

# Report

Report to:	<b>Executive Committee</b>
Date of Meeting:	<b>24 June 2020</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Revenue Budget Monitoring for Period 2: 1 April 2020 to 22 May 2020</b>
----------	--

## **1. Purpose of Report**

1.1. The purpose of the report is to:-

- ◆ advise the Committee on the overall financial position of the Council's General Fund Revenue Account and Housing Revenue Account for the period 1 April 2020 to 22 May 2020, and
- ◆ advise the Committee of an update on the 2020/2021 Revenue Budget for the Council's General Fund, taking into account the financial implications of the coronavirus pandemic.

## **2. Recommendation(s)**

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the net underspend of £0.044 million on the General Fund Revenue Account at 22 May 2020, after COVID-19 spend and funding (Section 4 and Appendix 1), be noted;
- (2) that the breakeven position on the Housing Revenue Account at 22 May 2020 (section 5 and Appendix 4 of the report), and the forecast to 31 March 2021 of breakeven, be noted.
- (3) that the total net expenditure and lost income of £3.456 million in relation to COVID-19, offset by Government Grant included in the Council's position as at 22 May 2020 (section 4.2), be noted; and
- (4) that the Council's predicted COVID-19 spend of £27.8 million to September 2020, and potential shortfall in funding of £21.3 million (section 9.5), be noted.

## **3. Background**

### **3.1. General Services Position**

The report will summarise the actual expenditure and income to 22 May 2020 compared with the budget for the same period. This includes spend to date due to the COVID-19 outbreak. This is summarised in Section 4.

### **3.2. Housing Revenue Account Position**

The report also shows the expenditure and income position for the Housing Revenue Account (HRA) to 22 May 2020. This is summarised in Section 5.

### **3.3. COVID-19 Update**

The Council is incurring additional costs in respect of COVID-19. This report will look

at the impact of COVID-19 on the Council's budget for 2020/2021, highlighting the significant funding gap anticipated. This report will cover:

- COVID-19 Expenditure and Income Impacts (section 6)
- Cost Income and Modelling (section 7)
- Available Funding (section 8)
- Summary of Council Position (section 9)
- Next steps (section 10)

4. **General Fund Revenue Account Position**

- 4.1. As at 22 May 2020, the overspend before COVID-19 funding is £3.412 million. If we exclude the costs of COVID-19, the position is an underspend of £0.044 million as detailed in Appendix 1. This takes account of the fact that all COVID-19 spend has been funded either from unspent budgets or the relevant Fund (Scottish Welfare Fund, Food Fund, Business Grants, Self-Employed Grants), with the balance of COVID-19 expenditure being funded from the Hardship Fund.
- 4.2. The total Food Fund and Hardship Fund utilised to 22 May 2020 is £3.456 million, which equates to 25.8% of this total funding of £13.398 million. The COVID-19 pressures across Resources are included in the position in Appendix 1, and are detailed in Appendix 3.
- 4.3. The position across all Resources is an overspend of £1.488m as shown in Appendix 1, and is the result of COVID-19.
- 4.4. This position does not take account of the pressures of lost income in South Lanarkshire Leisure and Culture Trust (SLLCT). SLLCT have not yet invoiced the Council for any loss of income, however, the estimated net loss of income is £1.100 million per month, reduced to £0.800 million per month after taking account of funding anticipated from the Government's Job Retention Scheme.
- 4.5. **COVID-19 expenditure to Period 2:** The total COVID-19 net expenditure as at 22 May is **£3.456 million** which has been funded from the Hardship Fund and Food Fund.
- 4.6. Government funding notified to the Council and the corresponding expenditure budgets in relation to the Self Employed Hardship Fund are included in the Community and Enterprise Resources' budget, while the expenditure and income for the Scottish Welfare Fund payments and Small Business Support Grants are included in the Finance and Corporate Resources' budget.
- 4.7. Table 1 provides a summary of this position across the various elements.

**Table 1 - Summary of the Cost of COVID-19**

	Annual Budget £m	Actual to 22 May 2020 £m
Additional Resource Spend	0.000	0.756
Council Tax Income / CTRS	0.000	0.670
Food Fund Spend	0.000	1.254
Lost Income	0.000	1.231
<b>Total Expenditure / Lost Income</b>	<b>0.000</b>	<b>3.911</b>
Less: Unspent Budget	0.000	(0.455)
<b>Total Net Expenditure / Lost Income</b>	<b>0.000</b>	<b>3.456</b>
<b>Funded by:</b>		
Government Funding - Hardship Fund	(2.227)	(2.202)
Government Funding - Food Fund	(1.937)	(1.254)
Government Funding – Consequential	(9.234)	-
<b>Total Funding</b>	<b>(13.398)</b>	<b>(3.456)</b>

- 4.8. Table 1 shows that, by May, already 25.8% of the full year funding provided for COVID-19 has been utilised. Sections 6-10 of this report provides details of the expected shortfall in funding over the coming months in relation to spend made on COVID-19. It should also be noted that the position in Table 1 does not yet include the significant pressures on the South Lanarkshire Leisure and Culture budget through lost income estimated at a net £0.800 million per month, after taking account of income from the Government's Job Retention Scheme (section 4.4).
- 4.9. The COVID-19 spend included in the services devolved to the Integrated Joint Board are being included in the Mobilisation Plan which the Scottish Government are using to allocate funds to the Health and Social Care Partnership. The Social Work Resources' position includes the current expenditure and offsetting income of £1.666 million in relation to the cost of additional beds to facilitate discharge from hospital, PPE equipment, support for carers and staff overtime.
- 4.10. **Loan Charges:** There is currently no variance on the loan charges budget. However, it is worth noting that since the 2020/2021 Revenue Budget was set, there is now a lower requirement to borrow as a result of reduced spend levels, there has been no borrowing taken so far this year and interest rate forecasts are lower. As a result, an underspend is anticipated this year. Work is ongoing to quantify this and it will be brought to the Committee at a later date.
- 4.11. **Corporate Items - COVID-19:** The Corporate Items expenditure budget line in Appendix 1 shows the full year budget allocation, including COVID-19 funding, and at the 22 May is showing an underspend of £2.202 million which offsets the spend and lost income shown across Resources and Council Tax.
- 4.12. **Council Tax:** As a result of COVID-19, the Council has experienced lost Council Tax income for both the current year (£0.403 million) and arrears collection (£0.168 million) as well as additional payments in relation to Council Tax Reduction Scheme payments (£0.099 million). The cash impact of these at the end of April is a net under recovery of Council Tax income of £0.670 million. The current year non-

payment of Council Tax equates to approximately 2% of the annual budget, whilst the CTRS anticipated spend is currently estimated to be 10% greater than the spend for 2019/2020. The £0.670 million has been included in the costs of COVID-19 which are being funded from the Hardship Fund.

- 4.13. This is a position for April 2020. The non-payment of council tax and arrears will still be pursued, and therefore the cost to the Council is likely to change.
- 4.14. It should be noted that the Scottish Government has set aside £50 million of funding to assist with the impact of COVID-19 on Council Tax and social security benefits, which will contribute to the costs of CTRS. The report does not currently include the grant income, as no allocation has been confirmed to date. This position will be monitored and reported as more information becomes available.
- 4.15. **Former Trading Services Income:** Budgets for former trading services (Roads and Property Services) include income from the HRA and from Capital. In the current COVID-19 financial climate it remains the position that these Revenue Services still need to recover costs as planned, to cover both fixed costs and surplus levels.
- 4.16. Arrangements have been made to ensure that budgeted income from the HRA and Capital continues to flow to these services. The position in this paper assumes that this continues to happen.

## **5. Housing Revenue Account Position**

- 5.1. As at 22 May 2020, Appendix 4 of the report shows a breakeven position against the phased budget on the Housing Revenue Account.
- 5.2. The forecast to 31 March 2021 on the Housing Revenue Account is a breakeven position.

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

- 6.1. Whilst sections 3 and 4 of this report cover the financial position for the period to 22 May, section 6 onwards discusses the potential impact on the Council's overall budget for the year 2020/2021.
- 6.2. **Council:** As noted previously, the Council is experiencing additional costs in respect of COVID-19. This will impact on the Revenue Budget for 2020/2021, and will create a significant funding gap.
- 6.3. The Council incurred costs as part of the initial mobilisation to respond to the pandemic. The costs of mobilisation and managing the initial response to the pandemic includes costs for PPE and additional staffing.
- 6.4. A significant impact has also been felt in terms of **income collection**. Through a reduction in the level of council tax that has been paid, to reduced income in council services (such as parking, and planning and building standards) there has been (and continues to be) a significant loss of funds to the Council.
- 6.5. **South Lanarkshire Leisure and Culture**, which is an Arms Length External Organisation (ALEO) to the Council, has experienced a significant reduction in their income, due to all facilities being closed through the lock down period.
- 6.6. **Delivery of Savings:** Another area of impact is in the achievement of the 2020/2021 approved savings. The Council had approved savings of £10 million which were to

be delivered in 2020/2021. Whilst it is hoped that the majority of these can still be delivered, it is expected that delivery of some of these will be challenging, as the Council looks to deliver services in different ways. The development of savings for 2021/2022 will also be difficult, taking account of the current backdrop.

## 7. Cost and Income Modelling

- 7.1. Given the scale and immediacy of the financial impact and the potential longer term financial sustainability consequences for councils, work has continued with COSLA to develop consistent tracking arrangements of costs across all councils.
- 7.2. A cost and income template has been circulated for use by councils, with these templates being updated and submitted regularly. This collection of data has allowed COSLA to engage with the Scottish Government in relation to the financial impact facing councils.
- 7.3. Based on councils' initial cost and income submissions, COSLA published that, for the three-month period to the end of June, there was an identified financial pressure nationally of £331 million. This excluded some costs relating to lost income for council services from Housing Revenue Accounts and capital budgets, and also replaced council estimates for council tax losses with a national estimate.
- 7.4. The amount of national external funding identified for the full year to date is £235 million therefore, as per COSLA's figures, only 71% of councils' identified needs to June were being met from the total funding identified. In a recent letter from the Cabinet Secretary, she explained that the Scottish Government had now allocated all the additional consequential funding at their disposal and more, and whilst they would make further representation to UK Government, her sense was that the provision of further resources will be limited.

## 8. Available Funding - SLC

- 8.1. The Council has been advised of its share of a number of specific funding streams from the Scottish Government. Nationally, the allocation is £235 million and the Council has received £13.398 million. The national funding streams and the Council's share are shown in Table 2.

**Table 2 – Available Funding**

	National Allocation £m	Council Share £m
<b>Hardship Fund:</b> to meet non-specific COVID-19 expenditure. Of this, £0.751 million was utilised in 2019/2020, leaving <b>£2.227 million</b> available for 2020/2021.	50.000	2.227
<b>Food Fund:</b> £1.937 million to contribute towards the free school meals and Food for the Vulnerable. The Council's estimated shortfall in funding is over £0.800 million.	30.000	1.937
<b>UK Government Consequential:</b> £9.234 million to meet non-specific COVID-19 expenditure.	155.000	9.234
<b>Total Funding Identified to Date</b>	<b>235.000</b>	<b>13.398</b>

- 8.2. The Council has also been allocated a share of the Self Employed Hardship Fund (**£1.174 million**), Small Business Grants Fund (**£46.200 million**) and **£1.389 million**

for Scottish Welfare Fund. The expenditure and funding in relation to these, are included in Community and Enterprise Resources for the Self Employed Hardship Fund and in Finance and Corporate Resources' for the Small Business Grant Fund and Scottish Welfare Fund. These form a Transfer Payment arrangement with the budget provision matching the expenditure. There is no impact on the Council's financial position.

## 9. Summary of Council Position

- 9.1. Through COSLA, councils were asked to identify their expected additional costs due to COVID-19 for the period to June. Appendix 5 provides details of the expected costs / lost income for that period based on the information provided to COSLA. This figure includes lost income for the Council's ex-trading services that would have been received from HRA and Capital budgets. As alternative approaches to recover this income are being progressed, removing these costs leaves a pressure (to June) of **£14.9 million**.
- 9.2. The costs do not include those incurred in relation to the services delegated to the Health and Social Care Partnership (HSCP) (Adults and Older People). Separate arrangements are in place where the Scottish Government have committed to funding all reasonable expenditure for HSCPs, and therefore no pressure has been included for these services.
- 9.3. As the figures provided to COSLA were only to June, these have been projected forwards to September, to provide an estimate of potential costs for 6 months, as costs relating to COVID-19 will continue beyond June. There is work currently ongoing in relation to the costs of delivering services as we move into the recovery period, and this will provide more accurate costs for the period to September and beyond. Appendix 5 shows that the costs to September could be **£27.8 million**.
- 9.4. Table 3 summarises the details shown in Appendix 5 and gives a total forecast cost position to the end September 2020, compared to funding available.

**Table 3 - Forecast Costs Compared to Funding Available (excluding lost income from HRA and Capital)**

	£m	£m
<b><i>Additional Costs (from Appendix 5):</i></b>		
Additional Resource Spend	12.2	
Savings Not Realised	0.6	
Lost Income (including ALEO - £5.2m))	14.8	
Reduced Costs	(3.6)	
Food Fund Spend	3.8	
<b>Total Additional Costs</b>		<b>27.8</b>
<b><i>Confirmed funding</i></b>		
Government Funding - Hardship Fund	(2.2)	
Government Funding - Food Fund	(1.9)	
Government Funding - Consequentials	(9.2)	
<b>Total Funding</b>	<b>(13.3)</b>	
<b>6 Months funding (estimated)</b>		<b>(6.5)</b>
<b>Remaining Shortfall to September 2020</b>		<b>21.3</b>

- 9.5. This identified a **potential shortfall in funding of £21.3 million** to September. These figures will be refined as the recovery planning process progresses. It is likely that some additional costs will continue further into the year. When more certainty over costs are known an approach to how the shortfall can be managed will be presented to Committee. We are also looking at where some of these costs can more appropriately be met from the Capital Programme, and will take that into account in an ongoing review of the Capital Programme.
- 9.6. This figure includes reduced collection of Council Tax, and is included to show the extent of the loss of income we are facing, however this is not necessarily how this will be accounted for at year end. Both accounting treatment of debts, and attempts to recover any unpaid council tax in year, should reduce the impact of this on this year's budget.
- 9.7. In summary the position for the Council is:
- ◆ Estimates of the cost to the Council to the end of June are at present £14.9 million (section 9.1) (this includes income lost to the Council). If we take that estimate forward to the end of September, the projected cost increases to £27.8 million.
  - ◆ The funding we have been notified about to date, totals £13.3 million (section 8.1).
  - ◆ On the basis that the 6 month cost is £27.8 million, if we apply 6 months of the funding (approx. £6.5 million) against that, this still leaves us with a projected 6 month net cost of £21.3 million
  - ◆ These figures are on the basis that the Council recovers budgeted costs from the HRA and from the capital programme. We will look to meet appropriate additional capital costs through the Capital Programme, as referred to at section 9.5.

## **10. Next Steps**

- 10.1. The Council has embarked on a recovery planning process which is well underway. Alongside this practical process, an exercise has commenced on the expected outturn for full current year, to assess what spend levels are anticipated, and how these can be managed within Resource Budgets. This will allow a revised budget position to be established for the Council for this financial year. The process includes identifying costs associated with recovery plans, clarifying lost income projections and spend that will not be made.
- 10.2. It is more than likely that a deficit balance will be identified which cannot be covered from the funding provided to date by the Scottish Government. Remedies will be required to manage this deficit. These will include flexibilities regarding the use of other funding (for example the Government agreement to give flexibility in the use of Education monies namely Pupil Equity Funds, Scottish Attainment Challenge Funds and Early Learning and Childcare funding), reducing the costs of recovery where possible and reducing costs / service elsewhere in the budget.

## **11. Employee Implications**

- 11.1. None.

## **12. Financial Implications**

- 12.1. As detailed within this report.

### **13. Climate Change, Sustainability and Environmental Implications**

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

### **14. Other Implications**

- 14.1. 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.
- 14.2. There are no implications for sustainability in terms of the information contained in this report.

### **15. Equality Impact Assessment and Consultation Arrangements**

- 15.1. 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.
- 15.2. 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)**

1 June 2020

#### **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 22 May 2020

#### **Contact for Further Information**

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

Lorraine O'Hagan, Finance Manager (Strategy)

Ext: 2601 (Tel: 01698 452601)

E-mail: [lorraine.o'hagan@southlanarkshire.gov.uk](mailto:lorraine.o'hagan@southlanarkshire.gov.uk)



**SOUTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report**  
**Period Ended 22 May 2020 (No.2)**

<u>Committee</u>	Annual Budget	Annual Forecast	Annual Forecast Variance	Budget Proportion to 22/05/20	Actual to Period 2 22/05/20	Variance to 22/05/20	
	£m	£m	£m	£m	£m	£m	
<b>Departments:</b>							
<b>Community and Enterprise Resources</b>	<b>109.078</b>	<b>109.078</b>	<b>0.000</b>	<b>13.779</b>	<b>14.519</b>	<b>(0.740)</b>	<b>over</b>
Facilities Streets Waste and Grounds	65.956	65.956	0.000	5.911	5.859	0.052	under
Environmental Services (Inc. Projects)	0.425	0.425	0.000	0.890	0.988	(0.098)	over
Leisure and Culture Services	19.296	19.296	0.000	4.869	4.869	0.000	-
Planning and Economic Development	2.063	2.063	0.000	(0.718)	(0.568)	(0.150)	over
Roads	21.338	21.338	0.000	2.827	3.173	(0.346)	over
COVID19	0.000	0.000	0.000	0.000	0.198	(0.198)	over
<b>Education Resources</b>	<b>349.164</b>	<b>349.164</b>	<b>0.000</b>	<b>40.803</b>	<b>41.161</b>	<b>(0.358)</b>	<b>over</b>
Education	349.164	349.164	0.000	40.803	40.931	(0.128)	over
COVID19	0.000	0.000	0.000	0.000	0.230	(0.230)	over
<b>Finance and Corporate Resources</b>	<b>36.167</b>	<b>36.167</b>	<b>0.000</b>	<b>7.070</b>	<b>7.268</b>	<b>(0.198)</b>	<b>over</b>
Finance Services - Strategy	1.982	1.982	0.000	0.407	0.408	(0.001)	over
Finance Services - Transactions	13.496	13.496	0.000	2.113	2.106	0.007	under
Audit and Compliance Services	0.330	0.330	0.000	0.082	0.081	0.001	under
Information Technology Services	4.490	4.490	0.000	2.398	2.396	0.002	under
Communications and Strategy Services	0.957	0.957	0.000	0.170	0.201	(0.031)	over
Administration and Licensing Services	4.169	4.169	0.000	0.799	0.839	(0.040)	over
Personnel Services	10.743	10.743	0.000	1.101	1.101	0.000	-
COVID19	0.000	0.000	0.000	0.000	0.136	(0.136)	over
<b>Housing and Technical Resources</b>	<b>13.994</b>	<b>13.994</b>	<b>0.000</b>	<b>1.929</b>	<b>2.075</b>	<b>(0.146)</b>	<b>over</b>
Housing Services	8.543	8.543	0.000	0.963	0.963	0.000	-
Property Services	5.451	5.451	0.000	0.966	0.966	0.000	-
COVID19	0.000	0.000	0.000	0.000	0.146	(0.146)	over
<b>Social Work Resources</b>	<b>171.811</b>	<b>171.811</b>	<b>0.000</b>	<b>19.407</b>	<b>19.453</b>	<b>(0.046)</b>	<b>over</b>
Performance and Support Services	8.046	8.046	0.000	1.119	1.120	(0.001)	over
Children and Families	35.608	35.608	0.000	4.516	4.529	(0.013)	over
Adults and Older People	126.651	126.651	0.000	13.584	13.581	0.003	under
Justice and Substance Misuse	1.506	1.506	0.000	0.188	0.177	0.011	under
COVID19	0.000	0.000	0.000	0.000	0.046	(0.046)	over
<b>Joint Boards</b>	<b>2.245</b>	<b>2.245</b>	<b>0.000</b>	<b>0.366</b>	<b>0.366</b>	<b>0.000</b>	<b>-</b>
	<b>682.459</b>	<b>682.459</b>	<b>0.000</b>	<b>83.354</b>	<b>84.842</b>	<b>(1.488)</b>	<b>over</b>

  

<u>Committee</u>	Annual Budget	Annual Forecast	Annual Forecast Variance	Budget Proportion to 22/05/20	Actual to Period 2 22/05/20	Variance to 22/05/20	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	682.459	682.459	0.000	83.354	84.842	(1.488)	over
CFCR	5.389	5.389	0.000	0.000	0.000	0.000	-
Loan Charges	49.743	49.743	0.000	0.000	0.000	0.000	-
Corporate Items	5.706	5.706	0.000	0.021	0.021	0.000	-
Corporate Items - COVID19	13.398	13.398	0.000	3.456	1.254	2.202	under
<b>Total Expenditure</b>	<b>756.695</b>	<b>756.695</b>	<b>0.000</b>	<b>86.831</b>	<b>86.117</b>	<b>0.714</b>	<b>under</b>
Council Tax	159.471	159.471	0.000	22.782	22.211	(0.571)	under rec
Less: Council Tax Reduction Scheme	(21.304)	(21.304)	0.000	(3.043)	(3.142)	(0.099)	-
Net Council Tax	138.167	138.167	0.000	19.739	19.069	(0.670)	under rec
General Revenue Grant	226.179	226.179	0.000	34.140	34.140	0.000	-
General Revenue Grant- COVID19	14.787	14.787	0.000	0.000	0.000	0.000	-
Non Domestic Rates	344.036	344.036	0.000	51.930	51.930	0.000	-
Transfer from Reserves	33.526	33.526	0.000	33.526	33.526	0.000	-
<b>Total Income</b>	<b>756.695</b>	<b>756.695</b>	<b>0.000</b>	<b>139.335</b>	<b>138.665</b>	<b>0.670</b>	<b>under rec</b>
<b>Net Expenditure / (Income)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(52.504)</b>	<b>(52.548)</b>	<b>0.044</b>	<b>under</b>

**SOUTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report**  
**Period Ended 22 May 2020 (No.2)**

<u>Budget Category</u>	<b>Annual Budget</b>	<b>Annual Forecast</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion to 22/05/20</b>	<b>Actual to Period 2 22/05/20</b>	<b>Variance to 22/05/20</b>	
	£m	£m	£m	£m	£m	£m	
<b>Service Departments:</b>							
<b>Expenditure</b>							
Employee Cost	522.172	522.172	0.000	64.766	65.095	(0.329)	over
Property Costs	51.974	51.974	0.000	4.880	5.162	(0.282)	over
Supplies and Services	56.859	56.859	0.000	5.991	4.651	1.340	under
Transport Costs	38.806	38.806	0.000	4.660	4.479	0.181	under
Administration Costs	14.680	14.680	0.000	1.662	1.623	0.039	under
Payments to Other Bodies	113.488	113.488	0.000	42.251	42.329	(0.078)	over
Payments to Contractors	199.157	199.157	0.000	16.149	14.088	2.061	under
Transfer Payments	5.486	5.486	0.000	0.744	0.742	0.002	under
Housing Benefits	70.114	70.114	0.000	5.851	5.819	0.032	under
Financing Charges (controllable)	2.018	2.018	0.000	0.505	0.473	0.032	under
<b>Total</b>	<b>1,074.754</b>	<b>1,074.754</b>	<b>0.000</b>	<b>147.459</b>	<b>144.461</b>	<b>2.998</b>	<b>under</b>
Service Departments Total	1,074.754	1,074.754	0.000	147.459	144.461	2.998	under
CFCR	5.389	5.389	0.000	0.000	0.000	0.000	-
Loan Charges	49.743	49.743	0.000	0.000	0.000	0.000	-
Corporate Items	5.706	5.706	0.000	0.021	0.021	0.000	-
Corporate Items - COVID-19	4.164	4.164	0.000	3.456	1.254	2.202	under
<b>Total Expenditure</b>	<b>1,139.756</b>	<b>1,139.756</b>	<b>0.000</b>	<b>150.936</b>	<b>145.736</b>	<b>5.200</b>	<b>under</b>
<b>Income</b>							
Housing Benefit Subsidy	65.158	65.158	0.000	5.294	5.294	0.000	-
Other Income	327.137	327.137	0.000	58.811	54.325	(4.486)	under rec
Council Tax (Net of Council Tax Reduction Scheme)	138.167	138.167	0.000	19.739	19.069	(0.670)	under rec
General Revenue Grant	226.179	226.179	0.000	34.140	34.140	0.000	-
General Revenue Grant - COVID-19	5.553	5.553	0.000	0.000	0.000	0.000	-
Non Domestic Rates	344.036	344.036	0.000	51.930	51.930	0.000	-
Transfer from Reserves	33.526	33.526	0.000	33.526	33.526	0.000	-
<b>Total Income</b>	<b>1,139.756</b>	<b>1,139.756</b>	<b>0.000</b>	<b>203.440</b>	<b>198.284</b>	<b>(5.156)</b>	<b>under rec</b>
<b>Net Expenditure / (Income)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(52.504)</b>	<b>(52.548)</b>	<b>0.044</b>	<b>under</b>

## COVID-19 Expenditure to 22 May 2020

### Additional Costs

Service	Description of Cost	Value £m
<b>Community and Enterprise Resources</b>		
Fleet Services	Staffing costs supporting COVID response	0.046
Facilities, Streets, Waste and Grounds	Staffing costs supporting COVID response	0.048
Facilities, Streets, Waste and Grounds	PPE, Equipment and cleaning materials for staff.	0.104
<b>Education Resources</b>		
Schools	Continuity of Supply Teachers	0.192
Support Services	Staffing costs supporting COVID response	0.021
Schools (Hubs)	Resources and cleaning materials	0.017
<b>Finance and Corporate Resources</b>		
IT Services	IT related spend to allow home working	0.136
Finance (Transactions)	Overtime to process Business Grants and Scottish Welfare Fund applications	-
<b>Housing and Technical Resources</b>		
Homelessness	temporary accommodation costs for homeless people, set up costs for temporary mortuary facility and the cost of PPE	0.146
<b>Social Work Resources</b>		
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	0.046
<b>Total Additional Costs as at Period 2</b>		<b>0.756</b>

### 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 April 2020	0.403
Council Tax	Loss of Council Tax arrears collection income at end April 2020	0.168
CTRS	Cost of additional payments as at end April 2020	0.099
<b>Additional Cost/Lost Income as at Period 2</b>		<b>0.670</b>

### Expenditure on Food Fund

Service	Description of Lost Income	Value £m
Corporate Items	Expenditure on Food Fund related items including Free School Meals provision and food to vulnerable households.	1.254
<b>Additional Costs as at Period 2</b>		<b>1.254</b>

**Lost Income**

Service	Description of Lost Income	Value £m
<b>Community and Enterprise Resources</b>		
Planning and Economic Development	Reduced income from Planning applications	0.150
Roads	Reduced Parking income	0.356
Facilities, Streets, Waste and Grounds	Reduced school meals and care of gardens income	0.500
<b>Education Resources</b>		
Early Years	Reduced income from Early Years Fees, playgroups and nursery milk claims	0.099
Instrumental Music	Reduced income from Music Tuition fees	0.059
Support Services	Reduced income from Privilege transport	0.005
<b>Finance and Corporate Resources</b>		
Administration, Legal and Licensing	Reduced income for Licensing and Registration	0.034
Communications and Strategy	Reduced print room income.	0.028
<b>Total Lost Income as at Period 2</b>		<b>1.231</b>

**Unspent Budget**

Service	Description of Lost Income	Value £m
<b>Community and Enterprise Resources</b>		
Facilities, Streets, Waste and Grounds	Reduced expenditure on food purchases	(0.455)
<b>Unspent Budget as at Period 2</b>		<b>(0.455)</b>

<b>Net Cost of COVID-19 as at Period 2</b>		<b>3.456</b>
--	--	--------------

**SOUTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report**  
**Period Ended 22 May 2020 (No.2)**  
**Housing Revenue Account**

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 22/05/20	Actual to Period 2 22/05/20	Variance to 22/05/20		%	Note
	£m	£m	£m	£m	£m	£m			
Employee Costs	13.721	13.721	0.000	1.682	1.656	0.026	under	1.5%	
Property Costs	46.661	46.661	0.000	5.175	3.616	1.559	under	30.1%	1
Supplies & Services	0.996	0.996	0.000	0.056	0.054	0.002	under	3.6%	
Transport & Plant	0.195	0.195	0.000	0.015	0.014	0.001	under	6.7%	
Administration Costs	5.644	5.644	0.000	0.768	0.767	0.001	under	0.1%	
Payments to Other Bodies	3.176	3.176	0.000	0.443	0.443	0.000	-	0.0%	
Payments to Contractors	0.100	0.100	0.000	0.000	0.000	0.000	-	0.0%	
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	-	n/a	
Financing Charges	19.448	19.448	0.000	0.000	0.000	0.000	-	0.0%	
Total Controllable Expenditure	89.941	89.941	0.000	8.139	6.550	1.589	under	19.5%	
Total Controllable Income	(107.634)	(107.634)	0.000	(9.734)	(9.601)	(0.133)	under recovered	(1.4%)	2
Transfer to/(from) Balance Sheet	(0.315)	(0.315)	0.000	(0.045)	1.411	(1.456)	under recovered	(3235.6%)	3
Net Controllable Expenditure	(18.008)	(18.008)	0.000	(1.640)	(1.640)	0.000	-		
Add: Non Controllable Budgets									
Financing Charges	18.008	18.008	0.000	2.566	2.566	0.000	-		
Total Budget	0.000	0.000	0.000	0.926	0.926	0.000	-		

**Variance Explanations**

**1. Property Costs**

This underspend reflects the reduction in the level of repairs and maintenance that can be undertaken due to COVID19 lockdown.

**2. Income**

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

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

This reflects the anticipated year end transfer to reserves in relation to the underspend on repairs and maintenance due to COVID19 lockdown.

## COVID-19 – Financial Impact for Council

Element of Spend	Areas of Spend	Expected Position April to June	If continued to September 2020
<b>Additional Spend</b>	Immediate Mobilisation : <ul style="list-style-type: none"> <li>- Supply Teachers</li> <li>- Cleaning suppliers and PPE</li> <li>- Claims from contractors (capital works)</li> <li>- Loss of income from external funders (SPT)</li> <li>- IT / Licences etc.</li> </ul>	£6.1m	£12.2m
<b>Savings Not realised</b>	Including <ul style="list-style-type: none"> <li>- Employability,</li> <li>- staff reductions</li> </ul>	£0.3m	£0.6m
<b>Lost Income</b>	*ALEO – SLLC lost income (net of reduced costs)	£2.6m	£5.2m
	Cash Flow - commercial rent	£1.0m	-
	Lost income from school meals, parking, planning and building standards	£2.1m	£4.2m
	** Lost income from capital and HRA	£14.6m	£29.2m
	***Council Tax (£0.6m for April)	£1.8m	£3.6m
	Other lost income (licencing , education, facilities )	£0.9m	£1.8m
<b>Reduced Costs</b>	Reduced costs for <ul style="list-style-type: none"> <li>- school meals,</li> <li>- council fleet,</li> <li>- non-operational buildings,</li> <li>- non domestic rates</li> </ul>	(£1.8m)	(£3.6m)
<b>Food Fund Spend</b>	Including Free School meals vouchers and Food bank Top Ups	£1.9m	£3.8m
<b>Total potential additional cost</b>		<b>£29.5m</b>	<b>£57.0m</b>

\* SLLC position assumes potential income from furlough

\*\* Managing Lost income from HRA and Capital is being looked at by COSLA and the Scottish Government,

\*\*\* Council tax position for April shows approximately £0.6m reduced income. Recovery action will take place, and this figure is expected to reduce to the level of recovery that takes place.

Less :	HRA and Capital – alternative ways of managing.	(£14.6m)	(£29.2m)
<b>Revised Potential Costs of Covid</b>		<b>£14.9m</b>	<b>£27.8m</b>