

# Report

Report to:	<b>Financial Resources Scrutiny Forum</b>
Date of Meeting:	<b>10 February 2022</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Revenue Budget Monitoring 2021/2022</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ advise the Forum on the overall financial position of the Council's General Fund Revenue Account and Housing Revenue Account for the period 1 April 2021 to 31 December 2021, and a projection for the year to 31 March 2022.

## 2. Recommendation(s)

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

- (1) that including Resources, Corporate Items and Council Tax, the Council's outturn underspend of £4.794 million (section 4.2), be noted;
- (2) that the total transfers to reserves (section 4.8 and 5.2) included in the revised outturn position, totalling £36.086 million (detailed in Appendix 3), be noted;
- (3) that the outturn underspend of £4.794 be transferred to reserves to manage cost of COVID recovery (section 7.2), be noted;
- (4) that as proposed in Appendix 1 (section 1.3), the underspend in the budget delegated to the IJB (£0.495 million and £4.400 million) be held in the Council's balance Sheet for their use in 2022/2023, be noted;
- (5) that the underspend position on the General Fund Revenue Account as at 31 December 2021 (section 8.1), be noted; and
- (6) that the breakeven position on the Housing Revenue Account at 31 December 2021 and the forecast to 31 March 2022 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 2 February 2022.

### 3.2. General Fund Position

This overview report will summarise the 2021/2022 Probable Outturn position for the Council's General Fund Revenue Account to 31 March 2022. Section 4 provides details of the General Fund outturn position (with further details in Appendix 1) and Section 5 provides details of the cost of COVID included in the Probable Outturn position. Section 6 and 7 provides a summary of the total transfers to reserves and a summary of the outturn position. Sections 8 and 9 provides the position on the General Fund Account and the Housing Revenue Account for the current period 1 April 2021 to 31 December 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 2) 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 4) for those known commitments required in the next financial year.

#### 4. **2021/2022 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 Appendix 1 to the report, a summary position is detailed below.
- 4.2. The final outturn position after proposed transfers to reserves including the previously approved £13.550 million of loan charges underspend in relation to the Loans Fund Review for the Budget Strategy and including COVID expenditure and funding, is an underspend of £4.794 million. Details are provided in Table 1 below.

**Table 1: Analysis of Outturn Position After Transfers to Reserves**

	£m
Resource Position (section 4.3)	(0.585)
Loan Charges (section 4.4)	-
Corporate Items (section 4.5)	2.471
Council Tax (section 4.7)	2.908
<b>Probable Outturn Position</b>	<b>4.794</b>

- 4.3. **Resources:** As covered in Appendix 1 (section 1.1), Resources are reporting a combined overspend of £0.585 million. This is primarily within Social Work Resources (overspend of £0.605 million) and mainly relates to the demand for residential and external placements and kinship care. This position is after proposed transfers to Reserves and excluding the costs of COVID (see Appendix 1 section 1.2). The Resource underspend of £0.585 million includes a commitment of £4.895 million within Social Work (Adults and Older People) in relation to the Integrated Joint Board (IJB). This reflects the proposal that the Council allows the IJB to retain this non-recurring underspend within their reserves earmarked for future care costs.
- 4.4. **Loan Charges:** There is an underspend of £1.362 million. It is proposed that this is transferred to reserves for use on future budget strategies (£1.362 million). This results in a breakeven position on loan charges. This is in addition to the previously approved £13.550 million underspend from the Loans Fund Review which is being transferred to reserves for use in future budget strategies (Appendix 1, section 1.6).
- 4.5. **Corporate Items:** There is a net underspend of £2.471 million for corporate items (Appendix 1, section 1.9) after known commitments. The 2021/2022 budget includes an amount of money in relation to future year's Pay Award. As a consequence, we are underspending by £2.216 million on this budget line in the current year
- 4.6. **2021/2022 Strategy Investments:** As detailed in Appendix 1, section 1.11, there will be a proposed transfer to reserves of £5.443 million which reflects the profiled spend of this funding across years, resulting in a breakeven position after transfers.
- 4.7. **Council Tax:** There is a net over recovery of Council Tax of £2.908 million (as shown in Appendix 1 sections 1.13 to 1.14). This reflects an underspend in the Council Tax Reduction Scheme (£0.192 million) reflecting demand at this point and an over recovery of Council Tax due to levels of in-year collection from properties (£1.230 million), additional arrears collection (£1.024 million) and empty property charges which are higher than budget (£0.462 million).

- 4.8. **Transfers to Reserves:** Included in the Resources' Probable Outturn position is a proposed transfer of £17.405 million to reserves (see Appendix 1 section 1.15 and Appendix 3).
- 5. 2021/2022 General Services Probable Outturn – COVID-19**
- 5.1. As part of the probable outturn exercise, a revised COVID Cost of Recovery (COR) position has been prepared. The revised position shows costs of £16.752 million and non-specific funding of £32.352 million, resulting in an underspend of £15.600 million.
- 5.2. In addition, there is specific COVID funding that has not been utilised totalling £3.081 million. It is proposed that both of these amounts totalling £18.681 million are transferred to reserves to meet commitments in 2022/2023 (Appendix 1 section 2 and Appendix 3).
- 6. Transfers to Reserves**
- 6.1. The proposed non-COVID Resource and Corporate Items transfers total £17.405 million (section 4.8). In addition, there are proposed transfers totalling £18.681 million (section 5.2) in relation to COVID. This takes the total reserves transfers requiring approval to £36.086 million and these are detailed in Appendix 3.
- 6.2. When added to the previously approved £13.550 million of transfers for future Budget Strategies (Appendix 1, section 1.7), the total transfers to reserves will be £49.636 million.
- 7. Summary of Overall Outturn Position**
- 7.1. Appendix 1 provides full details of the outturn position included in sections 4 and 5 above. Table 2 provides a summary of this information, split between non-COVID and COVID. The position before the proposed transfers to reserves is an underspend of £54.430 million, and after the total proposed transfers to reserves of £49.636 million (section 6.2), leaves a final outturn underspend of £4.794 million.

**Table 2: Final Outturn Position**

	Non-COVID £m	COVID £m	Total £m
Resources Underspend (App 1 section 1.2 and 2.3)	7.765	0.070	7.835
Loan Charges Underspend (App 1 section 1.6 - 1.8)	14.917	-	14.917
Corporate Items Underspend (App 1 sections 1.9 and sections 2.2-2.3)	4.716	18.611	23.327
Investments Balance to Spend (App 1 section 1.11)	5.443	-	5.443
Council Tax Over Recovery (App 1 section 1.13)	2.908	-	2.908
<b>Forecast Underspend Before Transfers to Reserves</b>	<b>35.749</b>	<b>18.681</b>	<b>54.430</b>
Less: Previously Approved Transfers to Reserves for 2022/2023 Strategy	(13.550)	-	(13.550)
Less: Proposed Transfers to Reserves (Appendix 3)	(17.405)	(18.681)	(36.086)
<b>Forecast Underspend AFTER Transfers to Reserves</b>	<b>4.794</b>	<b>-</b>	<b>4.794</b>

- 7.2. It is proposed that the £4.794 million is transferred to reserves and carried forward to meet the cost of COVID recovery moving forward. No additional funding is anticipated from the Scottish Government in relation to COVID expenditure in 2022/2023, but the

Council will still have costs that will continue into that year. These monies will assist in managing the continuing costs.

## **8. 2021/2022 General Services Monitoring Position**

### **8.1. Financial Position as at 31 December 2021**

As at 31 December 2021, the position on the General Fund (including COVID spend and income) before transfers to reserves is an underspend of £28.308 million (Appendix 2). Appendix 4 shows the position assuming the approval of the proposed transfers to reserves, as an underspend of £2.210 million, mainly as a result of an over recovery on council tax.

8.2. This position is in line with the forecast position for the General Fund (section 7).

### **8.3. COVID Position as at 31 December 2021**

The total COVID net expenditure before funding as at 31 December 2021 is £23.859 million. These costs are partially offset by specific funding of £15.842 million, leaving costs of £8.017 million to be met from the non-specific funding. A summary of the current position is included in Appendix 5 with full details included in Appendix 6.

8.4. The COVID costs above exclude the costs of the Social Work Mobilisation Plan. The assumption is that this will continue to be fully funded. The spend to period 10 in relation to the Social Work Mobilisation Plan is £13.505 million.

## **9. Housing Revenue Account Position**

9.1. As at 31 December 2021, Appendix 7 of the report shows a breakeven position against the phased budget on the Housing Revenue Account.

9.2. The forecast to 31 March 2022 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.

## **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)**

2 February 2022

**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 31 December 2021

**Contact for Further Information**

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

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# 1. 2021/2022 General Services Probable Outturn – Resources and Corporate Lines

1.1 **Total Resource Position:** The outturn position including the cost of COVID, before any transfers to reserves is an overspend of £13.270 million. If the impact of COVID (spend, lost income, and spend not made) is removed from the figures as they are funded from an underspend in budgets held at the centre, the Resources are showing an underspend of £7.765 million.

1.2 **Resources** are proposing transfers to reserves totalling £8.350 million (Appendix 3) resulting in a net overspend of £0.585 million, mainly within Social Work Resources. Details across Resources are shown in the table below.

## Resource Outturn Position excl COVID

	Outturn Before Transfers to Reserves <b>Incl COVID</b> £m	Outturn Before Transfers to Reserves <b>Excl COVID</b> £m	Outturn After Transfers to Reserves (excl COVID) £m	over/ under
Community and Enterprise	(4.743)	4.729	0.020	under
Education	5.267	3.239	0.000	-
Finance and Corporate	(9.918)	0.113	0.000	-
Housing and Technical	(0.729)	0.289	0.000	-
Social Work	(3.147)	(0.605)	(0.605)	over
Joint Boards	0.000	0.000	0.000	-
	<b>(13.270)</b>	<b>7.765</b>	<b>(0.585)</b>	<b>over</b>

1.3 The Social Work position includes a commitment in relation to an element of the budget delegated to the Integrated Joint Board (IJB), where there is an underspend of £0.495 million. In addition, the IJB has recently received funding for Care at Home and Interim Care Placements, however, due to the late timing of the funding it is unlikely to fully spend this year. The exact underspend will not be known until the end of the financial year but the current estimated underspend is £4.400 million, taking the total commitment included in Social Work's position to £4.895 million. The commitment reflects the proposal that the Council allows the IJB to retain this non-recurring underspend within their reserves earmarked for future care costs. This allows the IJB to retain these funds in line with the approach to integrating health and social care budgets.

## 1.4 Loan Charges

**Loans Fund Review:** During the audit of the 2021/2022 Accounts, Audit Scotland requested a change to the profile of debt repayment that had previously been agreed as part of the Loans Fund Review (Executive Committee, June 2020). This has resulted in a change to the years in which the Reserves (underspends) will be realised.

1.5 The impact of this in 2021/2022 is that principal loan charge repayments will reduce by £2.599 million and as this is funded by capital receipts, the level of capital receipts required from reserves will also reduce. Both budgets have been reduced with no impact on the Council's outturn position, with the unused receipts being carried



forward into 2022/2023 to pay for the additional loan charges principal.

- 1.6 **Loan Charges – In-year underspend:** The loan charges budget outturn is also showing an in-year underspend of £1.362 million before transfers to reserves. The underspend is due to lower than anticipated interest costs as a result of not taking any long-term borrowing during 2021/2022. It is proposed that the £1.362 million is transferred to reserves to contribute to future Budget Strategies, resulting in a breakeven position.
- 1.7 The underspends in section 1.6 of £1.362 million which it is proposed is transferred to reserves, is in addition to the previously approved £13.550 million that has already been reported to the Executive Committee during the year in relation to the Loans Fund Review and underspends due to timing of borrowing that will be transferred to reserves for use in future Budget Strategies.
- 1.8 In addition, there is an underspend of £0.005 million in relation to Interest on Revenue Balances (IORB) for reserves which it is proposed is transferred to reserves, resulting in a breakeven position.
- 1.9 **Corporate Items:** The outturn position before proposed transfers to reserves of £2.245 million (Appendix 3) is an underspend of £4.716 million. After transfers the outturn is an underspend of £2.471 million.
- 1.10 The net position includes the following elements:
- **Pay Award 2021/2022** (£2.216 million): The 2021/2022 budget includes an amount of money in relation to future year's Pay Award. As a consequence, we are underspending by £2.216 million on this budget line in the current year.
  - **Council Tax Second Homes:** The outturn position is an underspend of £0.570 million before the year end transfer of unspent monies to the Housing Revenue Account Reserve (£0.570 million), to spend on social housing. The £0.570 million proposed transfer is included in the proposed transfers detailed in Appendix 3, resulting in a breakeven position after transfers.
  - **Utilities / Fuel:** An amount was included in the Strategy for anticipated increases in utility prices. Due to the way that energy has been purchased, this funding is not required in the current year and the underspend (£1.228 million) will be carried forward to assist in managing price increases into 2022/2023 and is included in the proposed transfers to reserves (Appendix 3), to leave a breakeven position.
  - **Central Energy Efficiency Fund:** 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 (£0.222 million) represents the repayment to be transferred to the CEEF Reserve in 2021/2022, and is included in the proposed transfers to reserves in Appendix 3. The position after this transfer is breakeven.
- 1.11 **Investments**  
It was reported to the Executive Committee (22 September 2021) that the 2021/2022 investments would be spent over multiple years and budget transferred to reserves for utilisation in future years.

- 1.12 As part of the Probable exercise, Resources have identified that there will be a proposed transfer to reserves of £5.443 million which reflects the profiled spend of this funding across years. The budget has been transferred to the Corporate Items - Investments Transfer to Reserves budget line and it is proposed that the £5.443 million is transferred to reserves to meet expenditure into 2022/2023, resulting in a breakeven position.
- 1.13 **Council Tax including Council Tax Reduction Scheme (CTRS):** Council Tax is showing an over recovery of £2.908 million, comprising an over recovery of Council Tax of £2.716 million and an underspend on CTRS of £0.192 million.
- 1.14 The Council Tax over recovery of £2.716 million is due to:
- Empty Property charges (£0.462 million)
  - Arrears collection (£1.024 million)
  - Additional in-year properties (£1.230 million)
- 1.15 **Summary Position (Non-COVID):** The final position excluding COVID is an underspend of £4.794 million after proposed transfers to reserves totalling £17.405 million.
- 2. 2021/2022 General Services Probable Outturn – COVID-19**
- 2.1 **Cost of Recovery:** As part of the probable outturn exercise, a revised COVID Cost of Recovery position has been prepared. The revised position shows costs of £16.752 million and available non-specific funding of £32.352 million including reserves brought forward from last year. The costs are being managed primarily through the use of the reserves that were brought forward from last year, therefore the majority of the new non-specific funding received in 2021/2022 can be transferred to reserves for use in managing COVID costs of recovery into 2022/2023.
- 2.2 Appendix 5 shows that there is an underspend of £15.600 million on the available non-specific funding and it is proposed that this £15.600 million is transferred to reserves to give £15.600 million of non-specific funding available for 2022/2023.
- 2.3 There are also underspends in respect of the specific funding for CO2 monitors (£0.070 million) and Education Recovery funding (£3.011 million), totalling £3.081 million. It is proposed that this is also transferred to reserves to meet commitments in 2022/2023. These lie outwith the COR but are included in the proposed list of transfers for approval.
- 2.4 The final position on COVID is breakeven after the transfer to reserves of £18.681 million.
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**SOUTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report (BEFORE Transfers)**  
**Period Ended 31 December 2021 (No.10)**

<u>Committee</u>	Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Budget Proportion to 31/12/21	Actual to Period 10 31/12/21	Variance to 31/12/21	
Departments:	£m	£m	£m	£m	£m	£m	
<b>Community and Enterprise Resources</b>	<b>117.750</b>	<b>122.493</b>	<b>(4.743)</b>	<b>79.275</b>	<b>82.647</b>	<b>(3.372)</b>	<b>over</b>
Facilities Streets, Waste and Grounds	69.107	68.869	0.238	46.433	46.058	0.375	under
Fleet, Environmental and Projects	(0.661)	0.298	(0.959)	(1.968)	(1.277)	(0.691)	over
Leisure and Culture Services	19.470	19.437	0.033	17.485	17.449	0.036	under
Planning and Economic Development	7.634	6.960	0.674	6.029	5.491	0.538	under
Roads	22.200	23.530	(1.330)	11.296	12.389	(1.093)	over
COVID-19	0.000	3.399	(3.399)	0.000	2.537	(2.537)	over
<b>Education Resources</b>	<b>374.646</b>	<b>369.379</b>	<b>5.267</b>	<b>255.277</b>	<b>250.871</b>	<b>4.406</b>	<b>under</b>
Education	362.743	355.537	7.206	247.129	241.591	5.538	under
COVID-19	11.903	13.842	(1.939)	8.148	9.280	(1.132)	over
<b>Finance and Corporate Resources</b>	<b>39.263</b>	<b>49.181</b>	<b>(9.918)</b>	<b>35.524</b>	<b>43.598</b>	<b>(8.074)</b>	<b>over</b>
Finance Services - Strategy	1.962	1.962	0.000	2.764	2.766	(0.002)	over
Finance Services - Transactions	15.707	15.573	0.134	11.131	11.054	0.077	under
Audit and Compliance Services	0.339	0.339	0.000	0.315	0.315	0.000	-
Information Technology Services	5.059	5.116	(0.057)	6.590	6.612	(0.022)	over
Communications and Strategy Services	2.466	2.601	(0.135)	1.979	2.080	(0.101)	over
Administration and Licensing Services	4.042	4.481	(0.439)	3.559	3.872	(0.313)	over
Personnel Services	9.688	9.174	0.514	9.186	8.918	0.268	under
COVID-19	0.000	9.935	(9.935)	0.000	7.981	(7.981)	over
<b>Housing and Technical Resources</b>	<b>16.629</b>	<b>17.358</b>	<b>(0.729)</b>	<b>13.147</b>	<b>13.791</b>	<b>(0.644)</b>	<b>over</b>
Housing Services	8.486	8.532	(0.046)	5.753	5.789	(0.036)	over
Property Services	7.681	7.346	0.335	7.144	7.108	0.036	under
COVID-19	0.462	1.480	(1.018)	0.250	0.894	(0.644)	over
<b>Social Work Resources</b>	<b>186.345</b>	<b>189.492</b>	<b>(3.147)</b>	<b>115.671</b>	<b>117.890</b>	<b>(2.219)</b>	<b>over</b>
Performance and Support Services	7.968	7.564	0.404	6.128	5.744	0.384	under
Children and Families	34.343	35.352	(1.009)	25.318	26.008	(0.690)	over
Adults and Older People	142.449	142.419	0.030	83.602	83.562	0.040	under
Justice and Substance Misuse	1.585	1.615	(0.030)	0.623	0.653	(0.030)	over
COVID-19	0.000	2.542	(2.542)	0.000	1.923	(1.923)	over
<b>Joint Boards</b>	<b>2.176</b>	<b>2.176</b>	<b>0.000</b>	<b>1.601</b>	<b>1.601</b>	<b>0.000</b>	<b>-</b>
	<b>736.809</b>	<b>750.079</b>	<b>(13.270)</b>	<b>500.495</b>	<b>510.398</b>	<b>(9.903)</b>	<b>over</b>

  

<u>Committee</u>	Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Budget Proportion to 31/12/21	Actual to Period 10 31/12/21	Variance to 31/12/21	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	736.809	750.079	(13.270)	500.495	510.398	(9.903)	over
CFCR	1.695	1.695	0.000	0.000	0.000	0.000	-
Loan Charges	34.343	32.976	1.367	24.531	23.554	0.977	under
Corporate Items	13.200	8.484	4.716	0.086	0.086	0.000	-
Corporate Items - COVID-19	44.816	5.100	39.716	15.711	0.000	15.711	under
Corporate Items - 2022/2023 Strategy	13.550	0.000	13.550	13.550	0.000	13.550	under
Investments – T/f to Reserves	5.443	0.000	5.443	5.443	0.000	5.443	under
<b>Total Expenditure</b>	<b>849.856</b>	<b>798.334</b>	<b>51.522</b>	<b>559.816</b>	<b>534.038</b>	<b>25.778</b>	<b>under</b>
Council Tax	161.805	164.521	2.716	115.122	117.515	2.393	over rec
Less: Council Tax Reduction Scheme	(21.444)	(21.252)	0.192	(15.317)	(15.180)	0.137	under
Net Council Tax	140.361	143.269	2.908	99.805	102.335	2.530	over rec
General Revenue Grant	291.730	291.730	0.000	208.379	208.379	0.000	-
General Revenue Grant – COVID19	27.768	27.768	0.000	0.000	0.000	0.000	-
Non-Domestic Rates	319.312	319.312	0.000	228.080	228.080	0.000	-
Transfer from Reserves	70.685	70.685	0.000	70.685	70.685	0.000	-
<b>Total Income</b>	<b>849.856</b>	<b>852.764</b>	<b>2.908</b>	<b>606.949</b>	<b>609.479</b>	<b>2.530</b>	<b>over rec</b>
<b>Net Expenditure / (Income)</b>	<b>0.000</b>	<b>(54.430)</b>	<b>54.430</b>	<b>(47.133)</b>	<b>(75.441)</b>	<b>28.308</b>	<b>under</b>

**SOUTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report**  
**Period Ended 31 December 2021 (No.10)**

<u>Budget Category</u>	Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Budget Proportion To 31/12/21	Actual to Period 10 31/12/21	Variance to 31/12/21	
	£m	£m	£m	£m	£m	£m	
<b>Service Departments:</b>							
<b>Expenditure</b>							
Employee Cost	564.292	563.719	0.573	401.468	400.562	0.906	under
Property Costs	56.572	59.484	(2.912)	44.101	45.895	(1.794)	over
Supplies and Services	63.159	66.058	(2.899)	44.455	47.785	(3.330)	over
Transport Costs	42.682	43.608	(0.926)	30.787	31.777	(0.990)	over
Administration Costs	17.299	19.370	(2.071)	13.247	13.452	(0.205)	over
Payments to Other Bodies	105.559	107.823	(2.264)	78.538	80.778	(2.240)	over
Payments to Contractors	208.857	219.866	(11.009)	137.896	146.040	(8.144)	over
Transfer Payments	5.836	6.558	(0.722)	5.182	5.615	(0.433)	over
Housing Benefits	68.542	66.530	2.012	48.154	47.135	1.019	under
Financing Charges (controllable)	2.018	2.138	(0.120)	4.399	4.586	(0.187)	over
<b>Total</b>	<b>1,134.816</b>	<b>1,155.154</b>	<b>(20.338)</b>	<b>808.227</b>	<b>823.625</b>	<b>(15.398)</b>	<b>over</b>
Service Departments Total	1,134.816	1,155.154	(20.338)	808.227	823.625	(15.398)	over
CFCR	1.695	1.695	0.000	0.000	0.000	0.000	-
Loan Charges	34.343	32.976	1.367	24.531	23.554	0.977	under
Corporate Items	13.200	8.484	4.716	0.086	0.086	0.000	-
Corporate Items - COVID-19	44.816	5.100	39.716	15.711	0.000	15.711	under
Corporate Items - 22/23 Strategy	13.550	0.000	13.550	13.550	0.000	13.550	under
Investments – Transfer to Reserves	5.443	0.000	5.443	5.443	0.000	5.443	under
<b>Total Expenditure</b>	<b>1,247.863</b>	<b>1,203.409</b>	<b>44.454</b>	<b>867.548</b>	<b>847.265</b>	<b>20.283</b>	<b>under</b>
<b>Income</b>							
Housing Benefit Subsidy	64.158	61.266	(2.892)	48.746	46.681	(2.065)	under rec
Other Income	333.849	343.809	9.960	258.986	266.546	7.560	over rec
Council Tax (Net of Council Tax Reduction Scheme)	140.361	143.269	2.908	99.805	102.335	2.530	over rec
General Revenue Grant	291.730	291.730	0.000	208.379	208.379	0.000	-
General Revenue Grant - COVID-19	27.768	27.768	0.000	0.000	0.000	0.000	-
Non Domestic Rates	319.312	319.312	0.000	228.080	228.080	0.000	-
Transfer from Reserves	70.685	70.685	0.000	70.685	70.685	0.000	-
<b>Total Income</b>	<b>1,247.863</b>	<b>1,257.839</b>	<b>9.976</b>	<b>914.681</b>	<b>922.706</b>	<b>8.025</b>	<b>over rec</b>
<b>Net Expenditure / (Income)</b>	<b>0.000</b>	<b>(54.430)</b>	<b>54.430</b>	<b>(47.133)</b>	<b>(75.441)</b>	<b>28.308</b>	<b>under</b>

**Proposed Transfers to Reserves**

Purpose / Description	Resource	Value £m
<b>Resources</b>		
<b>Primary 4 and 5 Free School Meals</b> Funding to be carried forward to meet the expansion programme of FSM for P4 and P5 into 2022/2023 for April to June 2022.	Community and Enterprise	0.273
<b>Good Food Nation / Food Development Officer</b> Funding required to support outcome of the new Good Food Nation's Bill introduced by the SG and the Food Development officer post.	Community and Enterprise	0.080
<b>Crematorium Sink Fund</b> Annual contribution to the Crematorium sinking fund to maintain asset replacement programme.	Community and Enterprise	0.025
<b>Electric Sweeper – Payback</b> Ring-fenced reserves used to manage purchase of electric vehicles in short term which have to be repaid over next few years. This contribution is the second repayment.	Community and Enterprise	0.015
<b>Fleet Sinking Fund</b> Annual contribution to the Fleet sinking fund to maintain asset replacement programme.	Community and Enterprise	0.025
<b>Legal Costs – Planning Building Standards</b> Funding to support exceptional legal costs as a result of public inquiries and planning appeals in 2022/23.	Community and Enterprise	0.075
<b>Approved Building Standards Staffing Structure</b> This is funding required to fund the temporary staffing structure in Planning Building Standards service as approved at Community and Enterprise Committee December 2021.	Community and Enterprise	0.230
<b>Total Community and Enterprise Resources</b>		<b>0.723</b>
<b>Pupil Equity Fund</b> The funding received from the Government can be used up to the end of the school term (June 2022). The underspend reflects the element of the funding that will be utilised in April to June 2022.	Education	3.500
<b>Early Years 1140</b> This transfer relates to the underspend on the current year specific grant allocation to be carried forward to meet the commitments in line with the spend profile of the project.	Education	2.797
<b>Additional Teachers Funding (April-June element)</b> This transfer relates to the underspend on the current year grant allocation to be carried forward to meet the cost of the additional teachers up to the end of the school term (April to June 2022).	Education	0.845
<b>Child Disability Payment Support</b> The funding received covers the new burden associated with the introduction of Child Disability Payment with staffing not expected to be in post until 2022/23 following Committee approval in February 2022.	Education	0.083
<b>COVID – CO2 Monitors</b> The transfer relates to COVID funding received to assist with CO2 monitors in schools has not been fully utilised in the current year which requires to be carried forward to meet commitments in 2022/2023.	Education - COVID	0.070
<b>Total Education Resources</b>		<b>7.295</b>
<b>Area Committee Grants</b> This transfer reflects the underspend in Area Grants monies in 2021/2022.	Finance and Corporate	0.063
<b>National Trauma Training Post</b> Funding from the Scottish Government for a post but due to timing of recruitment, post will not be filled in the current year and transfer is required to meet commitment in 2022/2023.	Finance and Corporate	0.050
<b>Total Finance and Corporate Resources</b>		<b>0.113</b>
<b>Rapid Rehousing Transitions Plan (RRTP)</b> The Scottish Government funding for RRTP was not fully utilised in 2021/2022, and it is proposed that the funding is carry forward to meet commitments in future years.	Housing and Technical	0.289
<b>Total Housing and Technical Resources</b>		<b>0.289</b>
<b>Total Resource Proposed Transfers to Reserves (Non COVID)</b>		<b>8.420</b>
<b>Loan Charges</b>		
<b>Loan Charges – Additional Underspend</b> In 2021/2022, there is an additional underspend due to lower than anticipated interest costs as a result of not taking any long-term borrowing during 2021/2022.	Loan Charges	1.362
<b>Interest on Revenue Balances – Reserves</b> This is the interest on Reserves balances and the transfer will be added to the balances on each Balance Sheet Reserve as appropriate.	Loan Charges	0.005
<b>Total Loan Charges Proposed Transfers to Reserves</b>		<b>1.367</b>
<b>Corporate Items</b>		
<b>Utilities</b> An amount was included in the Strategy for anticipated increases in utility prices. Due the way that energy has been purchase, this funding is not required in the current year and the underspend will be carried forward to assist in managing price increases into 2022/2023.	Corporate Items	1.228
<b>Business Rates Incentive Scheme</b> The Council has been notified of a refund in relation to the 2019/2020 Business Rates Incentive Scheme. The transfer is to allow this benefit to be used in the 2022/2023 Strategy.	Corporate Items	0.225

<b>Central Energy Efficiency Fund (CEEF)</b> 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	0.222
<b>Council Tax Second Homes</b> 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	0.570
<b>Total Corporate Items Proposed Transfers to Reserves</b>		<b>2.245</b>
<b>Corporate Items – COVID</b>		
<b>COVID - Non Specific Funding</b> The 2021/2022 costs of COVID recovery have been managed primarily using the funding in reserves carried forward from 2020/2021. This allows elements of the new funding received in 2021/2022 to be carried forward to meet the costs of recovery moving forward.		15.600
<b>COVID Specific Funding</b> Funding was received in 2021/2022 to assist with Education Recovery. This transfer represents the element required to assist with the costs for the remainder of the school year.		<b>3.011</b>
<b>Total Corporate Items - COVID Proposed Transfers to Reserves</b>		<b>18.611</b>
<b>Investments</b>		
<b>Investments 2021/2022</b> A report to the Executive Committee (22 September 2021) highlighted that the investment monies would be spent across multiple years. This transfer is to meet the commitments in future years.	Investments	<b>5.443</b>
<b>Total Investments Proposed Transfers to Reserves</b>		<b>5.443</b>
<b>Total Proposed Transfers</b>		<b>36.086</b>

<b>Analysis of Total Transfers</b>		
Non-COVID Transfers	Resources /Corporate Items / Loan charges/Investments	17.405
COVID – Non-Specific Funding transfer	Corporate Items - COVID	15.600
COVID – Specific Funding Transfers	Corporate Items – COVID and Education COVID	3.081
<b>Total Proposed Transfers</b>		<b>36.086</b>

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**SOUTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report**  
**Period Ended 31 December 2021 (No.10)**

<u>Budget Category</u>	Annual Budget	Annual Forecast AFTER Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion to 31/12/21	Actual to Period 10 31/12/21	Variance to 31/12/21	
	£m	£m	£m	£m	£m	£m	
<b>Service Departments:</b>							
<b>Expenditure</b>							
Employee Cost	564.292	566.066	(1.774)	401.468	402.329	(0.861)	over
Property Costs	56.572	59.554	(2.982)	44.101	45.895	(1.794)	over
Supplies and Services	63.159	70.439	(7.280)	44.455	51.154	(6.699)	over
Transport Costs	42.682	43.608	(0.926)	30.787	31.777	(0.990)	over
Administration Costs	17.299	19.445	(2.146)	13.247	13.527	(0.280)	over
Payments to Other Bodies	105.559	109.115	(3.556)	78.538	81.501	(2.963)	over
Payments to Contractors	208.857	219.891	(11.034)	137.896	146.059	(8.163)	over
Transfer Payments	5.836	5.658	0.178	5.182	5.615	(0.433)	over
Housing Benefits	68.542	67.430	1.112	48.154	47.135	1.019	under
Financing Charges (controllable)	2.018	2.138	(0.120)	4.399	4.586	(0.187)	over
<b>Total</b>	<b>1,134.816</b>	<b>1,163.344</b>	<b>(28.528)</b>	<b>808.227</b>	<b>829.578</b>	<b>(21.351)</b>	<b>over</b>
Service Departments Total	1,134.816	1,163.344	(28.528)	808.227	829.578	(21.351)	over
CFCR	1.695	1.695	0.000	0.000	0.000	0.000	-
Loan Charges	34.343	34.343	0.000	24.531	24.531	0.000	-
Corporate Items	13.200	10.729	2.471	0.086	0.086	0.000	-
Corporate Items - COVID-19	44.816	23.711	21.105	15.711	0.000	15.711	under
Corporate Items - 22/23 Strategy	13.550	13.550	0.000	13.550	13.550	0.000	-
Investments – Transfer to Reserves	5.443	5.443	0.000	5.443	5.443	0.000	-
<b>Total Expenditure</b>	<b>1,247.863</b>	<b>1,252.815</b>	<b>(4.952)</b>	<b>867.548</b>	<b>873.188</b>	<b>(5.640)</b>	<b>over</b>
<b>Income</b>							
Housing Benefit Subsidy	64.158	61.266	(2.892)	48.746	46.681	(2.065)	under rec
Other Income	333.849	343.579	9.730	258.986	266.371	7.385	over rec
Council Tax (Net of Council Tax Reduction Scheme)	140.361	143.269	2.908	99.805	102.335	2.530	over rec
General Revenue Grant	291.730	291.730	0.000	208.379	208.379	0.000	-
General Revenue Grant - COVID-19	27.768	27.768	0.000	0.000	0.000	0.000	-
Non Domestic Rates	319.312	319.312	0.000	228.080	228.080	0.000	-
Transfer from Reserves	70.685	70.685	0.000	70.685	70.685	0.000	-
<b>Total Income</b>	<b>1,247.863</b>	<b>1,257.609</b>	<b>9.746</b>	<b>914.681</b>	<b>922.531</b>	<b>7.850</b>	<b>over rec</b>
<b>Net Expenditure / (Income)</b>	<b>0.000</b>	<b>(4.794)</b>	<b>4.794</b>	<b>(47.133)</b>	<b>(49.343)</b>	<b>2.210</b>	<b>under</b>



COVID-19 Costs 2021/2022	Community and Enterprise	Education	Finance and Corporate	Housing and Technical	Social Work	Total £m
<b>Projected Costs</b>	3.386	1.879	0.817	1.018	2.350	<b>9.450</b>
<b>Lost Income</b>	2.605	0.079	0.096	-	-	<b>2.780</b>
<b>Total Costs</b>	<b>5.991</b>	<b>1.958</b>	<b>0.913</b>	<b>1.018</b>	<b>2.350</b>	<b>12.230</b>
<b>Less: Spend Not Made</b>	(0.518)	(0.060)	-	-	-	<b>(0.578)</b>
<b>Net Cost to the Council in 2021/2022</b>	<b>5.473</b>	<b>1.898</b>	<b>0.913</b>	<b>1.018</b>	<b>2.350</b>	<b>11.652</b>
Add: SLLC						<b>3.900</b>
Add: Property Services for capital						<b>1.200</b>
<b>Total Costs</b>						<b>16.752</b>

<b>Funding available</b>						<b>£m</b>
Reserves – carried forward (non-specific)						(15.955)
Revised New Funding as at P10						(16.397)
<b>Total funding available</b>						<b>(32.352)</b>

<b>Summary Position</b>						<b>£m</b>
Total Costs						16.752
Total Non-Specific Funding Available						(32.352)
<b>Net Position</b>						<b>(15.600)</b>
Proposed Transfer to Reserves						15.600
<b>Revised Net Position</b>						<b>-</b>

**COVID Expenditure****Summary**

<b>Cost of COVID 2021/2022 (to 31 December 2021)</b>	<b>Costs Incurred</b>	<b>Lost Income</b>	<b>Less: Spend Not Made</b>	<b>Total Costs</b>	<b>Movement from P7</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	
Community and Enterprise	2.537	1.879	(0.497)	<b>3.919</b>	<b>1.459</b>
Education	9.280	0.079	(0.060)	<b>9.299</b>	<b>3.222</b>
Finance and Corporate	7.981	0.093	0.000	<b>8.074</b>	<b>0.189</b>
Housing and Technical	0.644	0.000	0.000	<b>0.644</b>	<b>0.392</b>
Social Work	1.923	0.000	0.000	<b>1.923</b>	<b>0.726</b>
<b>Net Resource Expenditure in 2021/2022</b>				<b>23.859</b>	<b>5.988</b>
<b>Education</b>				<b>(8.148)</b>	<b>(2.621)</b>
<b>Corporate Items</b>				<b>(7.606)</b>	<b>(0.090)</b>
<b>Total Specific Funding Utilised</b>				<b>(15.754)</b>	<b>(2.711)</b>
<b>Net Cost to be funded from Non-Specific Funding</b>				<b>8.105</b>	<b>3.277</b>

**Detail****Additional Costs:**

<b>Service</b>	<b>Description of Cost</b>	<b>Value £m</b>	<b>Movem't from P7</b>
<b>Community and Enterprise Resources</b>			
FWG/Fleet & Environmental	Staffing costs supporting COVID response	0.526	0.202
FWG/Fleet & Environmental/Roads	Cleaning, janitorial and utilities costs	0.090	0.004
FWG	Carlisle Civic Amenity Site - Compactor Installation	0.069	0.061
FWG/Fleet & Environmental/Roads	Materials and PPE	0.083	0.041
FWG/Roads	Fleet costs including fuel supporting COVID19 response	0.320	0.094
All Services	Telephones / Stationery / IT Costs	0.019	0.006
FWG	Increase in domestic waste tonnage	1.410	0.775
FWG	Webcast system and live webcasts	0.020	0.010
<b>Education Resources</b>			
Schools	Additional Staffing (General)	0.003	0.001
Schools	Additional Teachers (Apr to Aug)	1.538	-
Support Services	Additional Support Assistants (Apr to Aug)	0.107	-
Schools	Additional Teachers (Aug to Dec)	3.129	2.093
Support Services	Additional Support Assistants (Aug to Dec)	0.113	0.068
Support Services	Additional Support Assistants - Literacy/Numeracy (Aug to Nov)	0.067	(0.030)
Support Services	Additional Support Assistants – Lateral Flow Testing	0.221	0.068
Schools	Study Support	0.804	-
Schools	Digital Inclusion - Investment	0.127	0.127
Schools	Pathfinder Initiative	0.142	-
Schools / ELC	Additional Cleaning	1.338	-
Schools / ELC	Facilities Orders (Hand sanitisers / soap dispensers / bins / wipes / hand towels)	0.333	0.101
Schools / ELC	Utilities - Additional Ventilation	0.406	0.226

Service	Description of Cost	Value £m	Movem't from P7
Schools	Central Orders and Social Work Recharges (gloves / wipes / aprons / visors / masks / face coverings)	0.090	0.057
Schools	Digital Inclusion	0.139	0.137
Schools	School Clothing Programme	0.050	0.050
Schools	Test and Trace Administration	0.018	0.006
Inclusion	Inclusive Education - Independent COVID places	0.655	0.378
<b>Finance and Corporate Resources</b>			
Personnel Services	Foodbank expenditure	0.144	0.039
Finance (Transactions)	Self Isolation Payments	0.054	0.015
Finance (Transactions)	£100 Spring Hardship Payments	0.046	(0.010)
Finance (Transactions)	Free School Meals – Easter / Holidays	0.014	(0.015)
Finance (Transactions)	Family Pandemic Payments	0.984	(0.001)
Finance (Transactions)	Low Income Pandemic Payments	4.435	0.008
Finance (Transactions)	Family Pandemic – Child Bridging Payments	0.000	(1.450)
Finance (Transactions) / IT	Staff Supporting COVID	0.435	0.142
Finance (Transactions)	Telephones / Paypoint / SMS Messages / Support Costs	0.076	0.013
Finance (Transactions)	Benefits in relation to temporary accommodation	0.088	0.030
Personnel Services	Support to Third Sector Organisations and Tenants	0.460	0.100
Finance (Transactions)	Assistance to individuals in temporary accommodation	0.031	0.031
Finance (Transactions)	Winter Support Payments	1.214	1.214
<b>Housing and Technical Resources</b>			
Housing and Property Services	Homelessness accommodation and property related costs	0.644	0.392
<b>Social Work Resources</b>			
Children and Families	External and residential placements within Children and Family services.	1.813	0.643
Children and Families	Payments to support service users experiencing hardship and to prevent children going into care	0.110	0.083
<b>Total Additional Costs as at Period 10</b>		<b>22.365</b>	<b>5.709</b>

#### Lost Income:

Service	Description of Lost Income	Value £m	Movem't from P7
<b>Community and Enterprise Resources</b>			
Facilities, Waste and Grounds	Reduced school meals and coffee shop income	0.763	0.258
Facilities, Waste and Grounds	Care of Gardens	0.064	(0.003)
Fleet, Environmental and Projects	Reduced income from taxi inspections.	0.032	0.005
Roads	Reduced Parking income	1.020	0.267
<b>Education Resources</b>			
Instrumental Music Services	Reduced income from Music Tuition fees	0.059	-
Support Services	Privileged Transport / Playgroups	0.020	-
<b>Finance and Corporate</b>			
Licensing and Registration	Birth and death registration	0.093	0.073
<b>Total Lost Income as at Period 10</b>		<b>2.051</b>	<b>0.600</b>

## Unspent Budget

Service	Description of Lost Income	Value £m	Movem't from P7
<b>Community and Enterprise Resources</b>			
Facilities, Waste and Grounds	Reduced expenditure on food purchases	(0.442)	(0.226)
Facilities, Waste and Grounds	Vaccination Centre Let Income	(0.035)	(0.035)
Leisure	Firework Event	(0.020)	-
<b>Education Resources</b>			
Facilities, Waste and Grounds	Breakfast Clubs	(0.060)	(0.060)
<b>Unspent Budget as at Period 10</b>		<b>(0.557)</b>	<b>(0.321)</b>

<b>Net Cost of COVID-19 as at Period 10</b>	<b>23.859</b>	<b>5.988</b>
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## Specific Funding

Service		Value £m	Movem't from P7
<b>Education Resources</b>			
Education (t/f from reserves)	Education Recovery Teachers / Support	(3.358)	(0.632)
Education (t/f from reserves)	Loss of Learning Support	(0.531)	-
Education (21/22 - Investments)	Education – Recovery Investments	(1.530)	(1.017)
Education (t/f from reserves)	Logistics	(1.982)	(0.225)
Education (t/f from reserves)	Staff/Digital Inclusion/Home Learning	(0.738)	(0.738)
Education (t/f from reserves)	Digital Inclusion	(0.009)	(0.009)
<b>Corporate Items</b>			
Corporate Items (new)	Family Pandemic Payments	(0.984)	0.001
Corporate Items (new)	Low Income Pandemic Payments	(4.435)	(0.008)
Corporate Items (new)	Family Pandemic - Child Bridging Payments	-	1.450
Corporate Items (new)	Winter Support (Tackling Financial Insecurities)	(1.214)	(1.214)
Corporate Items (T/f from reserves)	Financial Insecurities and Flexible Fund	(0.973)	(0.319)
<b>Specific Funding Utilised as at Period 10</b>		<b>(15.754)</b>	<b>(2.711)</b>

**SOUTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report**  
**Period Ended 31 December 2021 (No.10)**  
**Housing Revenue Account**

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 31/12/21	Actual to Period 10 31/12/21	Variance to 31/12/21	%	Note
	£m	£m	£m	£m	£m	£m		
Employee Costs	14.090	13.842	0.248	10.311	9.952	0.359	Under	1
Property Costs	46.061	46.666	(0.605)	34.889	35.319	(0.430)	over	2
Supplies & Services	0.879	0.841	0.038	0.457	0.406	0.051	under	
Transport & Plant	0.195	0.167	0.028	0.118	0.100	0.018	under	
Administration Costs	5.645	5.633	0.012	0.406	0.340	0.066	under	
Payments to Other Bodies	3.076	3.113	(0.037)	1.523	1.538	(0.015)	over	
Payments to Contractors	0.100	0.097	0.003	0.075	0.073	0.002	under	
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	-	
Financing Charges	19.637	19.662	(0.025)	19.687	19.698	(0.011)	over	
Total Controllable Expenditure	89.683	90.021	(0.338)	67.466	67.426	0.040	under	
Total Controllable Income	(106.485)	(106.823)	0.338	(62.652)	(62.663)	0.011	over rec	
Transfer to/(from) Balance Sheet	0.971	0.971	0.000	0.790	0.841	(0.051)	over	3
Net Controllable Expenditure	(15.831)	(15.831)	0.000	5.604	5.604	0.000	-	
Add: Non Controllable Budgets								
Financing Charges	15.831	15.831	0.000	0.000	0.000	0.000	-	
Total Budget	0.000	0.000	0.000	5.604	5.604	0.000	-	

**Variance Explanations**

**1. Employee Costs**

This underspend reflects higher than anticipated staff turnover within the Service.

**2. Property Costs**

This overspend reflects demand in relation to repairs and grounds maintenance.

**3. Transfer to / (from) Balance Sheet**

The net underspend across expenditure has resulted in a higher transfer to reserves being anticipated to date.