

Report

Report to:	Financial Resources Scrutiny Forum
Date of Meeting:	18 February 2021
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Revenue Budget Monitoring 2020/2021 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 2020 to 1 January 2021, and a projection for the year to 31 March 2021.

2. Recommendation(s)

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

- (1) that the revised COVID position, taking into account the reported COSLA position, strategic funding solutions and additional income, resulting in the revised **COVID shortfall of £1.902 million** (section 4.3) and **the total Council revised outturn underspend of £0.261 million** including Resources, Council Tax and this COVID shortfall (section 4.4), be noted;
- (2) that the potential for the outturn position to change, based on the current COVID restrictions (section 4.5), be noted;
- (3) that the total transfers to reserves (section 4.11) included in the revised outturn position, and which includes the proposed transfers to be agreed by members totalling £10.574 million (detailed in Appendix 3), be approved;
- (4) that the potential to reduce the burden on the capital programme due to COVID, continue to be monitored (section 5.4), be noted;
- (5) that the underspend position on the General Fund Revenue Account as at 1 January 2021 (section 8.1), be noted; and
- (6) that the breakeven position on the Housing Revenue Account at 1 January 2021 and the forecast to 31 March 2021 of breakeven (section 9), be noted.

3. Background

3.1. The Revenue reports attached provide detail on the most recent report considered at the Executive Committee on 10 February 2021.

3.2. General Fund Position

This overview report will summarise the 2020/2021 Probable Outturn position for the Council's General Fund Revenue Account to 31 March 2021. An Executive Summary is provided in Section 4, whilst Sections 5 and 6 look at the cost of COVID included in the Probable Outturn position and the details of the General Fund outturn position respectively. Section 7 provides a summary of the total overall position. Sections 8

and 9 provides the position on the General Fund Account and the Housing Revenue Account for the current period 1 April 2020 to 1 January 2021 respectively.

- 3.3. 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 2a) and proposes funds to be transferred to reserves for future commitments (Appendix 3). The report will also detail the position after the proposed transfers to reserves (Appendix 4a) for those known commitments required in the next financial year.
4. **Executive Summary - 2020/2021 General Services Probable Outturn**
 - 4.1. This report and appendices provide a detailed analysis of the Council's financial position. Whilst the full detail and background is provided in the report, a summary position including the key highlights are detailed in this Executive Summary.
 - 4.2. **COVID:** Section 5 notes that in previous reports to Committee, the forecast projected outturn position for the Council was £4.657 million, all relating to the cost of COVID.
 - 4.3. Section 5 (and Appendix 1) provide an updated probable outturn for the costs in relation to the pandemic. Whilst the costs associated with COVID across Resources have been refined, the net cost of COVID remains at the £4.657 million previously reported. We have now been allocated Scottish Government funding of £2.755 million for lost income, and therefore the revised shortfall due to COVID (after funding) is £1.902 million. This comprises overall net costs totalling £36.033 million before the additional funding of £2.755m less the amounts recharged to capital (£7.891 million) and also to the HRA (£23.485 million) to maintain the property services position during the year.
 - 4.4. In terms of the overall probable outturn position, Section 7.2 explains that the additional income from the Government's Loss of Income Scheme (£2.755 million) and the Over-Recovery of Council Tax (£2.604 million), more than offset the previously reported projected outturn (£4.657 million) and the additional expenditure across Resources and Corporate Items highlighted as part of the Probable Outturn exercise (£0.441 million). This is illustrated in Table 1. This results in the revised Probable Outturn underspend of £0.261 million.

Table 1: Reconciliation to Previous Anticipated Outturn Position

	£m
Costs of Covid (including capital and before any recharges to HRA and capital) after additional funding for loss of income	(36.033)
Less: Recharges to HRA / capital	31.376
= Previously reported Projected Outturn	(4.657)
Loss of Income Funding from the Government (section 5.2)	2.755
= Shortfall in COVID funding (section 5.2) See note 1	(1.902)
Expenditure Position from Probable Outturn Exercise (sections 6.11 and 6.15)	(0.441)
Over-Recovery of Council Tax excl COVID (section 6.22 and 6.23)	2.604
= Probable Outturn Position: Revised underspend	0.261

Note 1 – this position is after Covid costs have been met by capital (£7.891m) and that income continues to be recharged to HRA and Capital for the period of lockdown (£23.485m). If these costs were not recharged the overall costs would be £33.278m.

- 4.5. It should be noted that the current position was prepared before further Tier 4 lockdown restrictions were applied across the country in late December which have

continued to be extended and tightened. Depending on the impact, timing and also extent of any further restrictions that are applied, the above position could change significantly by the end of the financial year.

- 4.6. The Probable Outturn exercise referred to above identified the expenditure overspend position of £0.441 million position across Resources and Corporate Items and a summary of this is provided in the body of this report below (details in section 6).
- 4.7. **Resources:** As covered in Section 6, Resources are reporting a combined overspend of £0.324 million. This is primarily within Education resources (overspend of £0.308 million). This position is after proposed transfers to Reserves (see section 6.11).
- 4.8. **Corporate Items:** There is a net overspend of £0.117 million for Corporate Items (covered at section 6.15). This includes a commitment in relation to Council Tax from Second Homes which we require to pass over to the HRA. This income from Second Homes is shown in Council Tax.
- 4.9. **Council Tax:** There is a net underspend in Council Tax of £2.604 million (as shown in sections 6.22 to 6.24). This reflects an underspend in the Council Tax Reduction Scheme (£0.810 million) reflecting demand at this point and also Council Tax income from Second Homes (£0.647 million). The balance is predominantly additional arrears collection (£0.620 million) and empty property charges which are higher than budget (£0.435 million).
- 4.10. It should be noted that the outturn position was calculated in November / early December before the current Tier 4 stricter lockdown conditions were applied across the country. As detailed in section 6.4, there is a possibility that these restrictions and the impact on people's personal circumstances could mean that the current estimated outturn position in relation to Council Tax and CTRS could change, with a detrimental impact on the Council's final outturn position for the year.
- 4.11. **Transfers to Reserves:** Included in the Resources' Probable Outturn position is a proposed transfer of £7.574 million to reserves (see section 6.25 and Appendix 3). In addition, a £3.000 million transfer to reserves has already been included in the report to the Executive Committee in December 2020 proposing a contribution to the Insurance Fund, Winter Maintenance Fund and Strategic Waste Fund. The total transfers to reserves proposed, and for which approval is being sought, is £10.574 million.
- 4.12. Full details of each of these items is included in the remainder of the report.

5. 2020/2021 General Services Probable Outturn – COVID-19

- 5.1. **Cost of Recovery:** As part of the probable outturn exercise, a revised COVID Cost of Recovery position has been prepared. This is included in Appendix 1.
- 5.2. Whilst the estimated costs of each of the different elements of COVID have moved, resulting in revised estimates for each of the Resources, the cost of COVID is still estimated as a shortfall of **£4.657 million**. However, due to the allocation from the Scottish Government from the Loss of Income funding of £2.755 million, the **revised shortfall is £1.902 million**.
- 5.3. This comprises overall net costs totalling £36.033 million before the additional funding of £2.755m less the amounts recharged to capital (£7.891 million) and also

to the HRA (£23.485 million) to maintain the property services position during the year.

- 5.4. This estimated position is based on what is known at present. The high level COVID restrictions in place are expected to result in additional costs, with no certainty or confirmation of what the level of these costs may be or whether there will be additional funding made available to help manage them.
- 5.5. **Capital:** Currently, the capital account is absorbing additional costs associated with COVID, estimated at around £7.8 million. There is a possibility that depending on how COVID costs progress over the next few months and the Council's ability to use the options on fiscal flexibility, revenue COVID funds could be used to cover some of these additional costs and reduce the burden on the capital programme. This will continue to be monitored.
6. **2020/2021 General Services Probable Outturn - Resources and Corporate Lines**
 - 6.1. Details of the Resource positions, including any assumptions are detailed below. It should be noted that the **figures quoted include the costs associated with COVID.**
 - 6.2. **Community and Enterprise Resources:** The outturn position **after** proposed transfers to reserves of £0.447 million (Appendix 3) is an **overspend of £9.169 million**. The outturn position includes COVID related costs of £9.199 million and if the impact of these is removed the Resource is showing an underspend of £0.030 million.
 - 6.3. **Education Resources:** The outturn position **after** proposed transfers to reserves of £6.261 million (Appendix 3) is an **overspend of £9.917 million**. The outturn position includes COVID related costs of £9.609 million and if the impact of these is removed the Resource is showing an overspend of £0.308 million.
 - 6.4. The overspend (excluding COVID) is due to overspends in relation to both mainstream and ASN transport, school placements which are demand led and an under recovery of income from other local authorities for placements in South Lanarkshire schools.
 - 6.5. **Finance and Corporate Resources:** The outturn position **after** proposed transfers to reserves of £0.103 million (Appendix 3) is an **overspend of £4.781 million**. The outturn position includes COVID related costs of £4.751 million and if the impact of these is removed the Resource is showing an overspend of £0.030 million.
 - 6.6. The outturn position (excluding COVID) reflects an overspend in Administration, Legal and Licensing where turnover has been lower than anticipated
 - 6.7. **Housing and Technical Resources:** The outturn position is an **overspend of £1.147 million**. The Resource has no proposed transfers to reserves. This position includes COVID related costs of £1.147 million and if the impact of these is removed the Resource is showing a breakeven position.
 - 6.8. **Social Work Resources:** The outturn position is a net **overspend of £0.379 million**. The Resource has no proposed transfers to reserves. This includes COVID related costs of £0.363 million and if the impact of these is removed the Resource is showing an overspend of £0.016 million.
 - 6.9. The Resource overspend position (excluding COVID) reflects an overspend in

Children and Families due to the increased residential and secure placements and an overspend on fostering payments.

- 6.10. **Total Resource Position:** The position **after** proposed transfers to reserves totalling £6.811 million is an **overspend of £25.393 million**.
- 6.11. If the impact of COVID (spend, lost income, savings not achieved and spend not made) totalling £25.069 million is removed from the figures, the Resources are showing an overspend of £0.324m, with the majority of the overspend being within Education Resources. The detail is shown in Table 2.

Table 2: Resource Outturn excluding COVID

	£m	over/under
Community and Enterprise	0.030	under
Education	(0.308)	over
Finance and Corporate	(0.030)	over
Housing and Technical	0.000	-
Social Work	(0.016)	over
Joint Boards	0.000	-
	(0.324)	over

- 6.12. **Loan Charges:** The loan charges budget is showing an **underspend of £3.000 million**. Based on current projections of cash balances available, it is anticipated that we will not require to take the predicted 2020/2021 borrowing before the end of the financial year. The requirement to borrow will continue to be monitored through the remainder of the year, with any update being provided to Members as required.
- 6.13. The underspend in loan charges, £3.000 million has already been reported to Elected Members (Executive Committee, 16 December 2020), with the proposal that it be used to contribute £1.000 million each to the Insurance Fund, Winter Maintenance Fund and Strategic Waste Fund.
- 6.14. **After** the proposed transfer to reserves totalling £3.000 million, the outturn is a **breakeven position**.
- 6.15. **Corporate Items - Non COVID:** The outturn position **after** proposed transfers to reserves of £0.763 million (Appendix 3) is a net **underspend of £0.168 million**, including the commitment for Council Tax Second Homes. This includes COVID related underspends of £0.285 million and if the impact of these is removed the budget is showing an overspend of £0.117 million.
- 6.16. The net position comprises the following elements:
- Pay Related Budgets (including Apprenticeship Levy): the level of budget required to fund both auto enrolment and the estimated Apprenticeship Levy in the current year is lower than anticipated, resulting in an underspend against the budget.
 - Council Tax Second Homes: This overspend reflects commitments in relation to Council Tax from Second Homes (£0.065 million) as well as the accounting requirement to transfer any unspent Second Homes monies to the Housing Revenue Account Reserve (£0.582 million), to spend on social housing. The £0.582 million proposed transfer is included in the proposed transfers detailed in

Appendix 3. The total overspend (£0.647 million) in relation to this budget line is offset by a corresponding over recovery of Council Tax income.

- 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 (£0.181 million) represents the repayment to be transferred to the CEEF Reserve in 2020/2021, and is included in the proposed transfers to reserves in Appendix 3. The position after this transfer is breakeven.

6.17. There are still budget allocations of utilities and fuel to take place. This will not have an impact on the Council's outturn position.

6.18. **Corporate Items - COVID-19:** The underspend of £23.351 million represents the COVID funding held centrally to fund the COVID expenditure that is included within Resource outturn positions.

6.19. **Corporate Items - 2021/2022 Strategy**

The Executive Committee approved the transfer of funds totalling £14.289 million to reserves for use in future strategies, leaving a breakeven position **after** transfers to reserves. Details of the transfers are provided in section 6.20 and 6.21.

6.20. **Loans Fund Review:** As part of the Revenue Budget Strategy paper (24 June 2020), the Executive Committee agreed that the 2020/2021 underspend generated by the Loans Fund Review would be taken to reserves for use in future years budget strategies. This transfer to reserves of **£8.900 million** is reflected in the outturn position shown.

6.21. **Capital Funding:** The 2020/2021 revenue budget included £5.389 million in the CFCR budget to be used to fund the capital programme. The Executive Committee (June 2020) agreed that as a result of COVID-19, and the fact that the Capital Programme did not need this funding this year, the £5.389 million would be transferred to reserves for use in the 2021/2022 Revenue Budget Strategy. This transfer to reserves of **£5.389 million** is included in the outturn position shown.

6.22. **Council Tax including Council Tax Reduction Scheme (CTRS):** The Council Tax is showing an over recovery of £2.566 million, comprising an over recovery of Council Tax of £1.756 million **and an** underspend on CTRS of £0.810 million.

6.23. The Council Tax over recovery of £1.756 million is after £0.038 million of lost income due to COVID CT surcharges and an increase in the bad debt provision. The over recovery of £1.794 million before this lost income of £0.038 million is due to:

- Empty Property charges (£0.435 million),
- Arrears collection (£0.620 million)
- Additional in-year properties (£0.092 million)
- Income from Council Tax Second Homes (£0.647 million) which is offset by a corresponding commitment in Corporate Items (section 6.16)

6.24. The underspend of £0.810 million on the CTRS reflects current demand for these payments. However, whilst there is currently an underspend, demand for these payments could increase in the remainder of the year depending on the impact of the current COVID high level restrictions.

- 6.25. **Transfer to Reserves:** The proposed Resource transfers and Corporate Items transfers total £7.574 million. In addition, there are proposed transfers totalling £3.000 million (section 6.13) which was included within the report to the Executive Committee in December 2020. This takes the total reserves transfers requiring approval to **£10.574 million** and these are detailed in Appendix 3.
- 6.26. When added to the £14.289 million of transfers already approved as part of the 2021/2022 Budget Strategy (section 6.19), the total transfers to reserves will be £24.863 million.

7. Summary of Overall Outturn Position

- 7.1. As noted in section 4.3 (and section 5), previous reports to Committee have been forecasting a projected outturn position of £4.657 million, relating to the cost of COVID. Table 3 shows how the revised underspend of £0.261 million presented in this report, can be reconciled to the £4.657 million previously reported.

Table 3: Reconciliation to Probable Outturn Position

	£m
Costs of Covid (including capital and before any recharges to HRA and capital) after additional funding for loss of income	(36.033)
Recharges to HRA / capital	31.376
Previously reported Projected Outturn	(4.657)
Loss of Income Funding from the Government (section 5.2)	2.755
= Shortfall in COVID funding (section 5.2)	(1.902)
Expenditure Position from Probable Outturn Exercise (sections 6.11 and 6.15)	(0.441)
Over-Recovery of Council Tax excl COVID (section 6.22 and 6.23)	2.604
Probable Outturn Position: Revised underspend	0.261

- 7.2. Table 3 shows that the additional income from the Government's Loss of Income Scheme (£2.755 million) and the Over-Recovery of Council Tax (£2.604 million), more than offset the previously reported projected outturn (£4.657 million) and the additional expenditure highlighted as part of the Probable Outturn exercise (£0.441 million). This results in the Probable Outturn underspend of £0.261 million.
- 7.3. The final outturn position of an underspend of £0.261 million, as detailed in Section 6, is summarised in Table 4.

Table 4: Final Outturn Position

	£m
Forecast Underspend Before Transfers to Reserves excl COVID shortfall (Appendix 1 £25.124m + COVID shortfall £1.902m)	27.026
Less: Previously Approved Transfers to Reserves for 2021/2022 Strategy (section 6.21)	(14.289)
Less: Proposed Transfers to Reserves (Appendix 3)	(10.574)
Forecast Underspend After Transfers to Reserves	2.163
Less: Shortfall on COVID Funding (section 5.2)	(1.902)
Revised Forecast Underspend After Transfers to Reserves	0.261

- 7.4. There are still a number of unknown factors around COVID in terms of both expenditure and funding. The impact of the latest lockdown, assumptions around

Social Work Mobilisation funding and whether any further funding will become available, could all impact on the final position for the Council's budget.

- 7.5. Taking into account the uncertainty around COVID, then it is not proposed to make any further transfers to reserves. A decision will be proposed on the treatment of any remaining underspend, following completion of the year end accounts.

8. **2020/2021 General Services Monitoring Position**

8.1. **Financial Position as at 1 January 2021**

As at 1 January 2021, the position on the General Fund (including COVID spend and income) **before** transfers to reserves is an **underspend of £9.183 million** (Appendix 2a). Appendix 4a shows the position assuming the approval of the proposed transfers to reserves, as an **underspend of £1.784 million**. This relates mainly to the over recovery of Council Tax.

- 8.2. This position is in line with the forecast position for the General Fund (section 4).

8.3. **COVID Position as at 1 January 2021**

The total COVID net expenditure as at 1 January 2021 is **£19.509 million** which has been funded from a number of COVID funding streams including the Food Fund, Hardship Fund, Consequentials, Education specific funding and administrative support funding. This expenditure and income have both been included in the position detailed in section 8.1.

- 8.4. The total funding utilised to 1 January 2021 is £20.260 million, which equates to 67.1% 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 5.
- 8.5. A summary of the position is included in Table 5 with a full breakdown included in Appendix 5.

Table 5: Analysis of COVID expenditure at 1 January 2021 (Period 10)

	As at 1 January 2021 £m
Additional Resource Spend	13.847
Lost Income	4.559
Unachieved Savings	0.448
Less: Unspent Budget	(2.587)
Total Net Expenditure incl in Resources	16.267
Food Fund Spend	3.242
Total Expenditure incl Food Fund	19.509
Total COVID Funding Utilised	(19.509)
Net COVID Expenditure	0.000

- 8.6. The COVID costs above exclude the costs of the Social Work mobilisation Plan. The assumption is that this will be fully funded. The spend to period 10 is £14.600million. As at 1 January 2021, the Council has received £5.464 million of funding, with a further allocation currently being processed.

9. Housing Revenue Account Position

- 9.1. As at 1 January 2021, Appendix 6 of the report shows a breakeven position against the phased budget on the Housing Revenue Account.
- 9.2. The forecast to 31 March 2021 on the Housing Revenue Account is a breakeven position.

10. Employee Implications

- 10.1. None.

11. Financial Implications

- 11.1. As detailed within this report.

12. Climate Change, Sustainability and Environmental Implications

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

13. Other Implications

- 13.1. 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.
- 13.2. There are no implications for sustainability in terms of the information contained in this report.

14. Equality Impact Assessment and Consultation Arrangements

- 14.1. 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.
- 14.2. 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)

10 February 2021

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ None

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 1 January 2021

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 (BEFORE Transfers)
Period Ended 1 January 2021 (No.10)

<u>Committee</u>	Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Budget Proportion to 01/01/21	Actual to Period 10 01/01/21 BEFORE Transfers	Variance to 01/01/21		
	£m	£m	£m	£m	£m	£m		%
Departments:								
Community and Enterprise Resources	109.625	118.347	(8.722)	77.909	83.784	(5.875)	over	(7.5%)
Facilities Streets Waste and Grounds	67.198	67.363	(0.165)	45.404	45.354	0.050	under	0.1%
Environmental Services (Inc. Projects)	1.052	1.773	(0.721)	(0.337)	0.221	(0.558)	over	(165.6%)
Leisure and Culture Services	19.538	19.503	0.035	14.470	14.438	0.032	under	0.2%
Planning and Economic Development	2.120	2.601	(0.481)	5.735	5.928	(0.193)	over	(3.4%)
Roads	19.717	21.406	(1.689)	12.637	13.886	(1.249)	over	(9.9%)
COVID19	0.000	5.701	(5.701)	0.000	3.957	(3.957)	over	n/a
Education Resources	349.039	352.695	(3.656)	248.687	249.629	(0.942)	over	(0.4%)
Education	349.039	342.774	6.265	248.687	243.694	4.993	under	2.0%
COVID19	0.000	9.921	(9.921)	0.000	5.935	(5.935)	over	n/a
Finance and Corporate Resources	35.913	40.591	(4.678)	34.116	37.903	(3.787)	over	(11.1%)
Finance Services - Strategy	1.965	1.966	(0.001)	2.673	2.675	(0.002)	over	(0.1%)
Finance Services - Transactions	13.686	13.684	0.002	13.021	13.026	(0.005)	over	0.0%
Audit and Compliance Services	0.330	0.330	0.000	0.434	0.434	0.000	-	0.0%
Information Technology Services	5.349	5.662	(0.313)	6.144	6.379	(0.235)	over	(3.8%)
Communications and Strategy Services	1.022	1.037	(0.015)	1.073	1.082	(0.009)	over	(0.8%)
Administration and Licensing Services	4.222	4.773	(0.551)	3.728	4.151	(0.423)	over	(11.3%)
Personnel Services	9.339	9.238	0.101	7.043	6.954	0.089	under	1.3%
COVID19	0.000	3.901	(3.901)	0.000	3.202	(3.202)	over	n/a
Housing and Technical Resources	15.477	16.624	(1.147)	12.757	13.248	(0.491)	over	(3.8%)
Housing Services	8.798	8.643	0.155	5.282	5.220	0.062	under	1.2%
Property Services	6.679	6.816	(0.137)	7.475	7.537	(0.062)	over	(0.8%)
COVID19	0.000	1.165	(1.165)	0.000	0.491	(0.491)	over	n/a
Social Work Resources	172.305	172.684	(0.379)	135.548	135.808	(0.260)	over	(0.2%)
Performance and Support Services	8.056	7.756	0.300	6.227	6.016	0.211	under	3.4%
Children and Families	35.608	35.916	(0.308)	27.070	27.245	(0.175)	over	(0.6%)
Adults and Older People	127.134	127.177	(0.043)	101.376	101.443	(0.067)	over	(0.1%)
Justice and Substance Misuse	1.507	1.465	0.042	0.875	0.842	0.033	under	3.8%
COVID19	0.000	0.370	(0.370)	0.000	0.262	(0.262)	over	n/a
Joint Boards	2.245	2.245	0.000	1.646	1.646	0.000	-	0.0%
	684.604	703.186	(18.582)	510.663	522.018	(11.355)	over	(2.2%)

<u>Committee</u>	Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Budget Proportion to 01/01/21	Actual to Period 10 01/01/21 BEFORE Transfers	Variance to 01/01/21		
	£m	£m	£m	£m	£m	£m		%
Service Departments Total	684.604	703.186	(18.582)	510.663	522.018	(11.355)	over	(2.2%)
CFCR	1.398	1.398	0.000	0.000	0.000	0.000	-	n/a
Loan Charges	40.843	37.843	3.000	29.174	27.031	2.143	under	7.3%
Corporate Items	3.779	2.848	0.931	0.388	0.093	0.295	under	76.0%
Corporate Items - COVID19	29.458	6.107	23.351	19.509	3.242	16.267	under	83.4%
Corporate Items - 21/22 Strategy	14.289	0.000	14.289	0.000	0.000	0.000	-	n/a
Total Expenditure	774.371	751.382	22.989	559.734	552.384	7.350	under	1.3%
Council Tax	159.471	161.236	1.765	113.908	115.169	1.261	over rec	1.1%
Less: Council Tax Reduction Scheme	(22.590)	(21.789)	0.801	(16.136)	(15.564)	0.572	under	3.5%
Net Council Tax	136.881	139.447	2.566	97.772	99.605	1.833	over rec	1.9%
General Revenue Grant	344.049	344.049	0.000	245.749	245.749	0.000	-	0.0%
General Revenue Grant - COVID19	32.429	31.998	(0.431)	11.360	11.360	0.000	-	0.0%
Non-Domestic Rates	226.179	226.179	0.000	161.556	161.556	0.000	-	0.0%
Transfer from Reserves	34.833	34.833	0.000	34.833	34.833	0.000	-	0.0%
Total Income	774.371	776.506	2.135	551.270	553.103	1.833	over rec	0.3%
Net Expenditure / (Income)	0.000	(25.124)	25.124	8.464	(0.719)	9.183	under	108.5%

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report (BEFORE Transfers)
Period Ended 1 January 2021 (No.10)

<u>Budget Category</u>	Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Budget Proportion to 01/01/21	Actual to Period 10 01/01/21 BEFORE Transfers	Variance to 01/01/21		%
	£m	£m	£m	£m	£m	£m		
Service Departments:								
Expenditure								
Employee Cost	532.478	541.275	(8.797)	390.271	393.790	(3.519)	over	(0.9%)
Property Costs	54.099	59.171	(5.072)	41.346	44.780	(3.434)	over	(8.3%)
Supplies and Services	54.244	50.815	3.429	39.786	34.072	5.714	under	14.4%
Transport Costs	41.790	40.372	1.418	30.509	28.633	1.876	under	6.1%
Administration Costs	15.822	15.332	0.490	11.398	11.142	0.256	under	2.2%
Payments to Other Bodies	123.891	120.256	3.635	96.152	93.767	2.385	under	2.5%
Payments to Contractors	201.335	216.051	(14.716)	136.754	146.403	(9.649)	over	(7.1%)
Transfer Payments	6.104	6.292	(0.188)	5.321	5.325	(0.004)	over	(0.1%)
Housing Benefits	70.686	69.574	1.112	50.323	49.581	0.742	under	1.5%
Financing Charges (controllable)	2.071	2.211	(0.140)	1.625	1.852	(0.227)	over	(14.0%)
Total	1,102.520	1,121.349	(18.829)	803.485	809.345	(5.860)	over	(0.7%)
Service Departments Total	1,102.520	1,121.349	(18.829)	803.485	809.345	(5.860)	over	(0.7%)
CFCR	1.398	1.398	0.000	0.000	0.000	0.000	-	n/a
Loan Charges	40.843	37.843	3.000	29.174	27.031	2.143	under	7.3%
Corporate Items	3.779	2.848	0.931	0.388	0.093	0.295	-	76.0%
Corporate Items - COVID-19	29.458	6.107	23.351	19.509	3.242	16.267	under	83.4%
Corporate Items - 21/22 Strategy	14.289	0.000	14.289	0.000	0.000	0.000	-	n/a
Total Expenditure	1,192.287	1,169.545	22.742	852.556	839.711	12.845	under	1.5%
Income								
Housing Benefit Subsidy	65.542	64.951	(0.591)	45.176	44.777	(0.399)	under rec	(0.9%)
Other Income	352.374	353.212	0.838	247.646	242.550	(5.096)	under rec	(2.1%)
Council Tax (Net of Council Tax Reduction Scheme)	136.881	139.447	2.566	97.772	99.605	1.833	over rec	1.9%
General Revenue Grant	344.049	344.049	0.000	245.749	245.749	0.000	-	0.0%
General Revenue Grant - COVID-19	32.429	31.998	(0.431)	11.360	11.360	0.000	-	0.0%
Non Domestic Rates	226.179	226.179	0.000	161.556	161.556	0.000	-	0.0%
Transfer from Reserves	34.833	34.833	0.000	34.833	34.833	0.000	-	0.0%
Total Income	1,192.287	1,194.669	2.382	844.092	840.430	(3.662)	under rec	(0.4%)
Net Expenditure / (Income)	0.000	(25.124)	25.124	8.464	(0.719)	9.183	under	108.5%

Proposed Transfers to Reserves

Purpose / Description	Resource	Value £m
Resources		
Parent Pay Development Contribution to meet the costs of the development of the Parent Pay system.	Community and Enterprise	0.070
Crematorium Sinking Fund Annual contribution to the Crematorium sinking fund for the future replacement of the mercury filters and brick works	Community and Enterprise	0.025
Electric Sweeper – Payback Ring-fenced reserves used to manage purchase of electric vehicles in short term which have to be repaid over next few year. This contribution is the first repayment.	Community and Enterprise	0.065
Restoration works – Alexander Park, Stonehouse Funding required to rectify the landslip and re-instate a core path in Alexander Hamilton Memorial Park for health and safety reasons	Community and Enterprise	0.077
Fleet Sinking Fund Annual contribution to cover the expected future costs of replacing ramp equipment at the Fleet depot in the Hamilton International Technology Park.	Community and Enterprise	0.045
Local Plan To fund ongoing costs in relation to progressing the new local development plan to adoption.	Community and Enterprise	0.025
Business Support Contribution to assist in funding the anticipated increase in demand for support from local business in 2021/2022 as a result of the ongoing economic fallout from the COVID19 pandemic.	Community and Enterprise	0.140
Total Community and Enterprise Resources		0.447
Pupil Equity Fund The funding received from the Government can be used up to the end of the school term (June 2021). The underspend reflects the element of the funding that will be utilised in April to June 2021.	Education	2.450
Early Years 1140 Hours This transfer relates to the underspend on the current year grant allocation to be carried forward to meet the commitments in line with the spend profile of the project.	Education	3.811
Total Education Resources		6.261
Sanitary Products This transfer relates to the underspend on the current year grant allocation to be carried forward to meet commitments.	Finance and Corporate	0.072
Men's Shed This contribution is required as it is match funding required to secure Lottery funding for extension of the contract.	Finance and Corporate	0.025
British Sign Language This transfer relates to funding to enable the implementation of the British Sign Language (Scotland) Bill which was not fully used in the current year. The funding is required to meet commitments in 2021/2022.	Finance and Corporate	0.006
Total Finance and Corporate Resources		0.103
Total Resource Proposed Transfers to Reserves		6.811
Loan Charges		
Winter Maintenance Fund Contribution required to ensure there is an ability to manage underspends and overspends on winter activity across financial years.	Loan Charges	1.000
Insurance Fund The contribution will allow the increased costs of insurance to be met from the fund for a further year covering 2021/22.	Loan Charges	1.000
Strategic Waste Fund The contribution will the Council to continue to meet the costs of the Councils waste service from 2021/22.	Loan Charges	1.000
Total Loan Charges Proposed Transfers to Reserves		3.000
Corporate Items		
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	0.181
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	0.582
Total Corporate Proposed Transfers to Reserves		0.763
Total Proposed Transfers to Reserves		10.574

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report (AFTER Transfers)

Period Ended 1 January 2021 (No.10)

<u>Committee</u>	Annual Budget	Annual Forecast AFTER Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion to 01/01/21	Actual to Period 10 01/01/21 AFTER Transfers	Variance to 01/01/21		
Departments:	£m	£m	£m	£m	£m	£m		%
Community and Enterprise Resources	109.625	118.794	(9.169)	77.909	84.136	(6.227)	over	(8.0%)
Facilities Streets Waste and Grounds	67.198	67.600	(0.402)	45.404	45.536	(0.132)	over	(0.3%)
Environmental Services (Inc. Projects)	1.052	1.818	(0.766)	(0.337)	0.256	(0.593)	over	(176.0%)
Leisure and Culture Services	19.538	19.503	0.035	14.470	14.438	0.032	under	0.2%
Planning and Economic Development	2.120	2.766	(0.646)	5.735	6.063	(0.328)	over	(5.7%)
Roads	19.717	21.406	(1.689)	12.637	13.886	(1.249)	over	(9.9%)
COVID19	0.000	5.701	(5.701)	0.000	3.957	(3.957)	over	n/a
Education Resources	349.039	358.956	(9.917)	248.687	254.444	(5.757)	over	(2.3%)
Education	349.039	349.035	0.004	248.687	248.509	0.178	under	0.1%
COVID19	0.000	9.921	(9.921)	0.000	5.935	(5.935)	over	n/a
Finance and Corporate Resources	35.913	40.694	(4.781)	34.116	37.992	(3.876)	over	(11.4%)
Finance Services - Strategy	1.965	1.966	(0.001)	2.673	2.675	(0.002)	over	(0.1%)
Finance Services - Transactions	13.686	13.684	0.002	13.021	13.026	(0.005)	over	0.0%
Audit and Compliance Services	0.330	0.330	0.000	0.434	0.434	0.000	-	0.0%
Information Technology Services	5.349	5.662	(0.320)	6.144	6.379	(0.235)	over	(3.8%)
Communications and Strategy Services	1.022	1.037	(0.015)	1.073	1.082	(0.009)	over	(0.8%)
Administration and Licensing Services	4.222	4.773	(0.551)	3.728	4.151	(0.423)	over	(11.3%)
Personnel Services	9.339	9.341	(0.002)	7.043	7.043	0.000	-	0.0%
COVID19	0.000	3.901	(3.901)	0.000	3.202	(3.202)	over	n/a
Housing and Technical Resources	15.477	16.624	(1.147)	12.757	13.248	(0.491)	over	(3.8%)
Housing Services	8.798	8.643	0.155	5.282	5.220	0.062	under	1.2%
Property Services	6.679	6.816	(0.137)	7.475	7.537	(0.062)	over	(0.8%)
COVID19	0.000	1.165	(1.165)	0.000	0.491	(0.491)	over	n/a
Social Work Resources	172.305	172.684	(0.379)	135.548	135.808	(0.260)	over	(0.2%)
Performance and Support Services	8.056	7.756	0.300	6.227	6.016	0.211	under	3.4%
Children and Families	35.608	35.916	(0.308)	27.070	27.245	(0.175)	over	(0.6%)
Adults and Older People	127.134	127.177	(0.043)	101.376	101.443	(0.067)	over	(0.1%)
Justice and Substance Misuse	1.507	1.465	0.042	0.875	0.842	0.033	under	3.8%
COVID19	0.000	0.370	(0.370)	0.000	0.262	(0.262)	over	n/a
Joint Boards	2.245	2.245	0.000	1.646	1.646	0.000	-	0.0%
	684.604	709.997	(25.393)	510.663	527.274	(16.611)	over	(3.3%)

<u>Committee</u>	Annual Budget	Annual Forecast AFTER Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion to 01/01/21	Actual to Period 10 01/01/21 AFTER Transfers	Variance to 01/01/21		
	£m	£m	£m	£m	£m	£m		
Service Departments Total	684.604	709.997	(25.393)	510.663	527.274	(16.611)	over	(3.3%)
CFCR	1.398	1.398	0.000	0.000	0.000	0.000	-	n/a
Loan Charges	40.843	40.843	0.000	29.174	29.174	0.000	-	0.0%
Corporate Items	3.779	3.611	0.168	0.388	0.093	0.295	under	76.0%
Corporate Items - COVID19	29.458	6.107	23.351	19.509	3.242	16.267	under	83.4%
Corporate Items - 21/22 Strategy	14.289	14.289	0.000	0.000	0.000	0.000	-	n/a
Total Expenditure	774.371	776.245	(1.874)	559.734	559.783	(0.049)	over	0.0%
Council Tax	159.471	161.236	1.765	113.908	115.169	1.261	over rec	1.1%
Less: Council Tax Reduction Scheme	(22.590)	(21.789)	0.801	(16.136)	(15.564)	0.572	under	3.5%
Net Council Tax	136.881	139.447	2.566	97.772	99.605	1.833	over rec	1.9%
General Revenue Grant	344.049	344.049	0.000	245.749	245.749	0.000	-	0.0%
General Revenue Grant - COVID19	32.429	31.998	(0.431)	11.360	11.360	0.000	-	0.0%
Non-Domestic Rates	226.179	226.179	0.000	161.556	161.556	0.000	-	0.0%
Transfer from Reserves	34.833	34.833	0.000	34.833	34.833	0.000	-	0.0%
Total Income	774.371	776.506	2.135	551.270	553.103	1.833	over rec	0.3%
Net Expenditure / (Income)	0.000	(0.261)	0.261	8.464	6.680	1.784	under	21.1%

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report (BEFORE Transfers)
Period Ended 1 January 2021 (No.10)

<u>Budget Category</u>	Annual Budget	Annual Forecast AFTER Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion to 01/01/21	Actual to Period 10 01/01/21 AFTER Transfers	Variance to 01/01/21		%
	£m	£m	£m	£m	£m	£m		
Service Departments:								
Expenditure								
Employee Cost	532.478	542.159	(9.681)	390.271	394.470	(4.199)	over	(1.1%)
Property Costs	54.099	59.243	(5.144)	41.346	44.845	(3.499)	over	(8.5%)
Supplies and Services	54.244	53.718	0.526	39.786	36.304	3.482	under	8.8%
Transport Costs	41.790	40.442	1.348	30.509	28.688	1.821	under	6.0%
Administration Costs	15.822	15.358	0.464	11.398	11.167	0.231	under	2.0%
Payments to Other Bodies	123.891	122.875	1.016	96.152	95.784	0.368	under	0.4%
Payments to Contractors	201.335	216.218	(14.883)	136.754	146.531	(9.777)	over	(7.1%)
Transfer Payments	6.104	6.292	(0.188)	5.321	5.325	(0.004)	over	(0.1%)
Housing Benefits	70.686	69.574	1.112	50.323	49.581	0.742	under	1.5%
Financing Charges (controllable)	2.071	2.211	(0.140)	1.625	1.852	(0.227)	over	(14.0%)
Total	1,102.520	1,128.090	(25.570)	803.485	814.547	(11.062)	over	(1.4%)
Service Departments Total	1,102.520	1,128.090	(25.570)	803.485	814.547	(11.062)	over	(1.4%)
CFCR	1.398	1.398	0.000	0.000	0.000	0.000	-	n/a
Loan Charges	40.843	40.843	0.000	29.174	29.174	0.000	-	0.0%
Corporate Items	3.779	3.611	0.168	0.388	0.093	0.295	under	76.0%
Corporate Items - COVID-19	29.458	6.107	23.351	19.509	3.242	16.267	under	83.4%
Corporate Items - 21/22 Strategy	14.289	14.289	0.000	0.000	0.000	0.000	-	n/a
Total Expenditure	1,192.287	1,194.338	(2.051)	852.556	847.056	5.500	under	0.6%
Income								
Housing Benefit Subsidy	65.542	64.951	(0.591)	45.176	44.777	(0.399)	under rec	(0.9%)
Other Income	352.374	353.142	0.768	247.646	242.496	(5.150)	under rec	(2.1%)
Council Tax (Net of Council Tax Reduction Scheme)	136.881	139.447	2.566	97.772	99.605	1.833	over rec	1.9%
General Revenue Grant	344.049	344.049	0.000	245.749	245.749	0.000	-	0.0%
General Revenue Grant - COVID-19	32.429	31.998	(0.431)	11.360	11.360	0.000	-	0.0%
Non Domestic Rates	226.179	226.179	0.000	161.556	161.556	0.000	-	0.0%
Transfer from Reserves	34.833	34.833	0.000	34.833	34.833	0.000	-	0.0%
Total Income	1,192.287	1,194.599	2.312	844.092	840.376	(3.716)	under rec	(0.4%)
Net Expenditure / (Income)	0.000	(0.261)	0.261	8.464	6.680	1.784	under	21.1%

COVID-19 Expenditure to 1 January 2021

Additional Costs

Service	Description of Cost	Value £m
Community and Enterprise Resources		
Facilities, Waste and Grounds (FWG)	Staffing costs supporting COVID response	0.152
Fleet, Environmental and Projects	Staffing costs supporting COVID response	0.166
Planning and Economic Development	Staffing costs supporting COVID response	0.006
All Services	PPE, Equipment and cleaning materials for staff.	0.496
FWG	New booking system for special uplifts	0.010
FWG	Temporary Mortuary Costs and Shelving / Racking for Bereavement Services	0.143
FWG	Food Costs – Social Work and Homelessness	0.011
All Services	IT Costs to facilitate home working	0.010
All Services	Fleet costs including fuel supporting COVID19 response	0.250
FWG and Fleet, Environmental and Projects	Printing and Stationery, signage and mobile phones	0.047
FWG	Increase in domestic waste tonnage and costs at civic amenity sites including security	1.354
FWG	Webcast system and live webcasts	0.015
Leisure	Impact of lost income on SLLCT establishments	1.269
FWG	Grounds Start up costs – Purchase of Machinery - Grounds	0.028
Education Resources		
Schools	Supply Teachers (April, May and June)	0.502
Support Services	Education Additional Staffing (to December)	0.118
YFCL	Hub School Janitors (April and May)	0.020
YFCL	YFCL Sessional Additional Hours (April and May)	0.032
YFCL	YFCL Summer Hubs (July / August)	0.226
Schools	Additional Teachers (to December)	1.608
Schools	Additional School Support Assistants (to December)	0.131
Schools	Additional Cleaning	0.679
Schools	Facilities Orders (Hand sanitisers / soap dispensers / bins / wipes / hand towels)	0.700
ELC	ELC Works	0.043
Schools	Additional Utilities - ventilation required	0.249
Schools / ELC	Central Orders (Gloves/wipes/aprons/ visors / masks)	0.923
Schools / ELC	Hub Schools and Early Years Supplies / Materials	0.134
Schools	Schools Hand Washing Supplies / Home Working Materials etc	0.025
Schools	Hub Schools Replenishment of Supplies / Materials	0.023
Schools	ICT for Support Staff	0.091
Schools	Winter Clothing Payments	0.050
Schools	Digital Inclusion	0.178
Schools	Signage / Posters / Stickers	0.062
Schools	Equity / Information Activity Packs	0.024
ELC	ELC Provision to Key workers	0.043
Schools	Footwear and Clothing Grants (additional claimants)	0.074
Finance and Corporate Resources		
IT Services	IT related spend to allow home working	0.280
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.	0.672
All	PPE, Telephones and mail to support COVID response	0.238
Finance (Transactions)	Benefits costs associated with homeless use of Bed and Breakfast	0.062
Finance (Transactions)	Expenditure on Financial Insecurity Items – Winter Fuel Payments, Free School Meals for Children self-isolating, assistance to tenants, foodbank expenditure	0.459
Finance (Transactions)	£100 Winter Payments	0.982

Service	Description of Cost	Value £m
Finance (Transactions)	Free School Meals – School holidays (includes additional school closure days due to lockdown)	0.509
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.	0.491
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	0.262
Total Additional Costs as at Period 10		13.847

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 December 2020	0.000
Council Tax	Loss of Council Tax arrears collection income at end December 2020	0.000
CTRS	Cost of additional payments as at end December 2020	0.000
Additional Cost/Lost Income as at Period 10		0.000

Expenditure on Food Fund

Service	Description of Cost	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	3.242
Additional Costs as at Period 10		3.242

Lost Income

Service	Description of Lost Income	Value £m
Community and Enterprise Resources		
Planning and Economic Development	Reduced income from Planning applications	0.460
Roads	Reduced Parking income and income from Roads Act legislation	1.508
Facilities, Waste and Grounds	Reduced school meals, milk subsidy, care of gardens, special uplifts, sale of bins income	1.657
Fleet, Environmental and Projects	Reduced income from taxi inspections.	0.042
Education Resources		
Early Years	Reduced income from Early Years Fees, playgroups and nursery milk claims	0.382
Support Services	Reduced income from Music Tuition fees	0.102
Support Services	Reduced income from Privilege transport	0.011
Finance and Corporate Resources		
Communications and Strategy	Reduced print room income.	0.042
Administration, Legal and Licensing	Reduced income for Licensing and Registration	0.322
Administration, Legal and Licensing	Reduced Legal Fees income	0.025
Finance (Transactions)	Reduced commission income for childcare due to homeworking	0.008
Total Lost Income as at Period 10		4.559

Unachieved Savings

Service	Description of Unachieved Savings	Value £m
Community and Enterprise Resources		
Facilities, Streets, Waste and Grounds	Implementation of work pattern changes within Grounds	0.077
Education Resources		
Support Services	Support Services	0.030
Schools	Curriculum and Quality Improvement Service Budget Realignment	0.020
Early Years	Employment of Early Learning and Childcare Graduates	0.049
Finance and Corporate Resources		
IT	IT Staffing Structure	0.246
Administration, Legal and Licensing	Licensing and Registration Fee Income	0.026
Unachieved Savings as at Period 10		0.448

Unspent Budget

Service	Description of Lost Income	Value £m
Community and Enterprise Resources		
Facilities, Waste and Grounds	Reduced expenditure on food purchases	(1.090)
Facilities, Waste and Grounds	Reduced expenditure on fuel in Street Cleaning	(0.066)
Facilities, Waste and Grounds	Reduced expenditure on fireworks display	(0.020)
Planning and Economic Development	Reduced expenditure due to cancellation of Christmas events	(0.045)
Roads	Reduced expenditure on flooding works	(0.077)
All	Reduced expenditure on multi-function devices and postages	(0.013)
Education Resources		
Support Services	West Partnership Income	(0.012)
Schools	Rates	(0.236)
YFCL	Breakfast Clubs and Holiday Lunch Clubs	(0.674)
All	Reduced expenditure on multi-function devices	(0.053)
Finance and Corporate Resources		
All	Reduced expenditure on multi-function devices and postages	(0.016)
Corporate Items	Rates	(0.285)
Unspent Budget as at Period 10		(2.587)

Net Cost of COVID-19 as at Period 10	19.509
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SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 1 January 2021 (No.10)
Housing Revenue Account

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 01/01/21	Actual to Period 10 01/01/21	Variance to 01/01/21		%	Note
	£m	£m	£m	£m	£m	£m			
Employee Costs	13.721	13.384	0.337	10.093	9.924	0.169	under	1.7%	1
Property Costs	46.661	48.396	(1.735)	31.342	32.112	(0.770)	over	(2.5%)	2
Supplies & Services	0.996	0.809	0.187	0.785	0.752	0.033	under	4.2%	
Transport & Plant	0.195	0.223	(0.028)	0.071	0.077	(0.006)	over	(8.5%)	
Administration Costs	5.644	5.632	0.012	3.823	3.820	0.003	under	0.1%	
Payments to Other Bodies	3.176	3.130	0.046	2.375	2.371	0.004	under	0.2%	
Payments to Contractors	0.100	0.131	(0.131)	0.072	0.080	(0.008)	over	(11.1%)	
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	-	n/a	
Financing Charges	19.448	19.456	(0.008)	19.343	19.344	(0.001)	over	0.0%	
Total Controllable Expenditure	89.941	91.161	(1.220)	67.904	68.480	(0.576)	over	(0.8%)	
Total Controllable Income	(107.634)	(105.901)	(1.733)	(73.898)	(72.623)	(1.275)	under rec	(1.7%)	3
Transfer to/(from) Balance Sheet	2.104	(0.849)	2.953	1.430	(0.421)	1.851	over rec	(129.4%)	4
Net Controllable Expenditure	(15.589)	(15.589)	0.000	(4.564)	(4.564)	0.000	-	0.0%	
Add: Non Controllable Budgets									
Financing Charges	15.589	15.589	0.000	10.592	10.592	0.000	-	0.0%	
Total Budget	0.000	0.000	0.000	6.028	6.028	0.000		0.0%	

Variance Explanations

1. Employee Costs

This underspend reflects the level of turnover within the Service.

2. Property Costs

This overspend reflects an increase in the level of demand for repairs and maintenance, following the easing of lockdown restrictions. In addition, cyclical rent debt levels are higher than in previous years and this may impact on bad debt levels at the end of the year.

3. Income

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

4. 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.