

Report

Report to:	Executive Committee
Date of Meeting:	28 April 2021
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Revenue Budget Monitoring for Period 12: 1 April 2020 to 26 February 2021 and Probable Outturn
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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 26 February 2021, and a projection for the year to 31 March 2021.

2. Recommendation(s)

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

- (1) that the additional COVID funding of £27.861 million (section 6.3), be noted;
- (2) that the utilisation of £7.891 million of the additional COVID funding to manage capital costs (section 6.4), be approved;
- (3) that it be noted that any unspent element of the additional funding, currently £18.068 million, would be carried forward in reserves to manage COVID pressures in 2021/2022 (section 6.9);
- (4) that the underspend of £1.394 million on the General Fund Revenue Account after transfers as at 26 February 2021 (section 7.3), be noted;
- (5) that including Resources, Corporate Items, Council Tax and the updated COVID breakeven position, the Council's revised outturn underspend of £2.163 million, (section 8.3), be noted; and
- (6) that the breakeven position on the Housing Revenue Account at 26 February 2021 and the forecast to 31 March 2021 of breakeven (section 9), be noted.

3. Background

3.1. General Fund Position

This overview report will summarise the previously reported probable outturn position for the Council's General Fund (including COVID) to 31 March 2021 (section 4) and provide an update to this position in an Executive Summary (section 5).

3.2. Section 6 will detail the anticipated COVID position for the year and will provide information on the spend/funding to 26 February 2021. The same information will be provided for the Council's General Fund services (section 7) and the combined Council outturn will be summarised in section 8. Finally, the report will provide a probable outturn and the position on the current period on the Housing Revenue Account (section 9).

4. Summary of Previously Reported Probable Outturn

- 4.1. As previously reported, the Council's overall outturn position to 31 March 2021 after transfers to reserves, and including the COVID shortfall of £1.902 million, is an **underspend of £0.261 million**. Table 1 provides a breakdown of this position.

Table 1: Council's Outturn Position (Executive Committee, 10 March 2021)

		£m
COVID	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	2.755
	= Shortfall in COVID funding See note 1	(1.902)
General Services	Expenditure Position from Probable Outturn Exercise	(0.441)
	Over-Recovery of Council Tax excluding COVID	2.604
	= General Services Underspend	2.163
= 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.

- 4.2. Sections 6 and 7 of the report will provide details on the updated position in relation to spend and funding of COVID and the impact on the Council's General Fund Services, with a combined Council outturn position in section 8.

5. Executive Summary

- 5.1. The Council's original Outturn position for financial year 2020/2021 was an underspend of £0.261 million, being a General Fund underspend of £2.163 million, partially offset by a COVID shortfall of £1.902 million (refer Table 1).
- 5.2. The Council has received additional COVID funding totalling £27.861 million. This takes the total COVID funding to £63.172 million (Table 2).
- 5.3. As previously reported, the Council's capital programme currently includes an element of budget for capital costs associated with COVID-19, estimated at £7.891 million. It was previously advised that a change to the approach may be considered which would be to use Revenue funding instead of Capital to cover these additional capital costs. This would reduce the burden on the Council's Capital programme. As additional funding has been received by the Council (sections 6.2 / 6.3), it is proposed that these monies are used to pay for the additional costs currently anticipated to be met by the capital programme (section 6.4). This will free up the capital budget set aside for COVID (£7.891 million).
- 5.4. The total additional funding received in 2020/2021 is £27.861 million and by using this to both manage the previously estimated COVID shortfall of £1.902 million (Table 1) in 2020/2021 and to manage the £7.891 million of potential costs relating to the capital programme in that year, leaves funding of £18.068 million (Table 2) to manage any further COVID costs into 2021/2022. This is based on the probable outturn cost of COVID, as at December 2020. If this funding is not utilised by 31 March, it will be carried forward in reserves to manage COVID costs in 2021/2022 (section 6.8).

Table 2: Summary of COVID Expenditure and Funding (from Table 4)

	£m
Total Expenditure per Cost of Recovery (Appendix 1)	37.213
Add: Capital Spend (section 6.6)	7.891
Total COVID Expenditure	45.104
Total COVID Funding (including additional funding)	(63.172)
Funding received in 2020/21 to be carried forward to 2021/2022	(18.068)

- 5.5. Some of the allocation of funding is tied to a specific purpose and will have specific spend that requires to be made. Of the £18.068 million of funding carrying forward into 2021/2022, an estimated £9 million is tied to funding specific anticipated spend.
- 5.6. Taking the revised COVID position for the year into account, alongside the General Fund position, gives a revised outturn **underspend of £2.163 million for 2020/2021**. Table 3 details the original outturn underspend of £0.261 million and the revised outturn underspend of £2.163 million. The revised position reflects the use of the additional funding to manage the COVID shortfall (£1.902 million, Table 1).

Table 3: Reconciliation of Council Outturn Position (Table 7 replicated)

	Original Outturn £m	Revised Outturn £m
Costs of COVID (including capital and before any recharges to HRA and Capital)	(33.278)	(33.278)
Recharges to HRA / Capital	31.376	31.376
Shortfall in COVID Funding	(1.902)	(1.902)
Utilise Additional Scottish Government COVID funding (section 5.6)	-	1.902
Revised COVID position	(1.902)	-
Expenditure Position Probable Outturn Exercise	(0.441)	(0.441)
Over Recovery of Council Tax excluding COVID 19	2.604	2.604
Revised Council Outturn Position	0.261	2.163

This replicates Table 7 at 8.3.

- 5.7. The forecast underspend of £2.163 million reflects the estimated outturn position and is based on the probable outturn exercise. Section 7.3 proposes that, at the end of the financial year, these monies are considered for transferring to Reserves and set aside to manage future budget strategies. This may include the need to cover expenditure in relation to COVID moving into 2021/2022. The final value of the transfer will be confirmed at the end of the financial year.
- 6. 2020/2021 COVID Position**
- 6.1. **COVID Outturn Position:** The COVID position has previously been reported as a shortfall of £1.902 million (see Table 1).
- 6.2. Since the last report, the Council has received confirmation of a number of new funding allocations. The additional funding received in 2020/2021 and the Council's respective share, is shown below, and is split across the 2 financial years that the funding relates to. There are elements of these funding streams that are tied to

requirements to spend. This is covered further at section 6.11.

2020/2021 Allocations

- £70 million Education Recovery (£4.221 million)
- £110 million Loss of Income (£3.354 million) – allocation now confirmed.
- £1.995 million Local Self Isolation Assistance January to March (£0.124 million)
- £275 million Flexible Funding (£13.480 million)

2021/2022 Allocations

- £26.7 million Teachers / Support staff (£1.734 million)
- £25 million Teachers / Support staff (£1.624 million) – this is the 2021/2022 allocation of funding notified earlier in financial year
- £15 million Additional Financial Insecurity (£1.244 million)
- £15 million Additional Flexible Funding (£0.894 million) – allocation now confirmed.
- £17.2 million Spring Hardship Payment including Administration (£1.186 million)

- 6.3. The new funding allocations above total £27.861 million. When added to existing COVID funding, the revised total of funding is £63.172 million. These new allocations have been added to the budget in Appendix 2. Included within the £63.172 million is the Council's allocation for Free School Meals for March and Easter and the balance of £100 Winter Hardship funding notified to the Council since the last report which have been added to the Cost of Recovery expenditure and funding as they are spent.
- 6.4. **Capital:** As previously reported, the Council's capital programme currently includes an element of budget for capital costs associated with COVID-19, estimated at £7.891 million. Depending on how the revenue position progresses towards the end of the financial year, and how the Council chooses to use the Fiscal Flexibilities available, it was advised that a change to the approach may be considered which would be to use Revenue funding instead of Capital to cover these additional capital costs. This would reduce the burden on the Council's Capital programme. As additional flexible funding has been received by the Council (section 6.2/6.3), it is proposed that these monies are used to pay for the additional costs in relation to the capital programme.
- 6.5. The current estimate of these capital costs is £6.600 million. Some of these costs are overheads incurred by Housing and Technical Resources that would have been charged to capital projects (£4.600 million), and some are additional costs including compensation claims against capital projects (£2.000 million). As this figure cannot be confirmed until the end of the financial year, it proposed that the £4.600 million of additional overheads from Property Services be funded by this additional revenue support and these would stay in the Council's Revenue budget. In addition, the Revenue budget can provide the remaining funding for the rest of the budgeted £7.891 million, meaning a £3.291 million contribution to the remaining COVID-19 costs within the Capital Programme. Any revenue funding not required will be carried forward in Reserves.
- 6.6. This approach will free up the full capital budget of £7.891 million for use on other projects. This is discussed in more detail in the Capital Monitoring report to this meeting.
- 6.7. Taking the £27.861 million additional funding received in 2020/2021 (section 6.3) and covering the £1.902 million required to manage the original COVID shortfall and the £7.891 million of capital costs (section 6.4), leaves a balance of £18.068 million which can be carried into 2021/2022.

- 6.8. The funding balance of £18.068 million has been fully committed in the outturn figures in Appendix 2. This is because some of the allocations relate to 2021/2022 but have been received early, and the remaining allocations received in 2020/2021 are required to manage COVID costs in 2021/2022. Any funding received in 2020/2021 which has not been utilised by 31 March 2021, will be transferred to reserves and be carried forward into 2021/2022. It is anticipated that the majority of this funding will be carried forward in reserves to meet COVID expenditure in 2021/2022.
- 6.9. **Total COVID Expenditure and Funding:** Table 4 provides a summary of the total COVID expenditure and funding for the year, including the movements detailed in this report, to arrive at the carried forward funding position of £18.068 million.

Table 4: COVID Expenditure and Funding

	£m
Expenditure	
Additional Resource Spend	29.049
Lost Income	7.430
Unspent Budget	(2.719)
Unachieved Savings	0.553
SLLC Lost Income	2.900
Total Expenditure per Cost of Recovery (Appendix 1)	37.213
Add: Capital Spend (section 6.5)	7.891
Total COVID Expenditure	45.104
Total COVID Funding (including additional funding)	(63.172)
Funding received in 2020/2021 to be carried forward to 2021/2022	(18.068)

- 6.10. As covered at section 6.2, some of the allocation of funding is tied to a specific purpose and will have specific spend that requires to be made. Of the £18.068 million of funding carrying forward into 2021/2022, an estimated £9 million is tied to funding specific anticipated spend.
- 6.11. This revised position continues to be based on what is known at present. The high level COVID restrictions in place may still result in additional costs, and the final position for the year on the costs of COVID will be finalised over the coming weeks as part of the year end exercise.
- 6.12. **COVID Current Position as at 26 February 2021**
The total COVID net expenditure as at 26 February 2020 is **£24.275 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.
- 6.13. The total funding utilised to 26 February 2021 is £24.275 million, which equates to 51.3% of the total funding confirmed to date (including the £0.751 million of funding used in 2019/2020). The reduction in percentage funding utilised reflects the increase in funding available since the last report.
- 6.14. A summary of the position is included in Table 5 with a full breakdown included in Appendix 4.

Table 5: Analysis of COVID expenditure at 26 February 2021 (Period 12)

	As at 26 February 2021 £m
Additional Resource Spend	18.169
Lost Income	5.536
Unachieved Savings	0.517
Less: Unspent Budget	(3.189)
Total Net Expenditure incl. in Resources	21.033
Food Fund Spend	3.242
Total Expenditure incl. Food Fund	24.275
Total COVID Funding Utilised	(24.275)
Net COVID Expenditure	0.000

- 6.15. 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 12 is £17.841 million. As at 26 February 2021, the Council has received £12.602 million of funding, with regular claims for funding being made to recover all spend made. The Scottish Government have now allocated a final tranche of funding through Health Boards for mobilisation plans. Work is ongoing with the Chief Financial Officer for the IJB to ensure that funding allocated for Local Authorities is passed over.

7. 2020/2021 General Services Position (excluding COVID)

7.1. General Services Outturn Position (excluding COVID)

The probable outturn position for the Council, after transfers to reserves of £24.863 million (as detailed in Appendix 3) and excluding the COVID shortfall of £1.902 million, is an underspend of £2.163 million (see Table 1). There has been no change to this position since the last report.

- 7.2. The underspend reflects an over recovery of Council Tax and an underspend on the Council Tax Reduction Scheme (CTRS), which is partly offset by an overspend on Resources, mainly within Education and on Corporate Items. This is summarised in Table 6.

Table 6: Forecast Underspend After Transfers to Reserves (excl COVID Shortfall)

	£m
Resources' Outturn / Corporate Items	(0.441)
Council Tax / CTRS	2.604
Forecast Underspend After Transfers to Reserves	2.163

- 7.3. The forecast underspend of £2.163 million reflects the estimated outturn position and is based on the probable outturn exercise. It is proposed that, at the end of the financial year, these monies are considered for transferring to Reserves and set aside to manage future budget strategies. This may include the need to cover expenditure in relation to COVID moving into 2021/2022. The final value of the transfer will be confirmed at the end of the financial year.
- 7.4. **Area Committee Grants:** there is currently approximately £0.060 million of unspent money in the budget held for grants which are distributed by Area Committees. Area Committees have expressed that in this unusual year, they would not want groups to

lose access to these funds, and it is therefore proposed that the unspent balances will be carried forward at the end of the year. This will be managed as part of the year end final transfer to reserves. Formal approval for the carrying forward of these unspent monies will be sought from committee through a recommendation in the 2020/2021 year-end report which will be brought to the Executive Committee meeting on 23 June.

7.5. General Services Current Position as at 26 February 2021

As at 26 February 2021, the position on the General Fund (including COVID spend and income) **before** transfers to reserves is an underspend of £10.080 million (Appendix 2a). Appendix 3a shows the position after the approved transfers to reserves, as an **underspend of £1.394 million**. This is in line with the probable outturn position and relates mainly to the over recovery of Council Tax and an underspend on the Council Tax Reduction Scheme.

8. Summary Position section – Total Council Position including COVID

- 8.1. As noted in section 6.2, the Council has received additional COVID funding and this has been used to manage the previously reported COVID shortfall of £1.902 million (Table 1).
- 8.2. The Council's General Fund position has not changed from the £2.163 million underspend (excluding COVID), previously reported.
- 8.3. Taking the revised COVID position into account alongside the General Fund position, gives a revised Council outturn **underspend of £2.163 million**. Table 7 shows the original outturn underspend of £0.261 million and the revised outturn underspend of £2.163 million. The revised position reflects the use of the additional funding to manage the COVID shortfall.

Table 7: Reconciliation of Council Outturn Position

	Original Outturn £m	Revised Outturn £m
Costs of COVID (including capital and before any recharges to HRA and Capital)	(33.278)	(33.278)
Recharges to HRA / Capital	31.376	31.376
Shortfall in COVID Funding	(1.902)	(1.902)
Utilise Additional Scottish Government COVID funding (section 6.8)	-	1.902
Revised COVID position	(1.902)	-
Expenditure Position Probable Outturn Exercise	(0.441)	(0.441)
Over Recovery of Council Tax excluding COVID 19	2.604	2.604
Revised Council Outturn Position	0.261	2.163

- 8.4. The forecast underspend of £2.163 million reflects the estimated outturn position and is based on the probable outturn exercise. It is proposed that at the end of the financial year, these monies are considered for transferring to Reserves and set aside to manage future budget strategies (section 7.3). The final value of the transfer will be confirmed at the end of the financial year.

9. Housing Revenue Account Position

- 9.1. As at 26 February 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.

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)

23 March 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 26 February 2021

Contact for Further Information

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

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	Community and Enterprise	Education	Finance and Corporate	Housing and Technical	Social Work	Capital	Total
Budget Revision 2020/2021							
Projected Costs including Recovery Plan	3.432	12.755	10.402	0.765	0.370	1.325	29.049
Lost Income	4.811	0.564	0.555	1.500	-	-	7.430
Total Costs	8.243	13.319	10.957	2.265		1.325	36.479
Less: Spend Not Made	(1.413)	(0.975)	(0.306)	(0.018)	(0.007)	-	(2.719)
Net Cost to the Council in 2020/2021*	6.830	12.344	10.651	2.247	0.363	1.325	33.760
Funding							
- Hardship Fund (£50m)							(2.227)
- Consequentials (£155m + £49m)							(12.152)
- Food Fund (£30m + £27.6m)							(3.282)
- Additional Teachers / Support (£130m)							(2.167)
- IT Equipment (Revenue and Capital)							(1.469)
- Teachers (£30m)							(1.300)
- Mobilisation (£20m)							(1.206)
- Financial Insecurity							(1.244)
- Support (Winter Payments, Outbound Calling, Support for People, Self Isolate, Business Grants)							(0.758)
- Additional Free School Meals							(0.470)
- Tier 4 - Community and Support							(0.894)
- £100 Winter Payments							(0.994)
- Loss of Income (£90m)							(2.755)
- Transport Mobilisation (£1.5m)							(0.072)
- Additional Teachers/Digital Inclusion/Home Learning Support (£45m)							(2.806)
- Free School Meals (January/February/March lockdown plus Easter)							(1.515)
- Additional Funding							(1.902)
Total Funding Used							(37.213)
Add: Savings Not Achievable							0.553
Add: SLLCT Shortfall							2.900
Balance							0.000

* these figures assume that income is recharged to HRA and Capital for the period of lockdown

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report (BEFORE Transfers)
Period Ended 26 February 2021 (No.12)

<u>Committee</u>	Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Budget Proportion to 26/02/21	Actual to Period 12 26/02/21	Variance to 26/02/21	
Departments:	£m	£m	£m	£m	£m	£m	
Community and Enterprise Resources	109.638	117.360	(7.722)	112.984	119.635	(6.651)	over
Facilities, Waste and Grounds	67.193	67.358	(0.165)	58.466	58.556	(0.090)	over
Fleet, Environmental and Projects	1.072	1.793	(0.721)	0.728	1.409	(0.681)	over
Leisure and Culture Services	19.538	19.503	0.035	19.239	19.204	0.035	under
Planning and Economic Development	2.120	2.601	(0.481)	18.235	18.218	0.017	under
Roads	19.715	21.404	(1.689)	16.316	17.786	(1.470)	over
COVID-19	0.000	4.701	(4.701)	0.000	4.462	(4.462)	over
Education Resources	351.403	357.893	(6.490)	301.718	302.704	(0.986)	over
Education	351.403	345.138	6.265	301.718	295.720	5.998	under
COVID-19	0.000	12.755	(12.755)	0.000	6.984	(6.984)	over
Finance and Corporate Resources	35.756	42.846	(7.090)	38.514	44.808	(6.294)	over
Finance Services - Strategy	1.965	1.966	(0.001)	3.251	3.244	0.007	under
Finance Services - Transactions	13.686	13.684	0.002	14.451	14.504	(0.053)	over
Audit and Compliance Services	0.330	0.330	0.000	0.516	0.516	0.000	-
Information Technology Services	5.192	5.505	(0.313)	6.084	6.407	(0.323)	over
Communications and Strategy Services	1.022	1.037	(0.015)	1.275	1.256	0.019	under
Administration and Licensing Services	4.222	4.773	(0.551)	4.478	4.971	(0.493)	over
Personnel Services	9.339	9.238	0.101	8.459	8.283	0.176	under
COVID-19	0.000	6.313	(6.313)	0.000	5.627	(5.627)	over
Housing and Technical Resources	15.746	17.993	(2.247)	13.805	15.589	(1.784)	over
Housing Services	9.080	8.925	0.155	6.028	5.950	0.078	under
Property Services	6.666	7.803	(1.137)	7.777	8.855	(1.078)	over
COVID-19	0.000	1.265	(1.265)	0.000	0.784	(0.784)	over
Social Work Resources	173.159	173.538	(0.379)	148.713	149.022	(0.309)	over
Performance and Support Services	8.056	7.756	0.300	7.684	7.451	0.233	under
Children and Families	36.449	36.757	(0.308)	32.363	32.560	(0.197)	over
Adults and Older People	127.134	127.177	(0.043)	107.722	107.785	(0.063)	over
Justice and Substance Misuse	1.520	1.478	0.042	0.944	0.914	0.030	under
COVID-19	0.000	0.370	(0.370)	0.000	0.312	(0.312)	over
Joint Boards	2.245	2.245	0.000	2.060	2.060	0.000	-
	687.947	711.875	(23.928)	617.794	633.818	(16.024)	over

<u>Committee</u>	Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Budget Proportion to 26/02/21	Actual to Period 12 26/02/21	Variance to 26/02/21	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	687.947	711.875	(23.928)	617.794	633.818	(16.024)	over
CFCR	3.398	3.398	0.000	0.000	0.000	0.000	-
Loan Charges	40.843	37.843	3.000	35.008	32.437	2.571	under
Corporate Items	3.804	2.873	0.931	0.415	0.115	0.300	under
Corporate Items - COVID-19	60.278	29.679	30.599	24.275	3.242	21.033	under
Corporate Items - 2020/2021 Strategy	14.289	0.000	14.289	0.000	0.000	0.000	-
Total Expenditure	810.559	785.668	24.891	677.492	669.612	7.880	under
Council Tax	159.471	161.236	1.765	136.689	138.202	1.513	over rec
Less: Council Tax Reduction Scheme	(22.590)	(21.789)	0.801	(19.363)	(18.676)	0.687	under
Net Council Tax	136.881	139.447	2.566	117.326	119.526	2.200	over rec
General Revenue Grant	346.438	346.438	0.000	296.947	296.947	0.000	-
General Revenue Grant – COVID19	66.385	65.954	(0.431)	11.360	11.360	0.000	-
Non-Domestic Rates	226.179	226.179	0.000	193.868	193.868	0.000	-
Transfer from Reserves	34.676	34.676	0.000	34.676	34.676	0.000	-
Total Income	810.559	812.694	2.135	654.177	656.377	2.200	over rec
Net Expenditure / (Income)	0.000	(27.026)	27.026	23.315	13.235	10.080	under

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report (BEFORE Transfers)
Period Ended 26 February 2021 (No.12)

<u>Budget Category</u>	Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Budget Proportion to 26/02/21	Actual to Period 12 26/02/21 BEFORE Transfers	Variance to 26/02/21	
	£m	£m	£m	£m	£m	£m	
Service Departments:							
Expenditure							
Employee Cost	535.118	545.539	(10.421)	472.367	477.129	(4.762)	over
Property Costs	54.061	59.133	(5.072)	46.448	50.035	(3.587)	over
Supplies and Services	53.759	53.952	(0.193)	46.194	41.399	4.795	under
Transport Costs	42.204	40.786	1.418	37.924	36.240	1.684	under
Administration Costs	16.946	16.076	0.870	14.325	13.537	0.788	under
Payments to Other Bodies	147.678	144.143	3.535	125.479	122.921	2.558	under
Payments to Contractors	200.960	214.676	(13.716)	167.807	178.318	(10.511)	over
Transfer Payments	6.353	6.541	(0.188)	6.100	6.119	(0.019)	over
Housing Benefits	70.856	69.744	1.112	60.556	59.368	1.188	under
Financing Charges (controllable)	2.089	2.209	(0.120)	2.002	2.192	(0.190)	over
Total	1,130.024	1,152.799	(22.775)	979.202	987.258	(8.056)	over
Service Departments Total	1,130.024	1,152.799	(22.775)	979.202	987.258	(8.056)	over
CFCR	3.398	3.398	0.000	0.000	0.000	0.000	-
Loan Charges	40.843	37.843	3.000	35.008	32.437	2.571	under
Corporate Items	3.804	2.873	0.931	0.415	0.115	0.300	under
Corporate Items - COVID-19	60.278	29.679	30.599	24.275	3.242	21.033	under
Corporate Items - 21/22 Strategy	14.289	0.000	14.289	0.000	0.000	0.000	-
Total Expenditure	1,252.636	1,226.592	26.044	1,038.900	1,023.052	15.848	under
Income							
Housing Benefit Subsidy	65.542	64.951	(0.591)	55.659	54.756	(0.903)	under rec
Other Income	376.535	375.973	(0.562)	305.749	298.684	(7.065)	under rec
Council Tax (Net of Council Tax Reduction Scheme)	136.881	139.447	2.566	117.326	119.526	2.200	over rec
General Revenue Grant	346.438	346.438	0.000	296.947	296.947	0.000	-
General Revenue Grant - COVID-19	66.385	65.954	(0.431)	11.360	11.360	0.000	-
Non Domestic Rates	226.179	226.179	0.000	193.868	193.868	0.000	-
Transfer from Reserves	34.676	34.676	0.000	34.676	34.676	0.000	-
Total Income	1,252.636	1,253.618	0.982	1,015.585	1,009.817	(5.768)	under rec
Net Expenditure / (Income)	0.000	(27.026)	27.026	23.315	13.235	10.080	under

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report (AFTER Transfers)

Period Ended 26 January 2021 (No.12)

<u>Committee</u>	Annual Budget	Annual Forecast AFTER Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion to 26/02/21	Actual to Period 12 26/02/21	Variance to 26/02/21	
	£m	£m	£m	£m	£m	£m	
Departments:							
Community and Enterprise Resources	109.638	117.807	(8.169)	112.984	120.050	(7.066)	over
Facilities, Waste and Grounds	67.193	67.595	(0.402)	58.466	58.775	(0.309)	over
Fleet, Environmental and Projects	1.072	1.838	(0.766)	0.728	1.451	(0.723)	over
Leisure and Culture Services	19.538	19.503	0.035	19.239	19.204	0.035	under
Planning and Economic Development	2.120	2.766	(0.646)	18.235	18.372	(0.137)	over
Roads	19.715	21.404	(1.689)	16.316	17.786	(1.470)	over
COVID-19	0.000	4.701	(4.701)	0.000	4.462	(4.462)	over
Education Resources	351.403	364.154	(12.751)	301.718	308.305	(6.587)	over
Education	351.403	351.399	0.004	301.718	301.321	0.397	under
COVID-19	0.000	12.755	(12.755)	0.000	6.984	(6.984)	over
Finance and Corporate Resources	35.756	42.949	(7.193)	38.514	44.907	(6.393)	over
Finance Services - Strategy	1.965	1.966	(0.001)	3.251	3.244	0.007	under
Finance Services - Transactions	13.686	13.684	0.002	14.451	14.504	(0.053)	over
Audit and Compliance Services	0.330	0.330	0.000	0.516	0.516	0.000	-
Information Technology Services	5.192	5.505	(0.313)	6.084	6.407	(0.323)	over
Communications and Strategy Services	1.022	1.037	(0.015)	1.275	1.256	0.019	under
Administration and Licensing Services	4.222	4.773	(0.551)	4.478	4.971	(0.493)	over
Personnel Services	9.339	9.341	(0.002)	8.459	8.382	0.077	under
COVID-19	0.000	6.313	(6.313)	0.000	5.627	(5.627)	over
Housing and Technical Resources	15.746	17.993	(2.247)	13.805	15.589	(1.784)	over
Housing Services	9.080	8.925	0.155	6.028	5.950	0.078	under
Property Services	6.666	7.803	(1.137)	7.777	8.855	(1.078)	over
COVID-19	0.000	1.265	(1.265)	0.000	0.784	(0.784)	over
Social Work Resources	173.159	173.538	(0.379)	148.713	149.022	(0.309)	over
Performance and Support Services	8.056	7.756	0.300	7.684	7.451	0.233	under
Children and Families	36.449	36.757	(0.308)	32.363	32.560	(0.197)	over
Adults and Older People	127.134	127.177	(0.043)	107.722	107.785	(0.063)	over
Justice and Substance Misuse	1.520	1.478	0.042	0.944	0.914	0.030	under
COVID-19	0.000	0.370	(0.370)	0.000	0.312	(0.312)	over
Joint Boards	2.245	2.245	0.000	2.060	2.060	0.000	-
	687.947	718.686	(30.739)	617.794	639.933	(22.139)	over

<u>Committee</u>	Annual Budget	Annual Forecast AFTER Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion to 26/02/21	Actual to Period 12 26/02/21	Variance to 26/02/21	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	687.947	718.686	(30.739)	617.794	639.933	(22.139)	over
CFCR	3.398	3.398	0.000	0.000	0.000	0.000	-
Loan Charges	40.843	40.843	0.000	35.008	35.008	0.000	-
Corporate Items	3.804	3.636	0.168	0.415	0.115	0.300	under
Corporate Items - COVID-19	60.278	29.679	30.599	24.275	3.242	21.033	under
Corporate Items - 2020/2021 Strategy	14.289	14.289	0.000	0.000	0.000	0.000	-
Total Expenditure	810.559	810.531	0.028	677.492	678.298	(0.806)	over
Council Tax	159.471	161.236	1.765	136.689	138.202	1.513	over rec
Less: Council Tax Reduction Scheme	(22.590)	(21.789)	0.801	(19.363)	(18.676)	0.687	under
Net Council Tax	136.881	139.447	2.566	117.326	119.526	2.200	over rec
General Revenue Grant	346.438	346.438	0.000	296.947	296.947	0.000	-
General Revenue Grant - COVID-19	66.385	65.954	(0.431)	11.360	11.360	0.000	-
Non-Domestic Rates	226.179	226.179	0.000	193.868	193.868	0.000	-
Transfer from Reserves	34.676	34.676	0.000	34.676	34.676	0.000	-
Total Income	810.559	812.694	2.135	654.177	656.377	2.200	over rec
Net Expenditure / (Income)	0.000	(2.163)	2.163	23.315	21.921	1.394	under

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report (AFTER Transfers)
Period Ended 26 February 2021 (No.12)

<u>Budget Category</u>	Annual Budget	Annual Forecast AFTER Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion to 26/02/21	Actual to Period 12 26/02/21 AFTER Transfers	Variance to 26/02/21	
	£m	£m	£m	£m	£m	£m	
Service Departments:							
Expenditure							
Employee Cost	535.118	546.423	(11.305)	472.367	477.945	(5.578)	over
Property Costs	54.061	59.205	(5.144)	46.448	50.105	(3.657)	over
Supplies and Services	53.759	56.855	(3.096)	46.194	43.901	2.293	under
Transport Costs	42.204	40.856	1.348	37.924	36.305	1.619	under
Administration Costs	16.946	16.102	0.844	14.325	13.562	0.763	under
Payments to Other Bodies	147.678	146.762	0.916	125.479	125.339	0.140	under
Payments to Contractors	200.960	214.843	(13.883)	167.807	178.472	(10.665)	over
Transfer Payments	6.353	6.541	(0.188)	6.100	6.119	(0.019)	over
Housing Benefits	70.856	69.744	1.112	60.556	59.368	1.188	under
Financing Charges (controllable)	2.089	2.209	(0.120)	2.002	2.192	(0.190)	over
Total	1,130.024	1,159.540	(29.516)	979.202	993.308	(14.106)	over
Service Departments Total	1,130.024	1,159.540	(29.516)	979.202	993.308	(14.106)	over
CFCR	3.398	3.398	0.000	0.000	0.000	0.000	-
Loan Charges	40.843	40.843	0.000	35.008	35.008	0.000	-
Corporate Items	3.804	3.636	0.168	0.415	0.115	0.300	under
Corporate Items - COVID-19	60.278	29.679	30.599	24.275	3.242	21.033	under
Corporate Items - 21/22 Strategy	14.289	14.289	0.000	0.000	0.000	0.000	-
Total Expenditure	1,252.636	1,251.385	1.251	1,038.900	1,031.673	7.227	under
Income							
Housing Benefit Subsidy	65.542	64.951	(0.591)	55.659	54.756	(0.903)	under rec
Other Income	376.535	375.903	(0.632)	305.749	298.619	(7.130)	under rec
Council Tax (Net of Council Tax Reduction Scheme)	136.881	139.447	2.566	117.326	119.526	2.200	over rec
General Revenue Grant	346.438	346.438	0.000	296.947	296.947	0.000	-
General Revenue Grant - COVID-19	66.385	65.954	(0.431)	11.360	11.360	0.000	-
Non Domestic Rates	226.179	226.179	0.000	193.868	193.868	0.000	-
Transfer from Reserves	34.676	34.676	0.000	34.676	34.676	0.000	-
Total Income	1,252.636	1,253.548	0.912	1,015.585	1,009.752	(5.833)	under rec
Net Expenditure / (Income)	0.000	(2.163)	2.163	23.315	21.921	1.394	under

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
2021/2022 Revenue Budget Strategy – Loans Fund Review The Executive Committee (June 2020) agreed that the 2020/2021 underspend generated by the Loans Fund Review would be transferred to reserves for use in future years budget strategies.	Corporate Items – 2021/2022 Strategy	8.900
2021/2022 Revenue Budget Strategy – Capital Funding 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.	Corporate Items – 2021/2022 Strategy	5.389
Total 2021/2022 Revenue Budget Strategy Approved Transfers		14.289
Total Transfers to Reserves		24.863

COVID-19 Expenditure to 26 February 2021

Additional Costs

Service	Description of Cost	Value £m
Community and Enterprise Resources		
Facilities, Waste and Grounds (FWG)	Staffing costs supporting COVID response	0.165
Fleet, Environmental and Projects	Staffing costs supporting COVID response	0.189
Planning and Economic Development	Staffing costs supporting COVID response	0.129
All Services	PPE, Equipment and cleaning materials for staff.	0.541
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	0.015
All Services	Fleet costs including fuel supporting COVID19 response	0.404
FWG and Fleet, Environmental and Projects	Printing and Stationery, signage and mobile phones	0.049
FWG	Increase in domestic waste tonnage and costs at civic amenity sites including security	1.483
FWG	Webcast system and live webcasts	0.026
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)	0.125
YFCL	Hub School Janitors (April and May)	0.020
YFCL	YFCL Sessional Additional Hours (April and May)	0.061
YFCL	Track and Trace	0.004
YFCL	YFCL Summer Hubs (July / August)	0.226
Schools	Additional Teachers	2.372
Schools	Additional School Support Assistants (to December)	0.194
Schools	Additional Cleaning	0.644
Schools	Facilities Orders (Hand sanitisers / soap dispensers / bins / wipes / hand towels)	0.762
ELC	ELC Works	0.043
Schools	Additional Utilities - ventilation required	0.312
Schools / ELC	Central Orders (Gloves/wipes/aprons/ visors / masks)	0.942
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 - Primary Refresh Out of Hours Work and ICT for Support Staff	0.123
Schools	Winter Clothing Payments	0.050
Schools	Digital Inclusion	0.186
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)	0.107
Finance and Corporate Resources		
IT Services	IT related spend to allow home working	0.284
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.	0.762
All	PPE, Telephones and mail to support COVID response	0.257
Finance (Transactions)	Benefits costs associated with homeless use of Bed and Breakfast	0.060
Finance (Transactions)	Expenditure on Financial Insecurity Items – Winter Fuel Payments, Free School Meals for Children self-isolating, assistance to tenants, foodbank expenditure, tenancies.	0.987

Service	Description of Cost	Value £m
Finance (Transactions)	£100 Winter Payments	0.994
Finance (Transactions)	Expenditure on Flexible Fund – Winter Payments and Temporary Accommodation payments	0.743
Finance (Transactions)	Free School Meals – School holidays (includes additional school closure days due to lockdown)	1.540
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.	0.684
Housing and Property Services	Expenditure on Flexible Fund – Assistance to tenancies	0.100
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	0.274
Children & Family, Justice	Expenditure on Financial Insecurity Items - grant payments	0.038
Total Additional Costs as at Period 12		18.169

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 January 2021	0.000
Council Tax	Loss of Council Tax arrears collection income at end January 2021	0.000
CTRS	Cost of additional payments as at end February 2021	0.000
Additional Cost/Lost Income as at Period 12		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 12		3.242

Lost Income

Service	Description of Lost Income	Value £m
Community and Enterprise Resources		
Planning and Economic Development	Reduced income from Planning applications	0.332
Roads	Reduced Parking income and income from Roads Act legislation	1.796
Facilities, Waste and Grounds	Reduced school meals, milk subsidy, care of gardens, special uplifts, sale of bins income	2.366
Fleet, Environmental and Projects	Reduced income from taxi inspections.	0.045
Education Resources		
Early Years	Reduced income from Early Years Fees, playgroups and nursery milk claims	0.381
Support Services	Reduced income from Music Tuition fees	0.122
Support Services	Reduced income from Privilege transport	0.017
Finance and Corporate Resources		
Communications and Strategy	Reduced print room income.	0.051
Administration, Legal and Licensing	Reduced income for Licensing and Registration	0.387
Administration, Legal and Licensing	Reduced Legal Fees income	0.030
Finance (Transactions)	Reduced commission income for childcare due to homeworking	0.009
Total Lost Income as at Period 12		5.536

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	0.092
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	0.295
Administration, Legal and Licensing	Licensing and Registration Fee Income	0.031
Unachieved Savings as at Period 12		0.517

Unspent Budget

Service	Description of Lost Income	Value £m
Community and Enterprise Resources		
Facilities, Waste and Grounds	Reduced expenditure on food purchases	(1.661)
Facilities, Waste and Grounds	Reduced expenditure on fuel in Street Cleaning	(0.079)
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	(0.092)
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	(0.019)
Corporate Items	Rates	(0.285)
Unspent Budget as at Period 12		(3.189)

Net Cost of COVID-19 as at Period 12	24.275
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SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 26 February 2021 (No.12)
Housing Revenue Account

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 26/02/21	Actual 26/02/21	Variance 26/02/21		% Variance 26/02/21	Notes
Employee Costs	13,721	13,384	337	12,196	12,017	179	under	1.5%	1
Property Costs	46,661	47,752	(1,091)	37,086	37,261	(175)	over	(0.5%)	2
Supplies & Services	996	809	187	720	671	49	under	6.8%	
Transport & Plant	195	223	(28)	166	169	(3)	over	(1.8%)	
Administration Costs	5,644	5,632	12	4,287	4,285	2	under	0.0%	
Payments to Other Bodies	3,176	3,130	46	2,854	2,848	6	under	0.2%	
Payments to Contractors	100	131	(31)	89	94	(5)	over	(5.6%)	
Transfer Payments	0	0	0	0	0	0	-	0.0%	
Financing Charges	18,134	18,142	(8)	18,201	18,211	(10)	over	(0.1%)	a
Total Controllable Exp.	88,627	89,203	(576)	75,599	75,556	43	under	0.1%	
Total Controllable Inc.	(107,634)	(105,901)	(1,733)	(87,364)	(85,743)	(1,621)	under recovered	(1.9%)	3
Transfer to/(from) Balance Sheet	3,418	1,109	2,309	2,322	744	1,578	over recovered	(68.0%)	4, a
Net Controllable Exp.	(15,589)	(15,589)	0	(9,443)	(9,443)	0	-	0.0%	
Loan Charges	15,589	15,589	0	11,788	11,788	0	-		
Net Controllable Exp.	0	0	0	2,345	2,345	0	-	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 and recharges from property services for fixed costs.

3. Income

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

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.

Virements

- a. The Capital Financed by Current Revenue (CFCR) budget is amended to reflect the approved capital programme and transferred to Reserves net Nil:- Transfers to/(from) Balance Sheet £1.314m and Financing Charges (£1.314m).