

Report

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| Report to: | Financial Resources Scrutiny Forum |
| Date of Meeting: | 29 October 2020 |
| Report by: | Executive Director (Finance and Corporate Resources) |

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| 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 on the overall financial position of the Council's General Fund Revenue Account and Housing Revenue Account for the period 1 April 2020 to 14 August 2020
- ◆ advise the Forum of an update on the 2020/2021 Revenue Budget for the Council's General Fund, taking into account the financial implications of the coronavirus pandemic

2. Recommendation(s)

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

- (1) that the net overspend of £0.005 million on the General Fund Revenue Account at 14 August 2020, after COVID-19 spend and funding (Section 4 and Appendix 1), be noted;
- (2) that the breakeven position on the Housing Revenue Account at 14 August 2020 (section 5 and Appendix 4 of the report), and the forecast to 31 March 2021 of breakeven, be noted;
- (3) that the total net expenditure and lost income of £9.954 million in relation to COVID-19, offset by Government Grant included in the Council's position as at 14 August 2020 (section 4.3) be noted;
- (4) that the pressures being experienced in Children and Families and Adults and Older People (section 4.14 and 4.15), be noted; and
- (5) that the Council's predicted COVID-19 spend of £4.639 million for 2020/2021 (Table 4), be noted.

3. Background

3.1. The Revenue reports attached provide detail on the most recent report considered at the Executive Committee on 23 September 2020.

3.2. General Services Position

The report will summarise the actual expenditure and income to 14 August 2020 compared with the budget for the same period. This includes spend to date due to the COVID-19 outbreak. This is summarised in Section 4.

3.3. Housing Revenue Account Position

The report also shows the expenditure and income position for the Housing Revenue Account (HRA) to 14 August 2020. This is summarised in Section 5.

3.4. **COVID-19 Update**

The Council is incurring additional costs in respect of COVID-19. The detail of this is summarised in section 6.

4. **General Fund Revenue Account Position**

- 4.1. As at 14 August 2020, the overspend before COVID-19 funding is £9.959 million. If we include the COVID-19 funding, the position is an overspend of £0.005 million as detailed in Appendix 1. This reflects the pressures in Social Work Resources' Children and Families, offset by an underspend in Community and Enterprise Resources. This position takes account of the fact that all COVID-19 spend has been funded either from unspent budgets or the relevant Fund (Scottish Welfare Fund, Food Fund, Business Grants, Self-Employed Grants), with the balance of COVID-19 expenditure being funded from the Hardship Fund and Consequentials funding.
- 4.2. The Social Care Mobilisation monies received via the NHS have also been included to offset the Social Work spend incurred.
- 4.3. The total Food Fund, Hardship Fund and Consequentials funding utilised to 14 August 2020 is £9.954 million, which equates to 67.2% of the total funding confirmed to date (including the £0.751 million of funding used in 2019/2020). The COVID-19 pressures across Resources are included in the position in Appendix 1 and are detailed in Appendix 2. In addition, all of the Social Care Mobilisation monies received to date have been spent.
- 4.4. The position across all Resources is an overspend of £6.929 million as shown in Appendix 1 and is the result of COVID-19 and pressures within Social Work Resources. This is net of the Social Care Mobilisation monies which sit in the Resource. Spend in relation to the Food Fund (£3.030 million) is recorded under Corporate Items in Appendix 1. This takes the overspend position to £9.959 million (as reported at 4.1).
- 4.5. The spend in relation to the Food Fund includes the cost of Free School Meals (including paypoint charges), the cost of meal provision in Hubs and for the provision of food to vulnerable people and the Homeless.
- 4.6. Approval was received at the Executive Committee (12 August 2020) to make the additional payment of £1.269 million to SLLC to manage the lost income pressure which is included in the Community and Enterprise Resources COVID-19 costs. The loss of income experienced by SLLC is significant, and consideration on the sustainability of services delivered by the Trust will be required. As at period 5, the pressure is £1.327 million (an increase of £0.058 million on the £1.269 million previously reported). The position will be monitored and updates will be provided in future reports.
- 4.7. **COVID-19 expenditure to Period 5:** The total COVID -19 net expenditure as at 14 August is **£9.954 million** which has been funded from the Food Fund, Hardship Fund and Consequentials funding.
- 4.8. Government funding notified to the Council and the corresponding expenditure budgets in relation to the Self Employed Hardship Fund are included in the Community and Enterprise Resources budget, while the expenditure budget for Discretionary Housing Payments and the expenditure and income for the Scottish Welfare Fund payments and Small Business Support Grants are included in the Finance and Corporate Resources' budget.

- 4.9. In addition to this, the expenditure budget for the recently notified Government funding for the Teachers/Support, Digital Inclusion (revenue element only), Additional Teachers, Transport Mobilisation, Mobilisation have been included within the Education Resources' budget (refer sections 6.4, 6.7 and 6.9 and 6.10). In relation to the Transitional Funding for Childcare the expenditure and income budgets have been included in Education Resource budget refer section 6.11).
- 4.10. Table 1 provides a summary of this position across the various elements.

Table 1 – Summary of the Cost of COVID-19 (to 14 August 2020)

| | Annual Budget £m | Actual to 14 August 2020 £m |
|--|---------------------|--------------------------------------|
| Expenditure / Lost Income: (Excluding Social Care Mobilisation) | | |
| Additional Resource Spend | 0.000 | 5.461 |
| Council Tax Income / CTRS | 0.000 | 0.000 |
| Food Fund Spend | 0.000 | 3.030 |
| Lost Income | 0.000 | 2.684 |
| Total Expenditure / Lost Income | 0.000 | 11.175 |
| | | |
| Less: Unspent Budget | 0.000 | (1.221) |
| Total Net Expenditure / Lost Income | 0.000 | 9.954 |
| | | |
| Funded by: | | |
| Government Funding – Hardship Fund | (2.227) | (2.227) |
| Government Funding – Food Fund (<i>Total allocation</i>) | (3.713) | (3.030) |
| Government Funding – Consequentials | (9.233) | (4.697) |
| Total Funding | (15.173) | (9.954) |
| | | |
| Expenditure / Lost Income: Social Care Mobilisation | | |
| Additional Resource Spend | 0.000 | 7.209 |
| Unachieved Savings | 0.000 | 0.242 |
| Lost Income | 0.000 | 0.284 |
| Total Expenditure / Lost Income | 0.000 | 7.735 |
| | | |
| Funded by: | | |
| Government Funding – Social Care Mobilisation (actual received to date £2.976m – balance accrued) | 0.000 | 7.735 |
| Total Funding | 0.000 | 0.000 |

- 4.11. Table 1 shows that, by 14 August 2020, excluding Social Care Mobilisation, already £9.954 million of the confirmed funding provided for COVID-19 has been utilised in 2020/2021. In total 67.2% of funding provided has been used to date. Section 6 of this report provides details of the expected shortfall in funding for 2020/2021 in relation to spend made on COVID-19.

- 4.12. **Social Work:** Table 1 also shows that the Social Care Mobilisation monies received to date have been fully spent. As at 14 August 2020, the Council has received £2.976 million of funding and would need another £4.759 million to meet the spend of £7.735 million incurred to that point. The COVID-19 spend included in the services devolved to the Integrated Joint Board (IJB) are being included in the Mobilisation Plan which the Scottish Government are using to allocate funds to the Health and Social Care Partnership. Councils have been told that all reasonable costs will be reimbursed. The Social Work Resources position includes the current expenditure and offsetting income of £7.735 million in relation to the cost of additional beds to facilitate discharge from hospital, PPE equipment, support for carers and staff overtime (Appendix 2). Monies received to date total £2.976 million.
- 4.13. There is a continued assumption that this year's additional costs of COVID-19 faced by services devolved to the IJB will be funded through the Mobilisation plan, therefore will be fully funded and therefore there is no account taken of this pressure in the figures. However, there is the real possibility that through actions taken now, there are legacy costs into future years (such as increased care home placements or use of external Home Care providers). Alongside the Health and Social Care Partnership, the Council will require to consider the impact of any legacy overspends within the parameters of the current budget.
- 4.14. **Social Care - Children and Families:** Despite investment in the Service to cover pressures, we have seen financial pressures relating to Children and Families. The main reason is additional external residential placements made in the early part of the year. The overspend at period 5 is £0.203 million. This is a reduction on the £0.323 million overspend reported in period 4 and is the result of the figures being refined with the Service. Work is ongoing with the Service on actions to reduce this overspend further.
- 4.15. **Social Care – Adults and Older People:** In addition to the pressures being experienced in Children and Families, the Resource are starting to also see pressures in relation to increasing costs within the Home Care Service. Work is ongoing to identify actions to manage this pressure, therefore no account has been taken in these figures regarding this pressure. At present the pressure faced is estimated at £1.7 million, however actions are identified to reduce this going forwards.
- 4.16. **Loan Charges:** There is currently no variance on the loan charges budget. However, it is worth noting that since the 2020/2021 Revenue Budget was set, there is now a lower requirement to borrow as a result of reduced spend levels within the capital programme. There has been no borrowing taken so far this year and interest rate forecasts are lower. As a result, an underspend is anticipated this year. Work is ongoing to quantify this and it will be brought to the Executive Committee at a later date.
- 4.17. **Corporate Items - COVID-19:** The Corporate Items expenditure budget line in Appendix 1 shows the full year budget allocation, including COVID-19 funding, and at 14 August 2020 is showing an underspend of £6.924 million which offsets the spend and lost income shown across Resources.

- 4.18. **Council Tax:** As a result of COVID-19, it is likely that Council Tax cash income will not be collected to the same level as before. Currently, for April to July, we have seen cancellations of direct debits, lower arrears collections and higher demand for Council Tax Reduction Scheme (CTRS) payments. However, as we will still look to recover any unpaid Council Tax, comparing the actual impact on this year's budget will mean a minimal impact compared to the budget set, therefore no costs have been included in the COVID-19 data or the period 5 position shown in the appendices.
- 4.19. This is still very much an estimate dependant on the level of Council Tax paid in year, and progress on collection of Council Tax debts. The position assumed includes the impact so far on the Council Tax Reduction Scheme (CTRS).
- 4.20. It should be noted that the Scottish Government has set aside £50 million of funding to assist with the impact of COVID-19 on Council Tax and social security benefits, which will contribute to the costs of CTRS. The report does not currently include the grant income, as no allocation has been confirmed to date. This position will be monitored and reported as more information becomes available. Any allocation to the Council would reduce the Council's liability.
- 4.21. **Former Trading Services Income:** Budgets for former trading services (Roads, Community and Property Services) include income from the HRA and from Capital. In the current COVID-19 financial climate it remains the position that these Revenue Services still need to recover costs as planned.
- 4.22. Arrangements have been made to ensure that budgeted income from the HRA and Capital continues to flow to these services. The position in this paper assumes that this continues to happen.

5. Housing Revenue Account Position

- 5.1. As at 14 August 2020, Appendix 4 of the report shows a breakeven position against the phased budget on the Housing Revenue Account.
- 5.2. The Housing Revenue Account is incurring additional costs in respect of COVID-19. This includes a reduction in rental income collected, an increase in rent loss due to properties remaining void for longer periods, and the purchase of additional PPE. The COVID-19 lockdown has also caused an underspend on Repairs and Maintenance due to the inability to carry out work within homes.
- 5.3. As noted at 4.21 we have assumed that the HRA will continue to make payments to the former Trading Accounts at budgeted levels. These payments will continue until works recommence.
- 5.4. Within the breakeven position, we have an anticipated year end transfer to reserves relating to the net underspend on repairs and maintenance due to the COVID-19 lockdown. This funding will be required in future years to complete the repairs and maintenance work which we have currently been unable to carry out.
- 5.5. The forecast to 31 March 2021 on the Housing Revenue Account is a breakeven position.

6. Updated Revenue Budget Position 2020/2021 - COVID-19 Expenditure and Income Impacts

- 6.1. The Council's recovery plan was approved by the Executive Committee on 24 June 2020. Updates are being provided to the COVID-19 Recovery Board on a 4 weekly basis (previously fortnightly).
- 6.2. The full year net costs previously reported to this Committee were estimated at £29.062 million. However, the most recent report to the Recovery Board (16 September 2020) showed a revised cost of £4.639 million, following updates to the Education funding figures. These are detailed below.
- 6.3. **Education Resources Costs Update:** The previous net cost projection of £29.062 million included £13.200 million associated with returning to school, based on the initial blended school model. Based on the return to schools on a full time basis £13.200 million can be removed from the costs. However, the continued requirement for safety and hygiene regimes means that these costs, estimated at £0.850 million requires to be included. The safe re-opening of schools return to school has allowed a further refinement of other costs and has allowed a net reduction in costs, including loss of income and spend not made of £0.635 million. Taking these together, results in a **net reduction in costs of £12.985 million**.
- 6.4. In addition to this, £30 million has been made available by the Scottish Government to provide laptops for disadvantaged children and young people, and to roll out digital devices to school pupils to enable them to study online. The Council's share of the allocation has been confirmed as £1.469 million, of which £0.216 million is revenue funding. While the Council will spend all of the allocation of £1.469 million, £0.459 million of costs were already included in the Education cost of recovery, and therefore this funding allocation **reduces the net cost to the Council by the £0.459 million**.
- 6.5. Taking both of these items together allows a **reduction in costs of £13.444 million**.
- 6.6. **Education Funding Update:** In early August, a number of funding streams were identified in relation to Education to support the safe re-opening of schools, totalling £130 million nationally. This is split between 2020/2021 and 2021/2022, reflecting the 2020/2021 academic year which spans 2 financial years. Details of the Council's share of these funding streams is detailed below.
- 6.7. The Council's share of the £50 million for additional teachers and support staff has been confirmed (£2.167 million) for 2020/2021, with the Council receiving a further £0.975 million for Teachers and £0.108 million for Support in 2021/2022. In addition, the Council has also received confirmation of its share of the £30 million for Additional Teachers (£1.300 million) and of the £1.500 million Transport mobilisation funding (£0.072 million). These have been included in Education Resources' budgets in Appendix 1.
- 6.8. In addition, there are 2 further national funds, which the Council expect to receive a share of. The first of these is the £20 million investment monies to assist with the mobilisation of schools, particularly rural transport and cleaning. The Council's share is estimated at £1.300 million and this is included in the figures. The second of these is the £30 million further mobilisation fund where bids will require to be made and allocations will be based on evidence of need, therefore nothing has been included in the figures.

- 6.9. Finally, the Council has been notified of an allocation of transitional funding for Childcare Providers, who will apply to the Council for payments from this funding. The Council's allocation is £0.608 million and as it is ring-fenced for spend on childcare providers, therefore has no impact on the net COVID-19 costs contained in this report.
- 6.10. Taking the items in 6.7 and 6.8 above, allows a **reduction in the COVID-19 costs to the Council of £4.839 million.**
- 6.11. **SLLC Loss of Income:** SLLC are anticipating an improvement on the previous position anticipated. This follows an exercise to refine costs/income loss, as well as receiving confirmation of grant funding and also more certainty regarding the expected funding from the Government's Job Retention Scheme. These will allow a **reduction of £3.200 million** to the overall projected loss of income position being forecast. This is still very much an estimated position and will depend on the level of attendance at venues over the coming months.
- 6.12. **Consequential Funding:** The Scottish Government have received £49 million in additional consequential funding which will be passed to councils in full. At a meeting of COSLA Leaders (28 August 2020), it was agreed to distribute this funding based on Grant Aided Expenditure + Special Island Needs Allowance which is in line with the distribution method used for previous flexible funding for councils. The Council's allocation has not been confirmed but is estimated at £2.940 million. This estimate has been included in the cost calculations and allows the net **cost to be reduced by the £2.940 million.**
- 6.13. Table 3 shows the movement in the projected costs taking into account the movements detailed in sections 6.3 to 6.12. The net costs to the Council would reduce to £4.639 million.

Table 3 – Movement in Net Costs to the Council 2020/2021

| | £m |
|---|--------------|
| Previously Reported Net Cost for 2020/2021(Recovery Board, 5 August) | 29.062 |
| Less: Reduction in Education Costs including loss of income and spend not made (<i>section 6.5</i>) | (13.444) |
| Less: Additional Education Funding (<i>section 6.7 and 6.8</i>) | (4.839) |
| Less: SLLC – Reduction in Loss of Income (<i>section 6.11</i>) | (3.200) |
| Less: Consequential Funding (<i>section 6.12</i>) | (2.940) |
| Revised Net Cost to the Council | 4.639 |

- 6.14. The position above does not include any costs in relation to the service delegated to the Integrated Joint Board (IJB) (section 4.12 and 4.13). The Council has submitted estimates of the total costs of the Social Care services delegated to the IJB to the Scottish Government as part of their mobilisation plan, totalling £23.6 million. We are still assuming that the Scottish Government will fully fund these costs, however, if we do not receive all of the funding this is a risk to the Council's financial position.
- 6.15. The revised net costs to the Council for 2020/2021, along with the Government Grant available, are summarised in Table 4. Table 4 also includes the level of savings not achievable and the SLLCT shortfall. The Table finally shows the net position assuming that the additional cost of Capital is managed through the Capital Programme.

Table 4: Net Cost to the Council for 2020/2021 (Revised)

| | £m |
|---|---------------|
| Identify Costs for 2020/2021 including Recovery plans | 27.682 |
| Lost Income | 9.051 |
| Spend Not Made | (4.802) |
| Net Cost to the Council in 2020/2021 <i>Detailed across Resources in Appendix 1</i> | 31.931 |
| Government Grant Confirmed to Date (mid-August 2020) - Hardship Fund balance (£2.227m), Food Fund (£1.937m and £1.776m), Consequential (£9.233m), Education Funding (£2.167m), IT Equipment Funding (£1.469m), Teachers (£1.300m), Transport Mobilisation (£0.072m), Mobilisation (est. £1.300m), and Consequential (est. 2.940m) | (24.421) |
| Net Cost to the Council for 2020/2021 (after Government Grant) | 7.510 |
| Savings Not Achievable | 1.020 |
| SLLCT Shortfall | 3.200 |
| Revised Net Cost to the Council for 2020/2021 | 11.730 |
| Less: Costs Associated with Capital | (7.091) |
| Revised Net Cost to the Council excluding Capital | 4.639 |

- 6.16. The lost income in Table 4 above includes income in relation to SLLC. The figure shown has been updated following refinement of the estimates by SLLC. However, the final position will depend on the return to service and also on the uptake of those services.
- 6.17. The net cost reported in Table 4 includes a number of assumptions including the assumption that a level of charge is made to HRA and capital programmes (£23.485 million). If this level of recharge was not made the level of costs would increase to £28.124 million (see Appendix 4).
- 6.18. **Education Flexible Funding**
Previous Scottish Government announcements have given councils flexibility on how they use their Pupil Equity Fund (PEF) monies this financial year. For the Council, there is up to £3.100 million of this flexible funding which could be used to contribute towards the costs of COVID-19. At this point, this has not been included in the figures for Education in this report. Guidance from the Government is that while flexibility is being extended in the use of the PEF money, it is expected that spend is still directed toward addressing inequity.
- 6.19. An analysis of additional spend that could fall into the category of addressing inequity has identified £1.500 million that is required by schools and therefore not available to assist with managing the costs of COVID-19. This leaves a balance of £1.600 million that could be spent through the flexibility offered by the Government. The situation regarding the remaining monies will continue to be monitored.
- 6.20. For information, there is also £0.200 million of SAC Schools Programme funding granted to schools for this year. However, there is no facility to re-direct any unallocated money and again, this is not included in the figures for Education in this report.
- 6.21. **Council Tax/CTRS** - The figure does not include any impact of COVID-19 on Council Tax or CTRS, on the basis that a recent projection of the net income position, compared to budget for the year, shows a minimal variance.

7. Funding Update

- 7.1. Work continues on ensuring we are aware of all opportunities on funding to help meet costs pressures.
- 7.2. **UK Government Consequentials:** The Scottish Government is committed to passing the previously announced £49 million additional consequentials to Local Government in full. At a meeting of COSLA Leaders on 28 August 2020, it was agreed that the £49 million would be distributed now and can be used flexibly.
- 7.3. In addition, a loss of income scheme in England has resulted in further consequentials for Scotland, however, the figure will not be known until English Councils have submitted their information to the Government.
- 7.4. It has been identified that there are restrictions on the English Scheme, which excludes commercial rental income and lost income for ALEO's which are significant issues for Scottish councils. The loss of income would only apply to sales, fees and charges where the Council has income budgets in relation to the delivery of services.
- 7.5. At a meeting of COSLA Leaders on 28 August, it was agreed that the loss of income for ALEO's should be included in the Scottish scheme. Civil servants will work with COSLA and Local Government stakeholders to design a Loss of Income scheme appropriate for Scotland and this work is underway.
- 7.6. The Government has also announced £107 million for cultural recovery, of which £32.5 million is committed. COSLA is seeking advice on the information being put to Ministers on the remaining £75 million as this could impact on the wide range of cultural services run or supported by councils and could go towards protecting communities from the impact that service closures or reductions in grant support would have.
- 7.7. **Fiscal Flexibility:** As reported previously, 6 requests have been made to the Government for fiscal flexibilities including permission to borrow for revenue costs, flexibility on how capital grant is used, as well as holidays for debt interest and principal payments. The flexibilities requested also include being able to meet the costs of any deficit in our financial position over a number of years, and for flexibility in using any unspent business grants.
- 7.8. Of the 6 previous requests around fiscal flexibilities, only 2 are still being considered: the flexibility to use capital grant to fund revenue and the use of the underspends in the business grants funding. Further discussions have resulted in 2 additional options being considered which would be subject to the issue of temporary legislation or statutory guidance: Loans Fund principal repayment holiday and Service concessions for PPP/PFI contracts. A further update is expected following discussions due to take place at the end of August.

8. Employee Implications

- 8.1. None.

9. Financial Implications

- 9.1. As detailed within this report.

10. Climate Change, Sustainability and Environmental Implications

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

11. Other Implications

- 11.1. 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.
- 11.2. There are no implications for sustainability in terms of the information contained in this report.

12. Equality Impact Assessment and Consultation Arrangements

- 12.1. 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.
- 12.2. 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 September 2020

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Financial Resources Scrutiny Forum, 20 August 2020

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 14 August 2020

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 14 August 2020 (No.5)

| <u>Committee</u> | Annual Budget | Annual Forecast | Annual Forecast Variance | Budget Proportion to 14/08/20 | Actual to Period 5 14/08/20 | Variance to 14/08/20 | | |
|---|----------------|-----------------|--------------------------|-------------------------------|-----------------------------|----------------------|-------------|----------------|
| Departments: | £m | £m | £m | £m | £m | £m | | % |
| Community and Enterprise Resources | 107.702 | 107.702 | 0.000 | 34.610 | 38.510 | (3.900) | over | (11.3%) |
| Facilities Streets Waste and Grounds | 65.599 | 65.599 | 0.000 | 18.863 | 18.704 | 0.159 | under | 0.8% |
| Environmental Services (Inc. Projects) | 0.925 | 0.925 | 0.000 | (1.720) | (1.504) | (0.216) | over | (12.6%) |
| Leisure and Culture Services | 19.321 | 19.321 | 0.000 | 9.653 | 9.633 | 0.020 | under | 0.2% |
| Planning and Economic Development | 2.140 | 2.140 | 0.000 | 0.900 | 1.242 | (0.342) | over | (38.0%) |
| Roads | 19.717 | 19.717 | 0.000 | 6.914 | 7.575 | (0.661) | over | (9.6%) |
| COVID19 | 0.000 | 0.000 | 0.000 | 0.000 | 2.860 | (2.860) | over | n/a |
| Education Resources | 353.129 | 353.129 | 0.000 | 96.206 | 97.680 | (1.474) | over | (1.5%) |
| Education | 353.129 | 353.129 | 0.000 | 96.206 | 96.317 | (0.111) | over | (0.1%) |
| COVID19 | 0.000 | 0.000 | 0.000 | 0.000 | 1.363 | (1.363) | over | n/a |
| Finance and Corporate Resources | 36.097 | 36.097 | 0.000 | 19.164 | 19.944 | (0.780) | over | (4.1%) |
| Finance Services - Strategy | 1.982 | 1.982 | 0.000 | 1.298 | 1.293 | 0.005 | under | (0.4%) |
| Finance Services - Transactions | 13.685 | 13.685 | 0.000 | 7.144 | 7.268 | (0.124) | over | (1.7%) |
| Audit and Compliance Services | 0.330 | 0.330 | 0.000 | 0.231 | 0.234 | (0.003) | over | (1.3%) |
| Information Technology Services | 4.707 | 4.707 | 0.000 | 4.220 | 4.006 | 0.214 | under | 5.1% |
| Communications and Strategy Services | 0.957 | 0.957 | 0.000 | 0.546 | 0.616 | (0.070) | over | (12.8%) |
| Administration and Licensing Services | 4.204 | 4.204 | 0.000 | 2.320 | 2.486 | (0.166) | over | (7.2%) |
| Personnel Services | 10.232 | 10.232 | 0.000 | 3.405 | 3.469 | (0.064) | over | (1.9%) |
| COVID19 | 0.000 | 0.000 | 0.000 | 0.000 | 0.572 | (0.572) | over | n/a |
| Housing and Technical Resources | 13.994 | 13.994 | 0.000 | 1.681 | 2.124 | (0.443) | over | (26.4%) |
| Housing Services | 8.543 | 8.543 | 0.000 | 1.416 | 1.416 | 0.000 | - | 0.0% |
| Property Services | 5.451 | 5.451 | 0.000 | 0.265 | 0.265 | 0.000 | - | 0.0% |
| COVID19 | 0.000 | 0.000 | 0.000 | 0.000 | 0.443 | (0.443) | over | n/a |
| Social Work Resources | 172.411 | 172.411 | 0.000 | 62.456 | 62.788 | (0.332) | over | (0.5%) |
| Performance and Support Services | 8.044 | 8.044 | 0.000 | 3.069 | 3.011 | 0.058 | under | 1.9% |
| Children and Families | 35.610 | 35.610 | 0.000 | 12.708 | 12.911 | (0.203) | over | (1.6%) |
| Adults and Older People | 127.251 | 127.251 | 0.000 | 46.271 | 46.271 | 0.000 | - | 0.0% |
| Justice and Substance Misuse | 1.506 | 1.506 | 0.000 | 0.408 | 0.372 | 0.036 | under | 8.8% |
| COVID19 | 0.000 | 0.000 | 0.000 | 0.000 | 0.223 | (0.223) | over | n/a |
| Joint Boards | 2.245 | 2.245 | 0.000 | 0.732 | 0.732 | 0.000 | - | 0.0% |
| | 685.578 | 685.578 | 0.000 | 214.849 | 221.778 | (6.929) | over | (3.2%) |

| <u>Committee</u> | Annual Budget | Annual Forecast | Annual Forecast Variance | Budget Proportion to 14/08/20 | Actual to Period 5 14/08/20 | Variance to 14/08/20 | | |
|------------------------------------|----------------|-----------------|--------------------------|-------------------------------|-----------------------------|----------------------|-------------|-------------|
| | £m | £m | £m | £m | £m | £m | | |
| Service Departments Total | 685.578 | 685.578 | 0.000 | 214.849 | 221.778 | (6.929) | over | (3.2%) |
| CFCR | 1.531 | 1.531 | 0.000 | 0.000 | 0.000 | 0.000 | - | n/a |
| Loan Charges | 49.743 | 49.743 | 0.000 | 17.765 | 17.765 | 0.000 | - | 0.0% |
| Corporate Items | 5.706 | 5.706 | 0.000 | 0.053 | 0.053 | 0.000 | - | 0.0% |
| Corporate Items - COVID19 | 15.173 | 15.173 | 0.000 | 9.954 | 3.030 | 6.924 | under | 69.6% |
| | 5.389 | 5.389 | 0.000 | 0.000 | 0.000 | 0.000 | - | n/a |
| Total Expenditure | 763.120 | 763.120 | 0.000 | 242.621 | 242.626 | (0.005) | over | 0.0% |
| Council Tax | 159.471 | 159.471 | 0.000 | 56.954 | 56.954 | 0.000 | - | 0.0% |
| Less: Council Tax Reduction Scheme | (21.304) | (21.304) | 0.000 | (7.609) | (7.609) | 0.000 | - | 0.0% |
| Net Council Tax | 138.167 | 138.167 | 0.000 | 49.345 | 49.345 | 0.000 | - | 0.0% |
| General Revenue Grant | 344.036 | 344.036 | 0.000 | 129.825 | 129.825 | 0.000 | - | 0.0% |
| General Revenue Grant- COVID19 | 20.541 | 20.541 | 0.000 | 9.233 | 9.233 | 0.000 | - | 0.0% |
| Non Domestic Rates | 226.179 | 226.179 | 0.000 | 91.842 | 91.842 | 0.000 | - | 0.0% |
| Transfer from Reserves | 34.197 | 34.197 | 0.000 | 34.197 | 34.197 | 0.000 | - | 0.0% |
| Total Income | 763.120 | 763.120 | 0.000 | 314.442 | 314.442 | 0.000 | - | 0.0% |
| Net Expenditure / (Income) | 0.000 | 0.000 | 0.000 | (71.821) | (71.816) | (0.005) | over | 0.0% |

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 14 August 2020 (No.5)

| <u>Budget Category</u> | Annual Budget | Annual Forecast | Annual Forecast Variance | Budget Proportion to 14/08/20 | Actual to Period 5 14/08/20 | Variance to 14/08/20 | | % |
|---|------------------|--------------------|--------------------------------|-------------------------------------|--------------------------------------|----------------------------|------------------|---------------|
| Service Departments: | £m | £m | £m | £m | £m | £m | | |
| Expenditure | | | | | | | | |
| Employee Cost | 528.801 | 528.801 | 0.000 | 186.989 | 188.292 | (1.303) | over | (0.7%) |
| Property Costs | 52.801 | 52.801 | 0.000 | 9.461 | 10.266 | (0.805) | over | (8.5%) |
| Supplies and Services | 57.724 | 57.724 | 0.000 | 16.655 | 12.636 | 4.019 | under | 24.1% |
| Transport Costs | 40.491 | 40.491 | 0.000 | 14.307 | 14.073 | 0.234 | under | 1.6% |
| Administration Costs | 15.081 | 15.081 | 0.000 | 4.957 | 5.101 | (0.144) | over | (2.9%) |
| Payments to Other Bodies | 116.174 | 116.174 | 0.000 | 65.103 | 65.245 | (0.142) | over | (0.2%) |
| Payments to Contractors | 199.058 | 199.058 | 0.000 | 60.828 | 63.817 | (2.989) | over | (4.9%) |
| Transfer Payments | 5.733 | 5.733 | 0.000 | 3.337 | 3.247 | 0.090 | under | 2.7% |
| Housing Benefits | 70.686 | 70.686 | 0.000 | 23.325 | 23.049 | 0.276 | under | 1.2% |
| Financing Charges (controllable) | 2.011 | 2.011 | 0.000 | 1.056 | 1.074 | (0.018) | over | (1.7%) |
| Total | 1,089.168 | 1,089.168 | 0.000 | 386.018 | 386.800 | (0.782) | over | (0.2%) |
| Service Departments Total | 1,088.560 | 1,088.560 | 0.000 | 386.018 | 386.800 | (0.782) | over | (0.2%) |
| CFCR | 1.531 | 1.531 | 0.000 | 0.000 | 0.000 | 0.000 | - | n/a |
| Loan Charges | 49.743 | 49.743 | 0.000 | 17.765 | 17.765 | 0.000 | - | 0.0% |
| Corporate Items | 5.706 | 5.706 | 0.000 | 0.053 | 0.053 | 0.000 | - | 0.0% |
| Corporate Items - COVID-19 | 15.173 | 15.173 | 0.000 | 9.954 | 3.030 | 6.924 | under | 69.6% |
| Corporate Items – 21/22 Strategy | 5.389 | 5.389 | 0.000 | 0.000 | 0.000 | 0.000 | - | n/a |
| Total Expenditure | 1,166.102 | 1,166.102 | 0.000 | 413.790 | 407.648 | 6.142 | under | 1.5% |
| Income | | | | | | | | |
| Housing Benefit Subsidy | 65.542 | 65.542 | 0.000 | 19.984 | 19.847 | (0.137) | under rec | (0.7%) |
| Other Income | 337.440 | 337.440 | 0.000 | 151.185 | 145.175 | (6.010) | under rec | (4.0%) |
| Council Tax (Net of Council Tax Reduction Scheme) | 138.167 | 138.167 | 0.000 | 49.345 | 49.345 | 0.000 | - | 0.0% |
| General Revenue Grant | 344.036 | 344.036 | 0.000 | 129.825 | 129.825 | 0.000 | - | 0.0% |
| General Revenue Grant - COVID-19 | 20.541 | 20.541 | 0.000 | 9.233 | 9.233 | 0.000 | - | 0.0% |
| Non Domestic Rates | 226.179 | 226.179 | 0.000 | 91.842 | 91.842 | 0.000 | - | 0.0% |
| Transfer from Reserves | 34.197 | 34.197 | 0.000 | 34.197 | 34.197 | 0.000 | - | 0.0% |
| Total Income | 1,166.102 | 1,166.102 | 0.000 | 485.611 | 479.464 | (6.147) | under rec | (1.3%) |
| Net Expenditure / (Income) | 0.000 | 0.000 | 0.000 | (71.821) | (71.816) | (0.005) | over | 0.0% |

COVID-19 Expenditure to 14 August 2020

Additional Costs

| Service | Description of Cost | Value £m |
|--|--|--------------|
| Community and Enterprise Resources | | |
| Fleet, Environmental and Projects | Staffing costs supporting COVID response | 0.118 |
| Facilities, Streets, Waste and Grounds | Staffing costs supporting COVID response | 0.026 |
| Planning and Economic Development | Staffing costs supporting COVID response | 0.003 |
| Facilities, Streets, Waste and Grounds | PPE, Equipment and cleaning materials for staff. | 0.581 |
| Facilities, Streets, Waste and Grounds | Fleet costs including fuel supporting COVID19 response | 0.031 |
| Facilities, Streets, Waste and Grounds and Fleet, Environmental and Projects | Printing and Stationery, signage and mobile phones | 0.044 |
| Facilities, Streets, Waste and Grounds | Increase in domestic waste tonnage | 0.730 |
| Leisure | Impact of lost income on SLLCT establishments | 1.327 |
| Education Resources | | |
| Schools | Supply Teachers (April, May and June) | 0.502 |
| Support Services | Education Additional Staffing (to August) | 0.084 |
| YFCL | Hub School Janitors (April and May) | 0.020 |
| YFCL | YFCL Sessional Additional Hours (April and May) | 0.021 |
| YFCL | Summer Hubs Sessional Sat (July and August) | 0.133 |
| Schools | Facilities Orders (Hand sanitisers / soap dispensers / bins / wipes / hand towels) | 0.209 |
| Schools / ELC | Central Orders (Gloves /wipes / aprons / masks) | 0.163 |
| Schools / ELC | SW Recharges (Wipes / aprons / masks) | 0.028 |
| Schools | Hub Schools Supplies / Materials | 0.052 |
| Schools | Schools Hand Washing Supplies / Home Working Materials etc | 0.025 |
| Schools | Hub Schools Replenishment of Supplies / Materials | 0.023 |
| Schools | Signage / Posters / Stickers | 0.060 |
| ELC | ELC Provision to Key Workers | 0.043 |
| Finance and Corporate Resources | | |
| IT Services | IT related spend to allow home working and PPP cleaning | 0.146 |
| Finance (Transactions), Personnel and Communications and Strategy | Additional staff costs to process Business Grants, Scottish Welfare Fund applications, work on Wellbeing line and provision of additional information on social media. | 0.356 |
| All | PPE, Telephones and mail to support COVID response | 0.070 |
| Housing and Technical Resources | | |
| Housing and Property Services | Temporary accommodation costs for homeless people, set up costs for temporary mortuary facility and the cost of PPE for housing and property services staff. | 0.443 |
| Social Work Resources | | |
| Children & Family, Justice | Staffing costs to maintain service in children's home, support to vulnerable families and young people and costs related to the early release from prison | 0.223 |
| Total Additional Costs as at Period 5 | | 5.461 |

Council Tax and Council Tax Reduction Scheme (CTRS)

| Service | Description of Lost Income | Value £m |
|---|---|--------------|
| Council Tax | Loss of 2020/21 Council Tax Income including cancelled Direct Debits at end July 2020 | 0.000 |
| Council Tax | Loss of Council Tax arrears collection income at end July 2020 | 0.000 |
| CTRS | Cost of additional payments as at end July 2020 | 0.000 |
| Additional Cost/Lost Income as at Period 5 | | 0.000 |

Expenditure on Food Fund

| Service | Description of Lost Income | Value £m |
|--|--|--------------|
| Corporate Items | Expenditure on Food Fund related items including Free School Meals provision, paypoint costs for Free School Meals, provision of meals to hubs and social work and food to vulnerable households | 3.030 |
| Additional Costs as at Period 5 | | 3.030 |

Lost Income

| Service | Description of Lost Income | Value £m |
|---|--|--------------|
| Community and Enterprise Resources | | |
| Planning and Economic Development | Reduced income from Planning applications | 0.350 |
| Roads | Reduced Parking income and income from Roads Act legislation | 0.782 |
| Facilities, Streets, Waste and Grounds | Reduced school meals, care of gardens and special uplifts income | 0.939 |
| Fleet, Environmental and Projects | Reduced income from taxi inspections. | 0.046 |
| Education Resources | | |
| Early Years | Reduced income from Early Years Fees, playgroups and nursery milk claims | 0.295 |
| Support Services | Reduced income from Music Tuition fees | 0.059 |
| Support Services | Reduced income from Privilege transport | 0.005 |
| Finance and Corporate Resources | | |
| Administration, Legal and Licensing | Reduced income for Licensing and Registration | 0.128 |
| Communications and Strategy | Reduced print room income. | 0.080 |
| Total Lost Income as at Period 5 | | 2.684 |

Unspent Budget

| Service | Description of Lost Income | Value £m |
|---|--|----------------|
| Community and Enterprise Resources | | |
| Facilities, Streets, Waste and Grounds | Reduced expenditure on food purchases | (0.953) |
| Facilities, Streets, Waste and Grounds | Reduced expenditure on fireworks display | (0.020) |
| Education Resources | | |
| Support Services | West Partnership Income | (0.012) |
| Schools | Gas (April and May) | (0.103) |
| YFCL | Holiday Lunch Clubs | (0.133) |
| Unspent Budget as at Period 5 | | (1.221) |

| | | |
|--|--|--------------|
| Net Cost of COVID-19 as at Period 5 | | 9.954 |
|--|--|--------------|

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 14 August 2020 (No.5)
Housing Revenue Account

| | Annual Budget | Forecast for Year | Annual Forecast Variance | Budget Proportion to 14/08/20 | Actual to Period 5 14/08/20 | Variance to 14/08/20 | | % | Note |
|----------------------------------|------------------|----------------------|--------------------------------|-------------------------------------|-----------------------------------|----------------------------|-----------|--------|----------|
| | £m | £m | £m | £m | £m | £m | | | |
| Employee Costs | 13.721 | 13.721 | 0.000 | 4.801 | 4.712 | 0.089 | under | 1.9% | 1 |
| Property Costs | 46.661 | 46.661 | 0.000 | 17.185 | 17.180 | 0.005 | under | 0.0% | |
| Supplies & Services | 0.996 | 0.996 | 0.000 | 0.238 | 0.249 | (0.011) | over | (4.6%) | |
| Transport & Plant | 0.195 | 0.195 | 0.000 | 0.024 | 0.022 | 0.002 | under | 8.3% | |
| Administration Costs | 5.644 | 5.644 | 0.000 | 1.628 | 1.624 | 0.004 | under | 0.2% | |
| Payments to Other Bodies | 3.176 | 3.176 | 0.000 | 1.159 | 1.159 | 0.000 | - | 0.0% | |
| Payments to Contractors | 0.100 | 0.100 | 0.000 | 0.085 | 0.089 | (0.004) | over | (4.7%) | |
| Transfer Payments | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | - | n/a | |
| Financing Charges | 19.448 | 19.448 | 0.000 | 5.807 | 5.790 | 0.017 | under | 0.3% | |
| Total Controllable Expenditure | 89.941 | 89.941 | 0.000 | 30.927 | 30.825 | 0.102 | under | 0.3% | |
| Total Controllable Income | (107.634) | (107.634) | 0.000 | (35.548) | (34.899) | (0.649) | under rec | (1.8%) | 2 |
| Transfer to/(from) Balance Sheet | (0.315) | (0.315) | 0.000 | (0.093) | (0.640) | 0.547 | over rec | 588.1% | 3 |
| Net Controllable Expenditure | (18.008) | (18.008) | 0.000 | (4.714) | (4.714) | 0.000 | - | 0.0% | |
| Add: Non Controllable Budgets | | | | | | | | | |
| Financing Charges | 18.008 | 18.008 | 0.000 | 6.710 | 6.710 | 0.000 | - | 0.0% | |
| Total Budget | 0.000 | 0.000 | 0.000 | 1.996 | 1.996 | 0.000 | - | 0.0% | |

Variance Explanations

1. Employee Costs

This underspend reflects the level of turnover within the Service.

2. Income

The under recovery of income reflects the delay in the level of additional new build properties due to COVID19 lockdown.

3. Transfer to/(from) Balance Sheet

This reflects the current anticipated year end transfer from reserves. The transfer will depend on the final outturn, and currently the transfer required is higher than anticipated due to the under recovery of income as a result of COVID19 lockdown. The position will be closely monitored as lockdown arrangements change over the coming months.

Presentation of costs including recharging to HRA and Capital

| | £m | £m |
|--|----------------|-----------------|
| Overall Costs and loss of income (including lost income from Property services, and Ground / facilities and waste services) | | 55.416 |
| SLLC and Savings not Achievable | | <u>4.220</u> |
| | | 59.636 |
| Less: Recharging to HRA, General Fund and Capital | ** (23.485) | |
| Less: Capital costs being met from capital | <u>(7.091)</u> | <u>(30.576)</u> |
| | | |
| Revised costs | | 29.060 |
| | | |
| Less: Government Grant confirmed | | <u>(24.421)</u> |
| | | |
| Net costs to the council (excluding capital) | | 4.639 |

** As shown at Section 6.17 – if costs are not recharged to HRA and Capital the overall costs increase to £28.124m (£23.485m + £4.639m)