)	over
Planning and Regulatory	4.966	4.966	0.000	2.027	1.862	0.165	under
Environmental and Sustainable Development	4.732	4.732	0.000	0.016	(0.070)	0.086	under
Roads, Transportation and Fleet	18.881	18.881	0.000	4.743	5.197	(0.454)	over
Education Resources	417.789	417.789	0.000	150.947	150.947	0.000	
Education	417.789	417.789	0.000	150.947	150.947	0.000	
Finance and Corporate Resources	41.663	41.663	0.000	20.968	20.968	0.000	
Finance Services - Strategy	2.118	2.118	0.000	1.148	1.116	0.032	under
Finance Services - Transactions	18.448	18.448	0.000	7.025	6.824	0.201	under
Audit and Compliance Services	0.374	0.374	0.000	0.225	0.251	(0.026)	over
Information Technology Services	5.226	5.226	0.000	6.572	6.604	(0.032)	over
Communications and Strategy Services	2.910	2.910	0.000	1.444	1.436	0.008	under
Administration, Legal and Licensing Services	4.279	4.279	0.000	2.134	2.237	(0.103)	over
Personnel Services	8.308	8.308	0.000	2.420	2.500	(0.080)	over
Housing and Technical Resources	14.176	14.176	0.000	13.845	13.845	0.000	
Housing Services	8.464	8.464	0.000	3.374	3.374	0.000	
Property Services	5.712	5.712	0.000	10.471	10.471	0.000	
Social Work Resources	214.719	214.719	0.000	113.056	113.056	0.000	
Performance and Support Services	6.358	6.358	0.000	2.643	2.481	0.162	under
Children and Families	37.215	37.215	0.000	18.129	18.375	(0.246)	over
Adults and Older People	170.058	170.058	0.000	91.234	91.234	0.000	
Justice and Substance Misuse	1.088	1.088	0.000	1.050	0.966	0.084	under
Joint Boards	2.053	2.053	0.000	0.948	0.948	0.000	
	819.775	819.775	0.000	347.434	347.434	0.000	
Summary							
	Annual Budget	Annual Forecast	Annual Forecast Variance	Budget Proportion to 08/09/23	Actual to 08/09/23	Variance to 08/09/23	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	819.775	819.775	0.000	347.434	347.434	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	2.074	2.074	0.000	0.051	0.051	0.000	
Corporate Items (Strategy)	15.211	15.211	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	
Total Expenditure	864.357	864.357	0.000	347.485	347.485	0.000	
Council Tax	178.602	178.602	0.000	82.432	82.432	0.000	
Less: Council Tax Reduction Scheme	(23.278)	(23.278)	0.000	(10.744)	(10.744)	0.000	
Net Council Tax	155.324	155.324	0.000	71.688	71.688	0.000	
General Revenue Grant	319.941	319.941	0.000	147.665	147.665	0.000	
Non-Domestic Rates	341.536	341.536	0.000	157.632	157.632	0.000	
Transfer from Reserves	47.556	47.556	0.000	47.556	47.556	0.000	
Total Income	864.357	864.357	0.000	424.541	424.541	0.000	
Net Expenditure / (Income)	0.000	0.000	0.000	(77.056)	(77.056)	0.000	

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 8 September 2023 (No.6)

<u>Budget Category</u>	Annual Budget	Annual Forecast	Annual Forecast Variance	Budget Proportion to 08/09/23	Actual to 08/09/23	Variance to 08/09/23	
Service Departments:	£m	£m	£m	£m	£m	£m	
Expenditure							
Employee Cost	614.892	614.892	0.000	258.809	258.609	0.200	under
Property Costs	61.695	61.695	0.000	16.847	17.295	(0.448)	over
Supplies and Services	60.812	60.812	0.000	22.161	22.527	(0.366)	over
Transport Costs	45.880	45.880	0.000	23.265	25.067	(1.802)	over
Administration Costs	15.589	15.589	0.000	4.703	4.761	(0.058)	over
Payments to Other Bodies	78.082	78.082	0.000	32.542	32.296	0.246	under
Payments to Contractors	242.856	242.856	0.000	99.473	96.363	3.110	under
Transfer Payments	6.255	6.255	0.000	4.440	4.278	0.162	under
Housing Benefits	65.650	65.650	0.000	24.527	24.527	0.000	
Financing Charges (controllable)	2.341	2.341	0.000	0.458	0.454	0.004	under
Total	1,194.052	1,194.052	0.000	487.225	486.177	1.048	under
Service Departments Total	1,194.052	1,194.052	0.000	487.225	486.177	1.048	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	2.074	2.074	0.000	0.051	0.051	0.000	
Corporate Items (Strategy)	15.211	15.211	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	
Total Expenditure	1,238.634	1,238.634	0.000	487.276	486.228	1.048	under
Income							
Housing Benefit Subsidy	60.258	60.258	0.000	23.351	23.351	0.000	
Other Income	314.019	314.019	0.000	116.440	115.392	(1.048)	under rec.
Council Tax (Net of Council Tax Reduction Scheme)	155.324	155.324	0.000	71.688	71.688	0.000	
General Revenue Grant	319.941	319.941	0.000	147.665	147.665	0.000	
Non-Domestic Rates	341.536	341.536	0.000	157.632	157.632	0.000	
Transfer from Reserves	47.556	47.556	0.000	47.556	47.556	0.000	
Total Income	1,238.634	1,238.634	0.000	564.332	563.284	(1.048)	under rec.
Net Expenditure / (Income)	0.000	0.000	0.000	(77.056)	(77.056)	0.000	

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 8 September 2023 (No.6)
Housing Revenue Account

	Annual Budget £m	Forecast for Year £m	Annual Forecast Variance £m	Budget Proportion to 08/09/23 £m	Actual to 08/09/23 £m	Variance to 08/09/23 £m		%	Note
Employee Costs	14.253	14.253	0.000	5.975	6.033	(0.058)	over	(1.0%)	
Property Costs	50.929	50.929	0.000	19.749	20.339	(0.590)	over	(3.0%)	1
Supplies & Services	0.433	0.433	0.000	0.095	0.091	0.004	under	4.2%	
Transport & Plant	0.196	0.196	0.000	0.075	0.058	0.017	under	22.7%	
Administration Costs	5.570	5.570	0.000	0.219	0.206	0.013	under	5.9%	
Payments to Other Bodies	2.974	2.974	0.000	0.935	0.998	(0.063)	over	(6.7%)	
Payments to Contractors	0.100	0.100	0.000	0.042	0.042	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	8.385	8.404	(0.019)	over	(0.2%)	
Total Controllable Expenditure	101.617	101.617	0.000	35.475	36.171	(0.696)	over	(2.0%)	
Total Controllable Income	(115.940)	(115.940)	0.000	(42.746)	(42.913)	0.167	over recovered	0.4%	2
Transfer to/(from) Balance Sheet	(4.907)	(4.907)	0.000	(2.265)	(2.794)	0.529	over recovered	23.4%	3
Net Controllable Expenditure	(19.230)	(19.230)	0.000	(9.536)	(9.536)	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	(9.536)	(9.536)	0.000	-	0.0%	

Variance Explanations

- 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.
- The additional income is due to the favourable timing of new build and purchased council housing units being available to rent.
- The timing impact of the net overspend requires a higher than budgeted transfer from reserves at this time.

Virements

None.