

Report

Report to:	Financial Resources Scrutiny Forum
Date of Meeting:	20 August 2020
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Revenue Budget Monitoring 2020/2021
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ advise the Forum on the overall financial position of the Council's General Fund Revenue Account and Housing Revenue Account for the period 1 April 2020 to 19 June, and
- ◆ advise the Forum of an update on the 2020/2021 Revenue Budget for the Council's General Fund, taking into account the financial implications of the coronavirus pandemic.

2. Recommendation(s)

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

- (1) that the net underspend of £0.120 million on the General Fund Revenue Account at 19 June 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 19 June 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 £6.216 million in relation to COVID-19, offset by Government Grant included in the Council's position as at 19 June 2020 (section 4.3) be noted;
- (4) that an additional payment of £1.269 million in relation to COVID-19 lost income to SLLC at period 3 (section 4.5), be noted;
- (5) that the pressures being experienced in Children and Families (section 4.12), be noted; and
- (6) that the Council's predicted COVID-19 spend of £29.062 million for 2020/2021 (Table 2), be noted.

3. Background

3.1. The Revenue reports attached provide detail on the most recent report considered at Executive Committee on 12 August 2020.

3.2. General Services Position

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

3.3. **Housing Revenue Account Position**

The report also shows the expenditure and income position for the Housing Revenue Account (HRA) to 19 June 2020. This is summarised in Section 5.

3.4. **COVID-19 Update**

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

4. **General Fund Revenue Account Position**

4.1. As at 19 June 2020, the overspend before COVID-19 funding is £6.096 million. If we exclude the costs of COVID-19, the position is an underspend of £0.120 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 and Consequentials funding.

4.2. The Social Care Mobilisation monies received via the NHS have also been included to offset the Social Work spend incurred.

4.3. The total Food Fund, Hardship Fund and Consequentials funding utilised to 19 June 2020 is £6.216 million, which equates to 43.8% of the total funding confirmed to date (including the £0.751 million of funding used in 2019/2020). The COVID-19 pressures across Resources are included in the position in Appendix 1, and are detailed in Appendix 3. In addition, all of the Social Care Mobilisation monies received to date have been spent.

4.4. The position across all Resources is an overspend of £4.382 million as shown in Appendix 1, and is the result of COVID-19. This is net of the Social Care Mobilisation monies which sit in the Resource. Spend in relation to the food fund (£1.714m) is recorded under Corporate Items in Appendix 1. This takes the overspend position to £6.096m (as reported at 4.1)

4.5. The pressure of lost income in South Lanarkshire Leisure and Culture Trust (SLLCT) of £1.269 million to period 3 has also been included in the COVID-19 spend in Community and Enterprise Resources. Approval is being sought to make an additional payment to SLLC of £1.269m at this point to manage this pressure. The position will continue to be monitored. The loss of income experienced by SLLC is significant, and consideration on the sustainability of services delivered by the Trust will be required. Updates on this position will be provide in future reports.

4.6. **COVID-19 expenditure to Period 3:** The total COVID net expenditure as at 19 June is **£6.216 million** which has been funded from the Food Fund, Hardship Fund and Consequentials funding.

4.7. 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.

4.8. Table 1 provides a summary of this position across the various elements.

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

	Annual Budget £m	Actual to 19 June 2020 £m
Expenditure / Lost Income: (Excluding Social Care Mobilisation)		
Additional Resource Spend	0.000	3.356
Council Tax Income / CTRS	0.000	0.000
Food Fund Spend	0.000	1.714
Lost Income	0.000	2.018
Total Expenditure / Lost Income	0.000	7.088
Less: Unspent Budget	0.000	(0.872)
Total Net Expenditure / Lost Income	0.000	6.216
Funded by:		
Government Funding – Hardship Fund	(2.227)	(2.227)
Government Funding – Food Fund (<i>first tranche only</i>)	(1.937)	(1.714)
Government Funding – Consequentials	(9.233)	(2.275)
Government Funding – Food Fund (<i>second tranche</i>)	(1.776)	-
Total Funding	(15.173)	(6.216)
Expenditure / Lost Income: Social Care Mobilisation		
Additional Resource Spend	0.000	2.714
Unachieved Savings	0.000	0.188
Lost Income	0.000	0.125
Total Expenditure / Lost Income	0.000	3.027
Funded by:		
Government Funding - Social Care Mobilisation (actual received to date £2.976m - balance accrued)	0.000	(3.027)
Total Funding	0.000	0.000

- 4.9. Table 1 shows that, by 19 June 2020, excluding Social Care Mobilisation, already £6.216 million of the confirmed funding provided for COVID-19 has been utilised in 2020/21. In total 43.8% of funding provided has been used to date. Section 6 of this report provides details of the expected shortfall in funding for 2020/2021 in relation to spend made on COVID-19. It should also be noted that the position in Table 1 now includes the significant pressures on the South Lanarkshire Leisure and Culture budget through lost income (section 4.5).
- 4.10. **Social Work:** Table 1 also shows that the Social Care Mobilisation monies received to date have been fully spent. 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. Councils have been told that all reasonable costs will be reimbursed. The Social Work Resources position includes the current expenditure and offsetting income of £3.027 million in relation to the cost of additional beds to

facilitate discharge from hospital, PPE equipment, support for carers and staff overtime (Appendix 3). Monies received to date total £2.976 million.

- 4.11. Whilst there is a continued assumption that the additional costs for this year faced by services devolved to the IJB in relation to COVID-19 will be funded through the Mobilisation plan, there is the real possibility that through actions taken now, there are legacy costs into future years (such as increased care home placements or use of external Home Care providers). Alongside the Health and Social Care Partnership the Council will require to consider impact of any legacy overspends within the parameters of the current budget
- 4.12. **Social Care - Children and Families:** Despite investment in the service to cover pressures, we are starting to see financial pressures relating to Children and Families. The main reason is additional external residential placements made in the early part of the year. Work is ongoing with the Service on actions to reduce this overspend.
- 4.13. **Loan Charges:** There is currently no variance on the loan charges budget. However, it is worth noting that since the 2020/2021 Revenue Budget was set, there is now a lower requirement to borrow as a result of reduced spend levels within the capital programme, there has been no borrowing taken so far this year and interest rate forecasts are lower. As a result, an underspend is anticipated this year. Work is ongoing to quantify this and it will be brought to the Executive Committee at a later date.
- 4.14. **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 19 June is showing an underspend of £4.502 million which offsets the spend and lost income shown across Resources.
- 4.15. **Council Tax:** As a result of COVID-19, it is likely that Council Tax cash income will not be collected to the same level as before. Currently, for April and May, we have seen cancellations of direct debits, lower arrears collections and higher demand for Council Tax Reduction Scheme (CTRS) payments. However, as we will still look to recover any unpaid council tax, comparing the actual impact on this year's budget will mean a minimal impact compared to the budget set therefore no costs have been included in the COVID-19 data or the period 3 position shown in the appendices.
- 4.16. This is still very much an estimate dependant on the level of Council Tax paid in year, and progress on collection of Council Tax debts. The position assumed includes the impact so far on the Council Tax Reduction Scheme.
- 4.17. It should be noted that the Scottish Government has set aside £50 million of funding to assist with the impact of COVID-19 on Council Tax and social security benefits, which will contribute to the costs of CTRS. The report does not currently include the grant income, as no allocation has been confirmed to date. This position will be monitored and reported as more information becomes available. Any allocation to the Council would reduce the Council's liability.
- 4.18. **Former Trading Services Income:** Budgets for former trading services (Roads, Community and Property Services) include income from the HRA and from Capital. In the current COVID-19 financial climate it remains the position that these Revenue Services still need to recover costs as planned.

- 4.19. 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.
- 4.20. For property services, the level of recharge to HRA, capital and general services would be an estimated £21.244 million assuming a 6 month period of downtime. Charges to HRA for Ground / Facilities and waste total £2.241 million assuming the same period of downtime. To 19 June the figure recharged to HRA for property services for capital and revenue was £6.8 million.
- 4.21. **Strathclyde Passenger Transport (SPT):** The Council continues to assume that payments to SPT will continue in line with original requisitions. SPT are monitoring their financial position, and any update impacting on the Council's finances will be reported back to members.
- 4.22. **Other Funding:** Finance and Corporate Resources have received additional funding of £0.384 million from the Department of Works and Pensions to assist with the impact of COVID-19 on the Housing Benefit Subsidy. Finance and Corporate Resources have also been notified of £0.265 million of funding from the Scottish Government for the Parental Employment Support Fund. Finally, Education Resources (£0.231 million) and Finance and Corporate Resources (£0.184 million) have been notified of funding from the Scottish Government for the No-one Left Behind Project. These amounts have been added to the figures included in Appendix 1.

5. Housing Revenue Account Position

- 5.1. As at 19 June 2020, Appendix 4 of the report shows a breakeven position against the phased budget on the Housing Revenue Account.
- 5.2. The Housing Revenue Account is incurring additional costs in respect of COVID-19. This includes a reduction in rental income collected, an increase in rent loss due to properties remaining void for longer periods, and the purchase of additional PPE. The COVID-19 lockdown has also caused an underspend on Repairs and Maintenance due to the inability to carry out work within homes.
- 5.3. As noted at 4.18, we have assumed that the HRA will continue to make payments to the former Trading Accounts at budgeted levels. These payments will continue until works recommence.
- 5.4. Within the break-even position, we have an anticipated year end transfer to reserves relating to the net underspend on repairs and maintenance due to COVID-19 lockdown. This funding will be required in future years to complete the repairs and maintenance work which we have currently been unable to carry out.
- 5.5. The forecast to 31 March 2021 on the Housing Revenue Account is a breakeven position.

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

- 6.1. The Council's recovery plan was approved by the Executive Committee on 24 June 2020.
- 6.2. Table 2 shows a projected shortfall of **£29.062 million** for 2020/2021. This excludes the costs of services delegated to the IJB and the anticipated income from the Government via the NHS.

Table 2 – Projected Budget Position 2020/2021

	£m
Projected Costs for 2020/2021 including Recovery Plans	39.422
Lost Income	9.132
Less Spend Not Made (<i>removed education flexibility</i>)	(4.648)
Savings Not Achievable	1.020
SLLC Shortfall	6.400
Less Costs Associated with Capital (<i>inc in Projected Costs above</i>)	(7.091)
Gross Cost to the Council in 2020/2021	44.235
Government Grant Confirmed to Date (mid June 2020) - Hardship Fund balance (£2.227m), Food Fund (£1.937m and £1.776m) and Consequentials (£9.233m).	(15.173)
Net Cost to the Council for 2020/2021 (after Government Grant)	29.062

- 6.3. The net cost reported in Table 2 includes a number of assumptions including the assumption that a level of charge is made to HRA and capital programmes (£23.485m – see section 4.20). If this level of recharge was not made the level of costs would increase to £52.5m (see appendix 5)
- 6.4. As noted in Table 2, the £29.062 million is made up of a number of elements. The figure includes Education Transport of £13 million (see update at section 6.6) but excludes the potential flexibility regarding PEF and SAC until a decision is made (£3.259 million). The ability to charge Capital for an estimate of Contractual Claims (£7.091 million) has been assumed, as has the fact that the Council can recover budgeted costs from the HRA and from the capital programme to assist in managing the former Trading Services Income lines.
- 6.5. We are currently awaiting information in relation to the UK Government announcement of a package of £500 million for Local Authorities. Scotland should see £50 million of consequentials funding from this, however, to date, we have not been advised on any specific funding for SLC. The UK Government also announced a scheme for councils to receive reimbursement for lost income. Again, we await details on whether this will also apply for Scotland.
- 6.6. **Education Update** – The estimated net cost of £29.062m includes an estimate of £13 million of costs for Education transport based on the blended model of schooling. Advice now issued indicates that this level of cost will not be required. The expected cost associated with schools returning is being reviewed in light of recent advice, and an update will be reported back to members.
- 6.7. **Council Tax / CTRS** - The figure does not include any impact of COVID-19 on Council Tax or CTRS, on the basis that a recent projection of the net income position, compared to budget for the year, shows a minimal variance.
- 6.8. **Funding Update** - Since the last report, the Council has been allocated £0.035 million of the £0.600 million funding being made available to assist in managing the costs of operating the Licensing and Registration service for 7 days instead of 5.

This has been added to Finance and Corporate Resources budget to fund this spend direct.

- 6.9. The Council has also been allocated a further £0.189 million for the additional DHP burden due to COVID-19. This has been allocated directly to the Finance and Corporate Resources budget. Finally, the Council's allocation of the national £27.6m to assist with continuing Free School Meals until August and assisting with food provision to vulnerable households has now been confirmed as £1.776 million. This has been included in the Appendices. The previous figures included an estimate of £1.8 million in relation to this allocation.
- 6.10. In addition, there is £30 million to provide laptops for disadvantaged children and young people including £25 million to enable a roll out of digital devices to school pupils to enable them to study online. The Council's share of the allocation has been confirmed as £1.469 million, of which £0.216 million is revenue funding. This has been added to Education's budget to spend direct.
- 6.11. The Government has also pledged to provide £100 million over the next 2 years to help support the return to school and help children recover lost ground as a result of COVID-19. The Council has not been notified of their share of this funding and therefore, it is not included in the funding table above or in the Appendices.

7. Employee Implications

- 7.1. None.

8. Financial Implications

- 8.1. As detailed within this report.

9. Climate Change, Sustainability and Environmental Implications

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

10. Other Implications

- 10.1. 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.
- 10.2. There are no implications for sustainability in terms of the information contained in this report.

11. Equality Impact Assessment and Consultation Arrangements

- 11.1. 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.
- 11.2. 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)

12 August 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 19 June 2020

Contact for Further Information

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

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SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 19 June 2020 (No.3)

<u>Committee</u>	Annual Budget	Annual Forecast	Annual Forecast Variance	Budget Proportion to 19/06/20	Actual to Period 3 19/06/20	Variance to 19/06/20		
Departments:	£m	£m	£m	£m	£m	£m		%
Community and Enterprise Resources	109.178	109.178	0.000	21.238	23.984	(2.746)	over	(12.9%)
Facilities Streets Waste and Grounds	65.474	65.474	0.000	11.234	11.039	0.195	under	1.7%
Environmental Services (Inc. Projects)	0.925	0.925	0.000	1.277	1.411	(0.134)	over	(10.5%)
Leisure and Culture Services	19.321	19.321	0.000	4.871	4.871	0.000	-	0.0%
Planning and Economic Development	2.120	2.120	0.000	0.251	0.489	(0.238)	over	(94.8%)
Roads	21.338	21.338	0.000	3.605	4.125	(0.520)	over	(14.4%)
COVID19	0.000	0.000	0.000	0.000	2.049	(2.049)	over	n/a
Education Resources	349.580	349.580	0.000	67.204	68.043	(0.839)	over	(1.2%)
Education	349.580	349.580	0.000	67.204	67.394	(0.190)	over	(0.3%)
COVID19	0.000	0.000	0.000	0.000	0.649	(0.649)	over	n/a
Finance and Corporate Resources	36.008	36.008	0.000	11.716	12.147	(0.431)	over	(3.7%)
Finance Services - Strategy	1.982	1.982	0.000	0.798	0.817	(0.019)	over	(2.4%)
Finance Services - Transactions	13.685	13.685	0.000	4.064	4.076	(0.012)	over	(0.3%)
Audit and Compliance Services	0.330	0.330	0.000	0.127	0.131	(0.004)	over	(3.1%)
Information Technology Services	4.707	4.707	0.000	2.981	2.956	0.025	under	0.8%
Communications and Strategy Services	0.957	0.957	0.000	0.347	0.377	(0.030)	over	(8.6%)
Administration and Licensing Services	4.204	4.204	0.000	1.526	1.606	(0.080)	over	(5.2%)
Personnel Services	10.143	10.143	0.000	1.873	1.892	(0.019)	over	(1.0%)
COVID19	0.000	0.000	0.000	0.000	0.292	(0.292)	over	n/a
Housing and Technical Resources	13.994	13.994	0.000	2.469	2.713	(0.244)	over	(9.9%)
Housing Services	8.543	8.543	0.000	1.168	1.168	0.000	-	0.0%
Property Services	5.451	5.451	0.000	1.301	1.301	0.000	-	0.0%
COVID19	0.000	0.000	0.000	0.000	0.244	(0.244)	over	n/a
Social Work Resources	172.411	172.411	0.000	34.401	34.523	(0.122)	over	(0.4%)
Performance and Support Services	8.044	8.044	0.000	1.649	1.648	0.001	under	0.1%
Children and Families	35.610	35.610	0.000	7.319	7.351	(0.032)	over	(0.4%)
Adults and Older People	127.251	127.251	0.000	25.240	25.239	0.001	under	0.0%
Justice and Substance Misuse	1.506	1.506	0.000	0.193	0.163	0.030	under	15.5%
COVID19	0.000	0.000	0.000	0.000	0.122	(0.122)	over	n/a
Joint Boards	2.245	2.245	0.000	0.549	0.549	0.000	-	0.0%
	683.416	683.416	0.000	137.577	141.959	(4.382)	over	(3.2%)

<u>Committee</u>	Annual Budget	Annual Forecast	Annual Forecast Variance	Budget Proportion to 19/06/20	Actual to Period 3 19/06/20	Variance to 19/06/20		
	£m	£m	£m	£m	£m	£m		
Service Departments Total	683.416	683.416	0.000	137.577	141.959	(4.382)	over	(3.2%)
CFCR	5.389	5.389	0.000	0.000	0.000	0.000	-	n/a
Loan Charges	49.743	49.743	0.000	10.659	10.659	0.000	-	0.0%
Corporate Items	5.706	5.706	0.000	0.032	0.032	0.000	-	0.0%
Corporate Items - COVID19	15.173	15.173	0.000	6.216	1.714	4.502	under	72.4%
Total Expenditure	759.427	759.427	0.000	154.484	154.364	0.120	under	0.1%
Council Tax	159.471	159.471	0.000	34.172	34.172	0.000	-	0.0%
Less: Council Tax Reduction Scheme	(21.304)	(21.304)	0.000	(4.565)	(4.565)	0.000	-	0.0%
Net Council Tax	138.167	138.167	0.000	29.607	29.607	0.000	-	0.0%
General Revenue Grant	344.036	344.225	0.000	77.895	77.895	0.000	-	0.0%
General Revenue Grant- COVID19	17.002	17.002	0.000	7.924	7.924	0.000	-	0.0%
Non Domestic Rates	226.179	226.179	0.000	51.210	51.210	0.000	-	0.0%
Transfer from Reserves	34.043	34.043	0.000	34.043	34.043	0.000	-	0.0%
Total Income	759.427	759.427	0.000	200.679	200.679	0.000	-	0.0%
Net Expenditure / (Income)	0.000	0.000	0.000	(46.195)	(46.315)	0.120	under	0.3%

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 19 June 2020 (No.3)

<u>Budget Category</u>	Annual Budget	Annual Forecast	Annual Forecast Variance	Budget Proportion to 19/06/20	Actual to Period 3 19/06/20	Variance to 19/06/20		%
	£m	£m	£m	£m	£m	£m		
Service Departments:								
Expenditure								
Employee Cost	523.413	523.413	0.000	104.522	105.383	(0.861)	over	(0.8%)
Property Costs	52.164	52.164	0.000	6.874	7.617	(0.743)	over	(10.8%)
Supplies and Services	59.241	59.241	0.000	9.970	7.393	2.577	under	25.8%
Transport Costs	39.466	39.466	0.000	6.681	6.317	0.364	under	5.4%
Administration Costs	14.858	14.858	0.000	2.744	2.742	0.002	under	0.1%
Payments to Other Bodies	115.354	115.354	0.000	51.868	52.053	(0.185)	over	(0.4%)
Payments to Contractors	200.233	200.233	0.000	28.756	27.510	1.246	under	4.3%
Transfer Payments	5.621	5.621	0.000	1.100	1.038	0.062	under	5.6%
Housing Benefits	70.687	70.687	0.000	11.812	11.641	0.171	under	1.4%
Financing Charges (controllable)	2.009	2.009	0.000	0.394	0.366	0.028	under	7.1%
Total	1,083.046	1,083.046	0.000	224.721	222.060	2.661	under	1.2%
Service Departments Total	1,083.046	1,083.046	0.000	224.721	222.060	2.661	under	1.2%
CFCR	5.389	5.389	0.000	0.000	0.000	0.000	-	n/a
Loan Charges	49.743	49.743	0.000	10.659	10.659	0.000	-	0.0%
Corporate Items	5.706	5.706	0.000	0.032	0.032	0.000	-	0.0%
Corporate Items - COVID-19	15.173	15.173	0.000	6.216	1.714	4.502	under	72.4%
Total Expenditure	1,159.057	1,159.057	0.000	241.628	234.465	7.163	under	
Income								
Housing Benefit Subsidy	65.542	65.542	0.000	10.018	9.936	(0.082)	under rec	(0.8%)
Other Income	334.088	334.088	0.000	77.126	70.165	(6.961)	under rec	(9.0%)
Council Tax (Net of Council Tax Reduction Scheme)	138.167	138.167	0.000	29.607	29.607	0.000	-	0.0%
General Revenue Grant	344.036	344.036	0.000	77.895	77.895	0.000	-	0.0%
General Revenue Grant - COVID-19	17.002	17.002	0.000	7.924	7.924	0.000	-	0.0%
Non Domestic Rates	226.179	226.179	0.000	51.210	51.210	0.000	-	0.0%
Transfer from Reserves	34.043	34.043	0.000	34.043	34.043	0.000	-	0.0%
Total Income	1,159.057	1,159.057	0.000	287.823	280.780	(7.043)	under rec	(2.4%)
Net Expenditure / (Income)	0.000	0.000	0.000	(46.195)	(46.315)	0.120	under	0.3%

COVID-19 Expenditure to 19 June 2020

Additional Costs

Service	Description of Cost	Value £m
Community and Enterprise Resources		
Fleet Services	Staffing costs supporting COVID response	0.068
Facilities, Streets, Waste and Grounds	Staffing costs supporting COVID response	0.057
Facilities, Streets, Waste and Grounds	PPE, Equipment and cleaning materials for staff.	0.386
Facilities, Streets, Waste and Grounds	Fuel costs to support COVID response	0.011
Facilities, Streets, Waste and Grounds	Increase in domestic waste tonnage	0.258
Leisure	Impact of lost income on SLLCT establishments	1.269
Education Resources		
Schools	Continuity of Supply Teachers	0.378
Support Services	Staffing costs supporting COVID response	0.058
Schools (Hubs)	Resources and cleaning materials	0.057
Support Services (Other)	YFCL Additional hours	0.021
Schools / Early Years	PPE equipment	0.108
Schools (Hubs)	Signage / Posters / Stickers	0.005
Early Years	ELC Provision to key workers	0.022
Finance and Corporate Resources		
IT Services	IT related spend to allow home working and PPP cleaning	0.100
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.	0.151
Finance (Transactions)	Paypoint charges in respect of Free School Meal Vouchers	0.035
All	PPE, telephones and mail to support COVID response.	0.006
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	0.244
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	0.122
Total Additional Costs as at Period 3		3.356

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 May 2020	0.000
Council Tax	Loss of Council Tax arrears collection income at end May 2020	0.000
CTRS	Cost of additional payments as at end May 2020	0.000
Additional Cost/Lost Income as at Period 3		0.000

Expenditure on Food Fund

Service	Description of Lost Income	Value £m
Corporate Items	Expenditure on Food Fund related items including Free School Meals provision and food to vulnerable households.	1.714
Additional Costs as at Period 3		1.714

Lost Income

Service	Description of Lost Income	Value £m
Community and Enterprise Resources		
Planning and Economic Development	Reduced income from Planning applications	0.240
Roads	Reduced Parking income and income from Roads Act legislation	0.544
Facilities, Streets, Waste and Grounds	Reduced school meals, care of gardens and special uplifts income	0.817
Fleet, Environmental and Projects	Reduced income from taxi inspections.	0.035
Education Resources		
Early Years	Reduced income from Early Years Fees, playgroups and nursery milk claims	0.181
Support Services	Reduced income from Music Tuition fees	0.059
Support Services	Reduced income from Privilege transport	0.005
Finance and Corporate Resources		
Administration, Legal and Licensing	Reduced income for Licensing and Registration	0.066
Communications and Strategy	Reduced print room income.	0.058
Personnel	Reduced income from laundry services and café.	0.013
Total Lost Income as at Period 3		2.018

Unspent Budget

Service	Description of Lost Income	Value £m
Community and Enterprise Resources		
Facilities, Streets, Waste and Grounds	Reduced expenditure on food purchases	(0.860)
Education Resources		
Support Services	West Partnership Income	(0.012)
Unspent Budget as at Period 3		(0.872)

Net Cost of COVID-19 as at Period 3	6.216
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Social Care

Service	Description	Value £m
Adults and Older People		
Mobilisation Costs	Costs incurred related to discharges from hospital, PPE, additional staffing costs to maintain service delivery, support to carers and the provision of meals.	2.714
Unachieved Savings	Savings due as result of Day Care and Care and Support Reviews.	0.188
Lost Income	Lost income through suspension of day care services and social support in the community.	0.125
Total Social Care Costs of COVID-19 as at Period 3		3.027

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 19 June 2020 (No.3)
Housing Revenue Account

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 19/06/20	Actual to Period 3 19/06/20	Variance to 19/06/20		%	Note
	£m	£m	£m	£m	£m	£m			
Employee Costs	13.721	13.721	0.000	2.734	2.668	0.066	under	2.4%	1
Property Costs	46.661	46.661	0.000	8.114	7.033	1.081	under	13.3%	2
Supplies & Services	0.996	0.996	0.000	0.094	0.089	0.005	under	5.3%	
Transport & Plant	0.195	0.195	0.000	0.019	0.018	0.001	under	5.3%	
Administration Costs	5.644	5.644	0.000	0.804	0.776	0.028	under	3.5%	
Payments to Other Bodies	3.176	3.176	0.000	0.682	0.682	0.000	-	0.0%	
Payments to Contractors	0.100	0.100	0.000	0.005	0.000	0.005	under	100.0%	
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	-	n/a	
Financing Charges	19.448	19.448	0.000	3.357	3.357	0.000	-	0.0%	
Total Controllable Expenditure	89.941	89.941	0.000	15.809	14.623	1.186	under	7.5%	
Total Controllable Income	(107.634)	(107.634)	0.000	(18.052)	(17.730)	(0.322)	under rec	(1.8%)	3
Transfer to/(from) Balance Sheet	(0.315)	(0.315)	0.000	(0.069)	0.795	(0.864)	over	(1252.2%)	4
Net Controllable Expenditure	(18.008)	(18.008)	0.000	(2.312)	(2.312)	0.000	-	0.0%	
Add: Non Controllable Budgets									
Financing Charges	18.008	18.008	0.000	3.947	3.947	0.000	-	0.0%	
Total Budget	0.000	0.000	0.000	1.635	1.635	0.000	-	0.0%	

Variance Explanations

1. Employee Costs

This underspend reflects the level of turnover within the Service.

2. Property Costs

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

3. Income

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

4. Transfer to/(from) Balance Sheet

This reflects the anticipated year end transfer to reserves in relation to the underspend on repairs and maintenance due to COVID19 lockdown. The position will be closely monitored as lockdown arrangements change over the coming months.

Presentation of costs including recharging to HRA and Capital

	£m	£m
Overall Costs and loss of income (including lost income from Property services, and Ground / facilities and waste services)		67.391
SLLC and Savings not Achievable		<u>7.420</u>
		74.811
Less : Recharging to HRA , General Fund and Capital	** (23.485)	
Less : Capital costs being met from capital	<u>(7.091)</u>	<u>(30.576)</u>
Revised costs		44.235
Less : Government Grant confirmed		<u>(15.173)</u>
Net costs to the council (excluding capital)		29.062

**** As shown at Section 6.3– if costs are not recharged to HRA and Capital the overall costs increase to £52.547m
(£23.485m + £29.062m)**