

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 2019/2020
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ advise the Forum on the year-end position for the General Fund and the revenue budget performance of each Resource,
- ◆ advise on the year-end position of the Housing Revenue Account (HRA),
- ◆ provide a reconciliation of the outturn position in the Annual Accounts (Expenditure and Funding Analysis Statement) to the revenue budget performance for the year 2019/2020,
- ◆ provide details of the full unaudited South Lanarkshire Council Accounts 2019/2020 and Charitable Accounts 2019/2020 for consideration, and
- ◆ provide the publication details for the unaudited Annual Accounts.

2. Recommendation(s)

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

- (1) that the final underspend position of £3.021 million, on the General Fund, after transfers to reserves (Section 6 and summarised in Appendix 1), be noted;
- (2) that the increase of £0.745 million on the transfers previously approved at Probable Outturn, to reflect the final outturn position on these items (section 7.2), be noted;
- (3) that the proposed additional transfers to reserves by Resources and Corporate Items totalling £2.161 million (Sections 7.3 and 7.10.3), be noted;
- (4) that the additional allocation of £0.365 million of funding to SLLC to cover their in-year loss of income due to COVID-19 (section 7.6), be noted;
- (5) that the final outturn position of an underspend of £3.021 million, and the transfer of this underspend to the General Fund (Section 8.5), be noted;
- (6) that the position on the Housing Revenue Account, including the transfers to reserves of £0.702 million (Section 10), be noted;
- (7) that the publication details for the unaudited Annual Accounts for 2019/2020 (Section 11), be noted; and
- (8) that South Lanarkshire Council Accounts 2019/2020 and the Charitable Accounts 2019/2020 have been provided to members for their consideration, be noted.

3. Background

3.1. The Revenue reports attached provide detail on the Executive Committee report dated 24 June 2020, which shows the final outturn for the Council's General Services Revenue Budget and the Housing Revenue Account.

3.2. Under existing regulations, the Council's unaudited Annual Accounts for the year ended 31 March 2020 require to be submitted for audit by 30 June 2020. As agreed with the Council's External Auditors, due to the impact of COVID-19, only the main financial statements from the unaudited Annual Accounts were submitted to the Risk and Audit Scrutiny Committee on 18 June 2020 for consideration. This was prior to the full unaudited Accounts being submitted to the External Auditor by 30 June 2020. A full copy of the unaudited Accounts was circulated to all Elected Members after the submission date of 30 June 2020.

3.3. This report will provide information on the following areas:

- Executive Summary on 2019/2020 Outturn Position (Section 4)
- Summary of Council's position in relation to COVID19 expenditure in 2019/2020 (Section 5)
- General Services Probable Outturn position for 2019/2020 (Section 6)
- General Services year-end monitoring position for 2019/2020 (detailed in Section 7 and summarised in Section 8)
- Summary of Year End Reserves position (Section 9)
- Year-end position on the Housing Revenue Account (Section 10)
- Information on the Annual Accounts including details of publication arrangements for the unaudited Accounts (Section 11)
- Reconciliation of the year-end monitoring position summarised in section 7, to the figures presented in the Annual Accounts (Section 12 and Appendix 8)
- Details of the Charities Accounts (Section 13)

4. **Executive Summary**

4.1. Audit recommendations require the Council to present a report to Elected Members detailing the final outturn position on the Council's Revenue Budget, including seeking approval for any transfers to reserves not previously reported or approved throughout the year.

4.2. This report and appendices provides a detailed analysis of the Council's financial position. Whilst the full detail and background is provided for Member's information in the report, in order to summarise the position and provide Members with the key highlights, an Executive Summary is provided below.

4.2.1. **Final Outturn Position:** The position after all transfers to reserves is an underspend of £3.021 million. This is an improvement of £0.353 million on the £2.668 million previously reported to Members as part of the Probable Outturn at the Executive Committee (26 February 2020) (section 6.1).

4.2.2. **Resource position:** The position after transfers to reserves is an overspend of £2.856 million, compared to the previously reported position of £2.511 million, a decline of £0.345 million. However, these figures include costs and lost income in relation to COVID-19 (£0.751 million) which has been offset by applying £0.751 million of the COVID-19 Hardship Fund included within the General Revenue Grant. If these costs are excluded, the Resource position is an overspend of £2.105 million, an improvement of £0.406 million, mainly within Social Work Resources as a result of the funding received from the Integrated Joint Board to assist with the pressures in Adult and Older People Services.

4.2.3. **Loan Charges:** The final position after transfers is an underspend of £2.273 million, an improvement of £0.370 million on the position previously reported during the year. This is due the interest received on the Council's revenue balances being higher than anticipated (section 7.9).

- 4.2.4. **Corporate Items:** The final position after transfers to reserves is an overspend of £1.408 million, an increase of £0.239 million on the position reported during the year (section 7.10).
- 4.2.5. **Council Tax:** The final position is an over recovery of £4.261 million, mainly as a result of lower demand for the Council Tax Reduction Scheme, collection of arrears for previous years and a slightly higher in-year collection of Council Tax. This is a reduced position of £0.184 million on that previously reported (section 7.12).
- 4.2.6. **General Revenue Grant:** The final position shows an over recovery of £0.751 million in relation to the use of the COVID-19 Hardship Grant to fund spend incurred in 2019/2020. This represents the use of 25.2% of this Fund in the first 2 weeks of activity (section 7.14).
- 4.2.7. **Transfer to Reserves:** As part of the Probable Outturn, the Executive Committee approved a transfer of £11.493 million to Reserves. At the year-end approval is sought to transfer a further £2.161 million to reserves, reflecting £1.817 million of specific funding and £0.344 million of commitments, taking the total transfers to reserves to £13.654 million (section 8.3).
- 4.2.8. **Uncommitted Reserves:** It is proposed that the bottom-line underspend of £3.021 million is added to the Reserves to be used to fund future pressures, and be held in the General Fund (section 8.5).
- 4.2.9. The final outturn position is summarised in Table 1.

Table 1 - Summary of Outturn Position 2019/2020

Budget Line	Under / (Over) Before Transfer to Reserves	Total Approved Transfers to Reserves (App 2) (Exec Cttee – 29 Jan'20)	Total Additional Transfer to Reserves	Under / Over - Final Outturn
	£m	£m	£m	£m
Resources (sections 4.2.2)	2.374	(4.126)	(1.104)	(2.856)
Centrally Held Budgets (sections 4.2.3-4.2.4)	9.289	(7.367)	(1.057)	0.865
Total Expenditure	11.663	(11.493)	(2.161)	(1.991)
Council Tax Income (section 4.2.5)	4.261	-	-	4.261
General Revenue Grant - COVID-19 (section 4.2.2)	0.751	-	-	0.751
Net Expenditure	16.675	(11.493)	(2.161)	3.021

- 4.3. **Reserves:** The Council's General Fund Reserves at the end of 2019/2020 will be £75.358 million. There are £51 million of reserves set aside for future budget strategies of which £35 million has been allocated to specific years (section 9). The balance is being considered as part of the 2021/2022 Revenue Budget Strategy and Savings Requirement paper, also presented to the meeting on 24 June 2020.
- 4.4. **Annual Accounts:** The main statements from the Council's Annual Accounts and the Charities Accounts have been considered by the Risk and Audit Scrutiny Committee and a copy of the accounts were provided to Members following

submission to the External Auditor on 30 June 2020. A reconciliation between the accounts and figures contained in this report is provided (section 12 and Appendix 8).

- 4.5. Full details of each of these items is included in the remainder of the report.

5. COVID-19 and Impact on Council Outturn

- 5.1. The Council has incurred expenditure in relation to COVID-19 and in order to separate these costs from the Council's normal activities, a COVID-19 Service has been included within each Resource. In addition, within the Resource positions for Community and Enterprise Resources and Finance and Corporate Resources, there is an under recovery of income due to COVID-19. The cost of COVID-19 is shown in the individual Resources positions.
- 5.2. The total for both additional expenditure and lost income is £0.751 million. This is offset by additional Government Grant shown as an income over-recovery in the General Revenue Grant line. This represents the use of 25.2% of the Hardship Fund in the first 2 weeks of activity. The details of this are included in section 7 of the report.
- 5.3. It is noted that the figure of £0.751 million excludes the costs incurred by Social Work Resources for Adults and Older People Social Care, as these are funded by the Scottish Government Mobilisation Plan, via Health. This relates to expenditure on beds to facilitate discharge from hospital, expenditure on support for carers, PPE equipment and also staff overtime. These costs and income sit fully within Social Work Resources and total £0.325 million.
- 5.4. Although the Scottish Government have allocated funding to assist in managing these additional costs, the funding may not be sufficient to cover all of the costs being incurred by councils across financial years 2019/2020 and 2020/2021. If spend continues at current levels, and full additional funding is not forthcoming from Central Governments, this will put pressure on the Council's budget in 2020/2021. Further details are included in the 2020/2021 Revenue Monitoring report to the Executive Committee.
6. **2019/2020 General Services - Summary of Final Outturn Compared to Probable Outturn Position**
- 6.1. After taking into account the Transfers to Reserves approved at the Executive Committee on 29 January 2020, the Probable Outturn position was an underspend of £2.668 million. This is illustrated in Table 2.

Table 2 - General Services 2019/2020 Probable Outturn

	£m
Forecast Underspend Before Transfers to Reserves	13.416
Less: Transfer to Reserves	(10.748)
Forecast Underspend After Transfers to Reserves (at Probable Outturn)	2.668

- 6.2. It was agreed in the report to the Executive Committee (26 February 2020) that this £2.668 million underspend would be transferred to the Uncommitted General Fund for use in future strategies. This would include supporting the costs of transitional change in the Care at Home Service.

- 6.3. **Final Outturn:** The final outturn position after all transfers to Reserves is an underspend of £3.021 million, the details of which are summarised in Table 3.

Table 3 - Movement from Probable Outturn Position

	£m
Total Resources (section 7.4)	(0.345)
Centrally Held Budgets (sections 7.8 - 7.11)	0.131
Council Tax / Council Tax Reduction Scheme (section 7.12)	(0.184)
General Revenue Grant - COVID-19 Funding (section 7.14)	0.751
Movement from Probable Outturn Position	0.353

7. 2019/2020 Year-End Position

- 7.1. **Resources:** At the Year-End, the net expenditure position for Resources before Transfers to Reserves, is £669.984 million compared to the budget of £672.358 million. This results in an underspend of £2.374 million. The detail of this is shown in Appendix 1 with the underspend specifically shown in column 6.
- 7.2. As noted in section 5, the Executive Committee (29 January 2020) approved Transfers to Reserves totalling £10.748 million. The final outturn position on these items is now known and has resulted in an increase of £0.745 million in the value of these approved transfers. For Resources, the total approved Transfers is now £11.493 million. These are detailed in Appendix 2 for ease of reference.
- 7.3. Based on the year-end position, Resources are proposing additional Transfers to Reserves totalling £1.104 million, for commitments where spend was not incurred in 2019/2020, but would be required in 2020/2021. These transfers are shown in Table 4, with more detail provided in Appendix 3.

Table 4 - Resources - Additional Proposed Transfers

Proposed Transfer	£m	£m
Community and Enterprise		
Forrest Street Shed (Future year commitment)	0.034	
Electric Vehicles (Future year commitment)	0.100	
		0.134
Education		
Additional Support for Learning (Specific funding)	0.959	
		0.959
Finance and Corporate		
British Sign Language (Specific funding)	0.011	
		0.011
Total Resource Additional Transfers		1.104

- 7.4. Taking all the Transfers to Reserves into account, the Resources' final outturn position is an overspend of £2.856 million (Appendix 1, col 8). This is an increased overspend of £0.345 million when compared to the £2.511 million overspend reported in the Probable Outturn position.
- 7.5. However, as detailed in section 5, Resources have incurred additional expenditure and lost income totalling £0.751 million in relation to COVID-19. The expenditure is shown separately for each Resource in Appendix 1, whilst the lost income is included within the relevant Services' outturn positions. This has been managed from additional COVID-19 General Revenue Grant.

- 7.6. South Lanarkshire Leisure and Culture (SLLC) have notified the Council of a budget pressure from lost income resulting from COVID-19. This is included in the £0.751 million in section 7.5. It is proposed that the Council provides an additional allocation of £0.365 million to SLLC to allow them to meet this pressure.
- 7.7. The detailed position for each Resource is detailed in Appendix 4. Appendix 5 contains explanations for significant variances for each of the Services within the Resources.
- 7.8. **Capital Financed from Current Revenue (CFCR):** The CFCR budget line is showing a breakeven position at the year-end. This is unchanged from the position that was reported as part of the Probable Outturn.
- 7.9. **Loan Charges:** The position at the end of the year before transfers is an underspend of £8.887 million. This is an improved position of £0.375 million on the position reported throughout the year.
- 7.9.1. As reported to the Executive Committee (26 June 2019), the overall underspend is because we have not required to take any borrowing this year, we have re-phased the principal repayments on debt as part of the initial phase of the Loans Fund Review (reflecting the changes to the future repayment of borrowing for schools) and also the impact in 2019/2020 of the interest rates at which borrowing was taken in 2018/2019. It also includes interest due to the Council from deposits. The next phase of the Loans Fund Review, is subject to a separate report to the Executive Committee.
- 7.9.2. These are offset in part by a Transfer to Reserves to assist in future Budget Strategies. The improvement at year-end reflects the interest received on the Council's revenue balances being higher than anticipated.
- 7.9.3. After taking account of the approved transfer to reserves of £6.500 million for loan charges and £0.114 million in relation to the interest income that belongs to the Council's specific reserves, the outturn position is an underspend of £2.273 million, reflecting an improved position of £0.370 million.
- 7.10. **Corporate Items:** The final outturn position is an overspend of £0.088 million before transfers to reserves.
- 7.10.1. In addition to the costs of Auto Enrolment and the income in relation to spend to save project repayments reported as part of the Probable Outturn position, the final outturn position also includes income in relation to energy projects (Feed In Tariffs and Renewable Heating Initiatives), which are not known until the end of the financial year. The income for both the spend to save projects and the energy projects are included in the Transfers to Reserves (Appendices 2 and 3).
- 7.10.2. Corporate Items also includes the commitment on social housing funded by additional income from Council Tax Second Homes. The relevant income is included within the Council Tax income line, and between the two, has no impact on the Council's bottom line position. The commitment takes the form of a Transfer to Reserves which is included in the proposed additional transfers detailed in Appendix 3.

7.10.3. Finally, it is proposed that a transfer of £0.210 million be made to reserves to manage the costs of a staff and management development programme over the next 3 years. This proposed transfer is included in Appendix 3.

Table 5 - Corporate Items - Additional Proposed Transfers

Proposed Transfer	£m
Feed In Tariffs - Future costs (section 7.10.1)	0.053
Renewable Heating Initiative - Future costs (section 7.10.1)	0.332
Council Tax Second Homes (section 7.10.2)	0.462
Staff and Management Development Programme (section 7.10.3)	0.210
Total Corporate Items Additional Transfers	1.057

7.10.4. The Corporate Items' position after all proposed Transfer to Reserves is an overspend of £1.408 million. This is an increase of £0.239 million on the overspend position reported as part of the Probable Outturn for Corporate Items.

7.11. **Corporate Items- 2020/2021 Strategy:** As reported during the year, the Council budget contains budgets not required in the current year which are being transferred to reserves for use in the 2020/2021 Budget Strategy. The final position before transfers is an underspend of £0.490 million and after transfers is a breakeven position. This reflects the position reported as part of the Probable Outturn.

7.12. **Council Tax and Council Tax Reduction Scheme:** The year-end position on the Council Tax line is an over recovery of £4.261 million. The over recovery relates to higher than budgeted arrears collection, additional in-year collection and an over recovery of income in respect of Council Tax Second Homes, which offsets the expenditure contained within Corporate Items (section 7.10.2).

7.13. The year-end over-recovery is a decrease in position of £0.184 million compared to the probable position and mainly relates to a reduction in the level of arrears collected, partially offset by lower than anticipated demand for the Council Tax Reduction Scheme payments.

7.14. General Revenue Grant

As detailed in section 5, the Council has incurred additional spend and has lost income as a result of COVID-19. The Scottish Government have made some funding available to councils to assist in managing these additional costs. For 2019/2020, the Council has incurred additional costs and lost income of £0.751 million. This equates to 25.2% of the Hardship Fund being utilised in the first 2 weeks of COVID-19 activity. The use of the Government Grant is shown as an over recovery of £0.751 million against the General Revenue Grant budget line.

7.15. **Accounting Adjustments:** Accounting Regulations mean that adjustments are required to report spend correctly as either capital or revenue for the purposes of publishing our Annual Accounts. This includes where spend from the capital programme is on assets that are not owned by the Council (for example Clyde Gateway spend) or where spend must be classed as revenue. There is no physical impact for projects from this adjustment – it is an accounting entry only.

7.16. £0.826 million of capital spend is required to be recorded as revenue spend. Conversely, £0.405 million of revenue spend should be recorded as capital. This expenditure relates mainly to plant and equipment. The Resource positions above, include these required transfers between the revenue and capital account, and

reflects the position reported to the Executive Committee on 24 June 2020 (Capital Final Outturn 2019/2020).

8. Summary of the General Services 2019/2020 Final Outturn Position

- 8.1. Table 6 summarises the year-end position across Resources and Corporate Budget lines, as discussed in section 7.

Table 6 - General Services 2019/2020 Year-End (shown as Table 1 in Executive Summary)

Budget Line	Under / (Over) Before Transfer to Reserves	Total Approved Transfers to Reserves (App 2) (Exec Cttee – 29 Jan'20)	Total Additional Transfer to Reserves	Under / Over - Final Outturn
	£m	£m	£m	£m
Resources (sections 7.1-7.7)	2.374	(4.126)	(1.104)	(2.856)
Centrally Held Budgets (sections 7.8-7.11)	9.289	(7.367)	(1.057)	0.865
Total Expenditure	11.663	(11.493)	(2.161)	(1.991)
Council Tax Income (section 7.12)	4.261	-	-	4.261
General Revenue Grant - COVID-19 (section 7.14)	0.751	-	-	0.751
Net Expenditure	16.675	(11.493)	(2.161)	3.021

- 8.2. The approved Transfers to Reserves as part of the Probable Outturn position of £11.493 million is the revised figure shown in Appendix 2, and takes account of the fact that some transfers have been revised to reflect the final spend achieved in these areas in 2019/2020.
- 8.3. Table 6 shows that before the Transfers to Reserves, there is an underspend of £16.675 million. Taking into account the Transfers agreed as part of the Probable Outturn position (Appendix 2) as well as the additional Proposed Transfers of £2.161 million (Appendix 3) gives a total Transfer to Reserves of £13.654 million.
- 8.4. After taking account of all known commitments and transfers to reserves, **the position on the Council's budget is an underspend of £3.021 million.**
- 8.5. It is proposed that this underspend of £3.021 million is added to the Reserves to be used to fund future pressures, including supporting the costs of transitional change in Care at Home Services, and be held in the General Fund.

9. Reserves

- 9.1. As a result of the 2019/2020 final outturn exercise, the Council's Usable Reserves at the end of 2019/2020 will be £103.369 million. Of this total Reserves balance, £51.311 million was identified for use in the Council's Revenue Budget Strategies, with £34.669 million of commitments including £32.001 million for 2020/2021 and £2.668 million identified to support the costs of transitional change in the Care at Home Service. (section 6.2). Appendix 6 provides a final Reserves position at 31 March 2020.
- 9.2. Other amounts within the overall total estimated Reserves at the end of 2019/2020 relate to specific Reserves such as the Housing Revenue Account, the Insurance

Fund and Capital Funds, with £13.043 million held in the Uncommitted General Fund Reserve (excl. Revenue Strategy element) which the Council holds to use in the event of unforeseen circumstances year. Table 7 shows the position.

Table 7 - Reserves Analysis

	General Fund £m	Other Reserves £m	Total £m
Total Reserves (at 31 March 2020)	75.358	28.011	103.369
Less: Committed Reserves			
• Revenue Budget Strategies <i>(amount not yet allocated to specific years - £15.922m)</i>	46.311	5.000	51.311
• Housing Revenue Account	-	9.713	9.713
• Insurance Fund	-	2.053	2.053
• Repairs and Renewals	-	4.838	4.838
• Winter Maintenance	-	1.080	1.080
• Capital Funds (incl IT Development Fund)	-	5.327	5.327
• Government Grant carried forward	16.004	-	16.004
Uncommitted General Fund Reserve	13.043	-	13.043

10. Housing Revenue Account

10.1. The Housing Revenue Account is separate to the Council's General Fund. This account shows a surplus for the year of £0.240 million, which has been transferred to the Housing Revenue Account Reserve. Appendix 7 shows the final outturn position to 31 March 2020 on the Housing Revenue Account. The position on the Housing Revenue Account will be breakeven after the Transfer to Reserves of £0.702 million, comprising the surplus of £0.240 million above and the Council Tax Second Homes transfer of £0.462 million (see section 7.10.2).

10.2. These transfers of £0.702 million, when added to the amount brought forward from 2018/2019, gives an accumulated surplus of £9.713 million to be carried forward to 2020/2021. This is reflected in the Council's reserves position.

11. Annual Accounts - South Lanarkshire Council

11.1. The Local Authority Accounts (Scotland) Regulations 2014 require the unaudited accounts to be formally considered by elected members at a meeting to be held no later than 31 August.

11.2. Following discussions with the External Auditor on the impact of COVID-19 on the presentation of the Annual Accounts to the Risk and Audit Scrutiny Committee, the Risk and Audit Scrutiny Committee were presented with the main statements from the 2019/2020 unaudited Accounts for their consideration at the meeting on 18 June 2020.

11.3. The Annual Statement of Governance will be included in the Accounts and was presented separately to the Risk and Audit Scrutiny Committee on 18 June 2020, and to the Executive Committee on 24 June 2020.

11.4. A copy of the unaudited Annual Accounts was e-mailed to all Elected Members for information, following the submission of the Annual Accounts to the External Auditor on 30 June 2020.

- 11.5. The Annual Accounts have been prepared in line with proper accounting practice contained within the Accounting Code of Practice (the Code), but remain subject to audit by Audit Scotland, who will complete their audit by 30 November 2020, having reported their findings to the Risk and Audit Scrutiny Committee in advance of that date. The revised deadline of 30 November (previously 30 September), reflects the impact of COVID-19 on the timescales of audit work being carried out by Audit Scotland. The year-end position detailed in section 7 is reflected in the Council's unaudited Annual Accounts.
- 11.6. The full unaudited Annual Accounts will be available for public inspection between 1 July 2020 and 22 July 2020, as prescribed by the Local Authority Accounts (Scotland) Regulations 2014. They will be available on the Council's website but due to the guidance around COVID-19 they will not be available in the Council offices to inspect. Arrangements will be made to provide any information requested as part of this public consultation. The unaudited Annual Accounts will be on the Council's website from 1 July 2020 until the date the audited Accounts are published.
- 12. Annual Accounts: Restatement of Monitoring Figures Reported**
- 12.1. The Code introduced an Expenditure and Funding Analysis which must be prepared as part of the main Annual Accounts. The purpose of the statement is to reconcile the monitoring position reported to the Council's Executive Committee, to the figures reported in the Comprehensive Income and Expenditure Statement, which are presented on an accounting basis.
- 12.2. Appendix 8 provides a reconciliation of the monitoring figures reported in Appendix 1 of this report to the figures included in the Council's Annual Accounts (in the Expenditure and Funding Analysis Statement and the Comprehensive Income and Expenditure Account).
- 13. Charitable Trusts Unaudited Accounts**
- 13.1. The Council also submits unaudited accounts to the external auditor in respect of the 3 Charitable Trusts managed by the Council: South Lanarkshire Council Educational Trust, South Lanarkshire Council Charitable Trusts and the East Kilbride Information Technology Trust.
- 13.2. Copies of Charitable Trust accounts were also e-mailed to Elected Members following their submission to External Audit on 30 June 2020.
- 14. Employee Implications**
- 14.1. None.
- 15. Financial Implications**
- 15.1. As detailed within this report.
- 16. Climate Change, Sustainability and Environmental Implications**
- 16.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.
- 17. Other Implications**
- 17.1. 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.

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

18. Equality Impact Assessment and Consultation Arrangements

- 18.1. 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.
- 18.2. 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 31 March 2020

Contact for Further Information

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

Jackie Taylor, Head of Finance (Strategy)

Ext: 5637 (Tel: 01698 455637)

E-mail: jackie.taylor@southlanarkshire.gov.uk

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Period Ended 31 March 2020 (No.14)

Committee

Departments:

Community and Enterprise Resources

Facilities Streets, Waste and Grounds

Fleet, Environmental and Projects

Leisure and Culture Services

Planning and Economic Development

Roads

COVID-19

Education Resources

Education Resources

COVID-19

Finance and Corporate Resources

Finance Services - Strategy

Finance Services - Transactions

Audit and Compliance Services

Information Technology Services

Communications and Strategy Services

Administration and Licensing Services

Personnel Services

COVID-19

Housing and Technical Resources

Housing Services

Property Services

COVID-19

Social Work Resources

Performance and Support Services

Children and Family

Adults and Older People

Justice and Substance Misuse

COVID-19

Joint Boards**Total Resources**

Total Resources

CFCR

Loan Charges

Corporate Items

Corporate Items - 20/21 Strategy

Transfer to Reserves

Total Expenditure

Council Tax

Less: Council Tax Reduction Scheme

Net Council Tax

General Revenue Grant

Non Domestic Rates

Transfer from Reserves

Total Income**Net Expenditure / (Surplus) Before
Transfers to Reserves****Net Expenditure / (Surplus) Before
Transfers to Reserves**

Transfers to Specific Reserves

**(Surplus) After Transfers to Specific
Reserves**

Transfer to Earmarked General Fund

**Surplus for Year Transferred to
Uncommitted General Fund**

	Annual Budget £m <i>Col 1</i>	Forecast Before Transfers £m <i>Col 2</i>	Forecast After Transfers £m <i>Col 3</i>	Annual Forecast Variance (After Transfers) £m <i>Col 4</i>
Community and Enterprise Resources	110.339	110.463	110.573	(0.234)
Facilities Streets, Waste and Grounds	66.228	66.172	66.282	(0.054)
Fleet, Environmental and Projects	1.548	2.186	2.186	(0.638)
Leisure and Culture Services	19.569	19.614	19.614	(0.045)
Planning and Economic Development	2.014	1.492	1.492	0.522
Roads	20.980	20.999	20.999	(0.019)
COVID-19	0.000	0.000	0.000	0.000
Education Resources	342.997	340.012	343.035	(0.038)
Education Resources	342.997	340.012	343.035	(0.038)
COVID-19	0.000	0.000	0.000	0.000
Finance and Corporate Resources	34.517	34.517	34.517	0.000
Finance Services - Strategy	2.276	2.355	2.355	(0.079)
Finance Services - Transactions	12.696	12.446	12.446	0.250
Audit and Compliance Services	0.364	0.361	0.361	0.003
Information Technology Services	4.817	4.924	4.924	(0.107)
Communications and Strategy Services	1.087	1.257	1.257	(0.170)
Administration and Licensing Services	3.770	3.811	3.811	(0.041)
Personnel Services	9.507	9.363	9.363	0.144
COVID-19	0.000	0.000	0.000	0.000
Housing and Technical Resources	17.351	17.098	17.351	0.000
Housing Services	8.524	8.205	8.458	0.066
Property Services	8.827	8.893	8.893	(0.066)
COVID-19	0.000	0.000	0.000	0.000
Social Work Resources	165.003	167.242	167.242	(2.239)
Performance and Support Services	7.684	7.703	7.703	(0.019)
Children and Family	33.121	35.051	35.051	(1.930)
Adults and Older People	122.857	123.303	123.303	(0.446)
Justice and Substance Misuse	1.341	1.185	1.185	0.156
COVID-19	0.000	0.000	0.000	0.000
Joint Boards	2.151	2.151	2.151	0.000
Total Resources	672.358	671.483	674.869	(2.511)

	Annual Budget £m	Forecast Before Transfers £m	Forecast After Transfers £m	Annual Forecast Variance (After Transfers) £m
Total Resources	672.358	671.483	674.869	(2.511)
CFCR	0.405	0.405	0.405	0.000
Loan Charges	53.916	45.404	52.013	1.903
Corporate Items	1.322	2.228	2.491	(1.169)
Corporate Items - 20/21 Strategy	0.540	0.050	0.540	0.000
Transfer to Reserves	0.000	0.000	0.000	0.000
Total Expenditure	728.541	719.570	730.318	(1.777)
Council Tax	152.487	156.094	156.094	3.607
Less: Council Tax Reduction Scheme	(20.480)	(19.642)	(19.642)	0.838
Net Council Tax	132.007	136.452	136.452	4.445
General Revenue Grant	223.085	223.085	223.085	0.000
Non Domestic Rates	341.166	341.166	341.166	0.000
Transfer from Reserves	32.283	32.283	32.283	0.000
Total Income	728.541	732.986	732.986	4.445
Net Expenditure / (Surplus) Before Transfers to Reserves	0.000	(13.416)	(2.668)	2.668

	Annual Budget £m	Forecast Before Transfers £m	Forecast After Transfers £m	Annual Forecast Variance (After Transfers) £m
Net Expenditure / (Surplus) Before Transfers to Reserves	0.000	(13.416)	(13.416)	13.416
Transfers to Specific Reserves	0.000	0.000	0.452	(0.452)
(Surplus) After Transfers to Specific Reserves	0.000	(13.416)	(12.964)	12.964
Transfer to Earmarked General Fund	0.000	0.000	12.964	12.964
Surplus for Year Transferred to Uncommitted General Fund	0.000	(13.416)	0.000	0.000

Actual to 31/03/20 Before Transfers £m <i>Col 5</i>	Variance Annual Budget To Actual Before Transfers £m <i>Col 6</i>	Actual to 31/03/20 After Transfers £m <i>Col 7</i>	Variance Annual Budget To Actual After Transfers £m <i>Col 8</i>
110.864	(0.525)	111.122	(0.783)
66.186	0.042	66.404	(0.176)
2.094	(0.546)	2.134	(0.586)
19.619	(0.050)	19.619	(0.050)
1.509	0.505	1.509	0.505
20.989	(0.009)	20.989	(0.009)
0.467	(0.467)	0.467	(0.467)
338.546	4.451	343.073	(0.076)
338.520	4.477	343.047	(0.050)
0.026	(0.026)	0.026	(0.026)
34.616	(0.099)	34.627	(0.110)
2.362	(0.086)	2.362	(0.086)
12.097	0.599	12.097	0.599
0.379	(0.015)	0.379	(0.015)
4.921	(0.104)	4.921	(0.104)
1.358	(0.271)	1.358	(0.271)
3.985	(0.215)	3.985	(0.215)
9.422	0.085	9.433	0.074
0.092	(0.092)	0.092	(0.092)
16.950	0.401	17.384	(0.033)
7.998	0.526	8.432	0.092
8.919	(0.092)	8.919	(0.092)
0.033	(0.033)	0.033	(0.033)
166.858	(1.855)	166.858	(1.855)
7.543	0.141	7.543	0.141
35.068	(1.947)	35.068	(1.947)
123.056	(0.199)	123.056	(0.199)
1.188	0.153	1.188	0.153
0.003	(0.003)	0.003	(0.003)
2.150	0.001	2.150	0.001
669.984	2.374	675.214	(2.856)

Actual to 31/03/20 Before Transfers £m	Variance Annual Budget To Actual Before Transfers £m	Actual to 31/03/20 After Transfers £m	Variance Annual Budget To Actual After Transfers £m
669.984	2.374	675.214	(2.856)
0.405	0.000	0.405	0.000
45.029	8.887	51.643	2.273
1.410	(0.088)	2.730	(1.408)
0.050	0.490	0.540	0.000
0.000	0.000	0.000	0.000
716.878	11.663	730.532	(1.991)
155.840	3.353	155.840	3.353
(19.572)	0.908	(19.572)	0.908
136.268	4.261	136.268	4.261
223.836	0.751	223.836	0.751
341.166	0.000	341.166	0.000
32.283	0.000	32.283	0.000
733.553	5.012	733.553	5.012
(16.675)	16.675	(3.021)	3.021

Actual to 31/03/20 Before Transfers £m	Variance Annual Budget To Actual Before Transfers £m	Actual to 31/03/20 After Transfers £m	Variance Annual Budget To Actual After Transfers £m
(16.675)	16.675	(16.675)	16.675
0.000	0.000	1.452	(1.452)
(16.675)	16.675	(15.223)	15.223
0.000	0.000	12.202	(12.202)
(16.675)	16.675	(3.021)	3.021

Transfers to Reserves – Approved at Probable

Purpose / Description	£m
Community and Enterprise Resources	
Environmental Initiatives A report was presented to the Community and Enterprise Resources Committee (3 September 2019) which detailed the proposals for utilising the £0.100m added to the 2019/2020 budget for Environmental Initiatives. Due to the timing of the commencement of some of these works, the transfer is proposed to meet commitments into 2020/2021.	0.050
Allers (Lammermoor Park) As part of the report presented to the Community and Enterprise Committee (22 January 2019) on Allotments, the extension of Allers allotment was identified as one of the potential food growing development sites. The development plan for this site requires an access road at Kenilworth into Lammermoor Park. This transfer to reserves will allow this development to commence and also for the Council to reduce the number of people on the waiting list for an allotment.	0.030
Food Development Officer The Community and Enterprise Resources Committee (12 November 2019) approved that the 18 month temporary Food Development Officer be made permanent. The transfer to reserves is to manage the costs of this post in 2020/2021.	0.030
Total Community and Enterprise Resources Transfers Approved at Probable	0.110
Adjust: Increase in transfer to reflect final outturn position (Environmental Initiatives - increase £0.014m)	0.014
Revised Community and Enterprise Resources Transfers Approved at Probable	0.124
Education Resources	
Pupil Equity Fund (already reported) The funding received from the Government can be used up to the end of the school term (June 2020). The underspend reflects the element of the funding that will be utilised in April to June 2020.	1.000
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.	1.493
Sanitary Products in Schools 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.	0.041
Counselling in Schools The funding for Counselling was only confirmed part way through the financial year, therefore the funding provided will not fully spend this year. This transfer of the underspend in funding will allow the commitments on this policy to be delivered in future years.	0.489
Total Education Transfers Approved at Probable	3.023
Adjust: Increase in transfer to reflect final outturn position (increase PEF £0.422m, increase in Early Years 1140 £0.110m, increase in Counselling £0.054m and decrease in Sanitary Products £0.041m)	0.545
Revised Education Transfers Approved at Probable	3.568
Housing and Technical Resources	
Homelessness The grant from the Scottish Government included funding for Homelessness. Due to current levels of stock and good performance within the Homelessness service an underspend is forecast and it is proposed to transfer this to reserves to fund future investment in the Homelessness service.	0.106
Homelessness - Rapid Rehousing Transition Planning Due to the timing of the implementation rollout of the Rapid Rehousing Transition Planning funding, it is proposed that the underspend be carried forward to meet future commitments (approved at Housing and Technical Committee, 23 January 2019).	0.147
Total Housing and Technical Resources Transfers Approved at Probable	0.253
Adjust: Increase in transfer to reflect final outturn position (decrease Homelessness £0.017m and increase Rapid Rehousing Transition Planning £0.198m)	0.181
Revised Housing and Technical Resources Transfers Approved at Probable	0.434
Total Resource Transfers to Reserves Approved at Probable	3.386
Adjust: Total increase in transfer to reflect final outturn position	0.740
Revised Resource Transfers to Reserves Approved at Probable	4.126

Centrally Held Budgets	
Loan Charges	
Loan Charges Underspend due to the re-phasing of the principal repayment on debt and also reflecting the actual interest rates at which borrowing was taken in 2018/2019. The Executive Committee (26 June 2019) approved the transfer to reserves for utilisation in 2020/2021 Budget Strategy.	6.500
Interest on Reserve Balances During the year, similar to a bank account, interest is accrued on the balances held in reserves. These include the Insurance Fund, Repairs and Renewals Fund and the Capital Fund. This transfer represents passing the interest to each of the individual reserves.	0.109
Total Loan Charges Transfers to Reserves	6.609
Adjust: Increase in transfer to reflect final outturn position (increase interest on Reserve Balances £0.005m)	0.005
Revised Total Loan Charges Transfers to Reserves	6.614
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.	0.263
Total Corporate Items Transfers to Reserves	0.263
Corporate Items – 2020/21 Strategy	
2019/2020 Underspends During the year underspends were identified on budgets no longer required in respect of SPT, PPP and third sector organisations. The Executive Committee (26 June 2019) approved the transfer of this underspend to reserves to be utilised in the 2020/2021 Budget Strategy.	0.490
Total Corporate Items Transfers	0.490
Total Transfers to Reserves - Approved at Executive Committee (29 January 2020)	10.748
Adjust: Total net increase in transfer to reflect final outturn position (Resources and Corporate Items above)	0.745
Revised Transfers to Reserves - Approved at Probable Outturn	11.493

Transfers to Reserves - Additional Proposed Transfers

Purpose / Description	£m
Community and Enterprise Resources	
Forest Street Shed Work is being carried out at Forrest Street in respect of the delivery of the Grounds Service. The transfer of this funding will allow the works to be completed in 2020/2021.	0.034
Electric Vehicles There is a commitment from Community and Enterprise Resources to match fund the grant from the Scottish Government in relation to the purchase of electric vehicles. Due to a delay in delivery of the electric vehicles, the transfer is required to fulfil the commitment in 2020/2021.	0.100
Total Community and Enterprise Resources	0.134
Education Resources	
Additional Support for Learning Due to the timing of the notification of this funding, it was not spent during the financial year. This transfer will allow the commitments on this policy to be delivered in future years.	0.959
Total Education Resources	0.959
Finance and Corporate Resources	
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 2020/2021.	0.011
Total Finance and Corporate Resources	0.011
Total Resource Transfers to Reserves	1.104
Corporate Items	
Feed In Tariff Income Carry forward income received from energy transferred back to the grid for use in future years on energy efficiency related projects.	0.053
Renewable Heat Initiative Income Carry forward subsidy income received from the Government for use on future energy efficiency related projects.	0.332
Council Tax Second Homes - Transfer to Housing Revenue Account 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.	0.462
Staff and Management Development Transfer to reserves to fund a staff and management development programme over a 3 year period.	0.210
Total Corporate Items Transfers to Reserves	1.057
Total Additional Proposed Transfers to Reserves	2.161

Summary of Transfers to Reserves	£m
Transfers Approved at Probable	10.748
Adjust: Total Increase in Transfers to Reflect Final Outturn Position (shown in Appendix 2)	0.745
Revised Transfers Approved at Probable (Appendix 2)	11.493
Proposed Additional Transfers (Tables 3 and 4 in Report)	2.161
Total Transfers to Reserves	13.654

Resource 2019/2020 Final Outturn Position

The final outturn position for the year ended 31 March 2020, has been now been confirmed. There are examples of where commitments have not fully spent in 2019/2020, but which will spend in 2020/2021. As is normal practice, these committed monies are carried forward through Reserves at the end of the financial year.

To reflect this, the Resources' position shown in the table below details the outturn before Transfers to Reserves (col 2), the Transfers to Reserves by Resources approved as part of the Probable Outturn Exercise (col 3), the additional Transfers to Reserves being proposed by Resources (col 4) at the year end and the resultant final outturn position (col 5). Approval for these transfers is sought via Section 7 of the report.

The table shows an underspend of £2.374 million on the Resources' current year budgets before any Transfers to Reserves for commitments.

After Transfers to Reserves of £5.230 million (col 3 and 4), the Resource position is an overspend for the year of £2.856 million (col 5). This is an increase in the overspend position compared to the Probable Outturn overspend of £0.345 million.

As detailed in the report, this position includes expenditure and loss of income in relation to COVID-19 totalling £0.751 million. If the COVID-19 impact is removed the Resource position is an overspend of £2.105 million which is an improved position of £0.406 million compared to the Probable Outturn, mainly within Social Work Resources.

Budget Line	Under / (Over) Before Transfer to Reserves	Approved Probable Outturn Transfers to Reserves	Additional Proposed Transfer to Reserves	Under / Over – Final Outturn
col 1	col 2	col 3	col 4	col 5
	£m	£m	£m	£m
Resources				
Community and Enterprise	(0.525)	(0.124)	(0.134)	(0.783)
Education	4.451	(3.568)	(0.959)	(0.076)
Finance and Corporate	(0.099)	-	(0.011)	(0.110)
Housing and Technical	0.401	(0.434)	-	(0.033)
Social Work Resources	(1.855)	-	-	(1.855)
Joint Boards	0.001	-	-	0.001
Total Resources	2.374	(4.126)	(1.104)	(2.856)

Each Resource is taken in turn in the table below, including an explanation of the reasons for the variances and any changes to the reserve transfer figures.

Resource	2019/20 Final Outturn
Community and Enterprise	<p>The Resource is showing an overspend position of £0.525 million before Transfers to Reserves but including the impact of COVID-19. This is an increase in the overspend position of £0.401 million compared to the £0.124 million from the probable outturn position reported during the year. Of this increase, £0.579 million relates to COVID-19.</p> <p>The net overspend position is mainly due to an overspend within Fleet, Environmental and Projects due to expenditure on repairs, delays in delivering efficiencies and an under recovery of income in the Fleet workshop. This is offset by an underspend in Planning and Economic Development due to an increased level of income from planning and building warrant applications.</p>

	<p>The net cost of COVID-19 spend in the Resource is £0.579 million. This relates to spend of £0.467 million mainly in relation to lost income within South Lanarkshire Leisure Culture Trust, and also loss of income of £0.112 million included in the Planning and Economic Development outturn.</p> <p>The Resource position, excluding the COVID-19 spend, is in line with the position reported during the year.</p> <p>Transfers to Reserves totalling £0.124 million were approved as part of the Council's Probable Outturn, detailed in Appendix 2. As part of the final outturn, additional Transfers to Reserves are proposed totalling £0.134 million as detailed in Appendix 3. These relate to the Forrest Street Shed and Electric Vehicles.</p> <p>The final position for the Resource, after all Transfers to Reserves is a net overspend of £0.783 million including COVID-19 (£0.579 million), compared to a probable outturn overspend position of £0.234 million.</p>
Education Resources	<p>The Resource outturn position is an underspend of £4.451 million before Transfers to Reserves. This is an improved position of £1.466 million from the probable outturn position reported during the year.</p> <p>The underspend relates to the Pupil Equity Fund for which the funding straddles two financial years. There is also an underspend within the Early Learning and Childcare 1140 expansion programme, reflecting the timing of programme delivery and underspends in Additional Support for Learning and Counselling in Schools where the funding was not fully utilised in the current year.</p> <p>This is in line with the position reported during the year and the improved position reflects the final outturn spend in these areas as well as the Additional Support for Learning underspend which was not known at the Probable Outturn.</p> <p>The Resource also spent £0.026 million on COVID-19 items.</p> <p>Transfers to reserves totalling £3.568 million were approved as part of the Council's Probable Outturn (Appendix 2) in relation to the Pupil Equity Fund, Early Years and School Counselling. This also included a transfer for sanitary products which is no longer required.</p> <p>As part of the final outturn, additional Transfers to Reserves are proposed totalling £0.959 million in relation to the Additional Support for Learning funding which was not fully utilised due to late notification of the funding.</p> <p>The final position after all Transfers to Reserves is an overspend of £0.076 million, compared to a probable outturn overspend position of £0.038 million, mainly due to the expenditure of £0.026 million on COVID-19.</p>
Finance and Corporate Resources	<p>The Resource is showing a net overspend of £0.099 million before Transfers to Reserves. This is an increased overspend of £0.099 million on the probable outturn breakeven position and includes spend of £0.110 million on COVID-19.</p> <p>The net overspend position relates to an overspend in Finance (Strategy) and IT Services due to lower than anticipated staff turnover during the year. There are also overspends in Communications and Strategy, mainly due to an under recovery of print room income and also within Administration and Licensing Services due to an under recovery in licensing and registration income. These overspends are partially offset by an underspend in Finance (Transactions) due to vacancies and net expenditure on housing benefit being lower than anticipated.</p> <p>The Resource outturn also includes an overspend of £0.092 million on COVID-19, which when added to the loss of income included in the Administration and</p>

	<p>Licensing outturn again due to COVID-19, gives a total COVID-19 cost of £0.110 million.</p> <p>The Resource did not previously request any transfers to reserves, however, as part of the final outturn, the Resource is proposing a transfer to reserves in relation to the British Sign Language project of £0.011 million. This proposal is included in Appendix 3.</p> <p>The final position after all Transfers to Reserves is an overspend of £0.110 million, compared to a probable outturn position of breakeven. This overspend all relates to expenditure and loss of income in relation to COVID-19.</p>
Housing and Technical Resources	<p>The final outturn position for the Resource is an underspend of £0.401 million before Transfers to Reserves. This is an improved position of £0.148 million on the probable outturn position reported during the year.</p> <p>As reported during the year, this position reflects an underspend in Housing Services within the homeless service and is also due to the timing of the rollout of the Rapid Rehousing Transition Programme. This is partially offset by an overspend in property services reflecting the works undertaken for capital and revenue projects, where the level of expenditure incurred and income received varies each year.</p> <p>The Resource outturn position includes expenditure of £0.033 million in relation to COVID-19.</p> <p>Transfers to reserves of £0.434 million in respect of the Temporary Accommodation Homeless funding and the Rapid Housing Transition Programme were approved as part of the Council's Probable Outturn position, and are detailed in Appendix 2.</p> <p>The final position after all transfers to reserves is an overspend of £0.033 million compared to the probable outturn breakeven position. The overspend of £0.033 million is all in relation to the expenditure on COVID-19.</p>
Social Work Resources	<p>The outturn position is a net overspend of £1.855 million before Transfers to Reserves. This is an improved position of £0.384 million on the overspend of £2.239 million reported as part of the probable outturn.</p> <p>The improved position includes the transfer of funding from the Integrated Joint Board of £0.350 million to assist with managing the overspends within Adult and Older People Services, as reported to the Executive Committee.</p> <p>As reported to Committee during the year, the net overspend relates to increased demand within Children and Families Services in relation to residential schools and external placements, kinship carer payments and fostering and adoption allowances. There is also an overspend in Adult and Older People Services due to recruitment of Home Care staff, equipment and adaptations and Direct Payments. These overspends are partially offset by vacancies in both Performance and Support and Justice Services.</p>

2018/2019 Revenue Outturn

Service Variance Explanations BEFORE Transfers to Reserves

Resource / Service	Under / (Over) £m
Community and Enterprise Resources (including Trading Operations)	
Facilities, Streets, Waste and Grounds The underspend relates to vacancies, transport costs due to timing of vehicle replacements and an over recovery of income offset by additional expenditure on food purchases, bins and materials for Grounds Services.	0.042
Fleet, Environmental and Projects The position reflects an overspend within Fleet Services due to expenditure on external repairs, the timing of Fleet efficiencies and an under recovery of income within the Fleet workshop. There is also additional expenditure within Environmental Services in relation too legal expenses on a public health case.	(0.546)
Leisure The overspend relates to payments to South Lanarkshire Leisure and Culture to assist in managing income pressures as a result of closures in the Dollan Aqua Centre and Hamilton Water Palace to allow essential works to be carried out. This is partially offset by an underspend in property costs.	(0.050)
Planning and Economic Development The underspend reflects a net increase in the level of income received from planning and building warrant applications, after taking account of a reduction in the level of income in relation to COVID-19. In addition, vacancies during the year resulted in an underspend in Employee Costs.	0.505
Roads Services The minor overspend reflects additional expenditure on reactive lighting and subcontractors and a reduction in parking income, offset by underspends in leasing costs and additional income from capital and lighting works.	(0.009)
COVID-19 This reflects additional expenditure on COVID-19 related items including £0.367 million of lost income incurred by South Lanarkshire Leisure Trust.	(0.467)
Education Resources	
The underspend relates to Pupil Equity Funding which is received for academic school years rather than financial years. This underspend will be transferred to reserves to support commitments across the school year to June 2020 (2020/2021). There is also an underspend within the Early Learning and Childcare 1140 expansion programme, reflecting the timing of programme delivery which will be transferred to reserves to support ongoing programme delivery. The funding received to support Additional Support for Learning and Counselling in Schools was not fully utilised in the current year and will also be carried forward to support commitments in 2020/2021. In addition to the underspends above, there is an underspend in rates and gas charges and an over recovery of Early Years fee income, offset by overspends in electricity, school transport and Additional Support Needs external placements.	4.477
COVID-19 This reflects additional expenditure on COVID-19 related items.	(0.026)
Finance and Corporate Resources	
Finance Services - Strategy The overspend is due to staff turnover across the service being lower than anticipated.	(0.086)
Finance Services - Transactions The underspend is due to the net expenditure on housing benefits being lower than anticipated and also vacancies which are part of the 2020/2021 savings.	0.599
Audit and Compliance Services The underspend reflects an under recovery in the management fee in relation to the European Social Fund.	(0.015)

Information Technology Services The overspend relates mainly to staff turnover being lower than anticipated and an under recovery of income in relation to telephones, partially offset by a reduction in expenditure on telephones.	(0.104)
Communications and Strategy The overspend reflects additional expenditure on materials and an under recovery of income from print work.	(0.271)
Administration, Legal and Licensing The overspend relates to IT expenditure, the costs of the by-election held during the year and an under recovery of income from private hire operators and licensing and registration income partly due to COVID-19	(0.215)
Personnel Services The underspend relates to training and is partially offset by expenditure on IT licences and servers and legal costs.	0.085
COVID-19 This relates to the additional costs of COVID-19 including IT spend to facilitate home working for employees.	(0.092)
Housing and Technical Resources	
Housing Services The underspend relates to the Homelessness Service where the Scottish Government funding was not fully utilised/required in 2019/2020, and also the timing of spend on the Government funded Rapid Housing Transition Programme. These underspends are included in the approved transfers to reserves to meet commitments in future years.	0.526
Property Services The overspend reflects the fact that the level of expenditure incurred and income recovered varies depending on the work required on specific capital and revenue projects.	(0.092)
COVID-19 This reflects additional expenditure on COVID-19 related items.	(0.033)
Social Work Resources	
Performance and Support The underspend relates to staff turnover, rates and fleet driver costs, partially offset by additional expenditure on IT including refreshes.	0.141
Children and Families The overspend reflects the requirement for additional residential school and external placements, and increased demand for kinship carer payments, foster placements and adoption allowances. These overspends are partially offset by additional income from the Home Office in relation to asylum seekers placed in the Council's care facilities.	(1.947)
Adults and Older People There is an overspend in employee costs as a result of Home Care recruitment for future vacancies to maintain staffing requirements and additional expenditure on equipment and adaptations, direct payments and licences for the new home care scheduling system. The overspend was partially offset by prior year income and funding from Health in relation to winter planning and delayed discharge. The additional income also includes the £0.350 million from the Integrated Joint Board reserves towards additional costs, as reported to the Executive Committee.	(0.199)
Justice and Substance Misuse The underspend relates to vacancies, lower demand for supplies for clients and fleet costs for the Unpaid Work Service being lower than anticipated.	0.153
COVID-19 This reflects additional expenditure on COVID-19 related items.	(0.003)

Analysis of Council's Usable Reserves

Reserves / Funds	Balance at 31 March 2019 £m	Transfers to Reserves 2019/20 £m	Transfers from Reserves 2019/20 £m	Balance as at 31 March 2020 £m	Total Set Aside for Future Revenue Budget Strategies £m	Balance £m	Analysis of Balance on Reserves / Funds
Earmarked General Fund	45.478	12.202	(22.650)	35.030	19.026	16.004	
Repairs and Maintenance	6.929	0.642	(1.653)	5.918	0.000	5.918	Winter Maintenance Fund (£1.080m) Repairs and Renewals (£4.838m)
Capital Funds	15.905	2.671	(8.249)	10.327	5.000	5.327	IT Development Fund (£1.399m) Education Capital Items Replacement Fund (£1.132m) Central Energy Efficiency Fund (£0.722m) Adoptions (£0.278m) Capital Receipts (£1.796m)
Insurance Fund	3.278	0.012	(1.237)	2.053	0.000	2.053	
Housing Revenue Account	9.011	0.702	0.000	9.713	0.000	9.713	
Uncommitted General Fund	37.307	3.021	0.000	40.328	27.285	13.043	
	117.908	19.250	(33.789)	103.369	51.311	52.058	

Earmarked General Fund	45.478	12.202	(22.650)	35.030	19.026	16.004	
Uncommitted General Fund	37.307	3.021	0.000	40.328	27.285	13.043	
Total General Fund	82.785	15.223	(22.650)	75.358	46.311	29.047	

[illegible]

Appendix 8

Table 1 - Reconciliation of Monitoring Position to Annual Accounts	Actual to Period 14 31/03/20 (App 1 Col 5 £m)	Move Corporate Items £m	Remove Transfers from Reserves £m	Revised General Fund Position per EFA £m	Add: HRA Position £m	Total EFA per Annual Accounts £m	Statutory Accounting Adjustment £m	CIES Figure per Annual Accounts £m
	Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8
Community and Enterprise Resources	110.864	-	-	110.864	-	110.864	30.667	
Education Resources	338.546	-	-	338.546	-	338.546	(24.555)	
Finance and Corporate Resources	34.616	-	-	34.616	-	34.616	6.843	
Housing Revenue Account	0.000	-	-	0.000	(0.240)	(0.240)	(5.507)	
Housing and Technical Resources	16.950	-	-	16.950	-	16.950	7.488	
Social Work Resources	166.858	-	-	166.858	-	166.858	16.523	
Joint Boards	2.150	-	-	2.150	-	2.150	-	
Corporate Items	0.000	1.460	-	1.460	-	1.460	0.770	
Corporate and Democratic Core - HRA	0.000	-	-	0.000	-	0.000	0.114	
Non Distributed Costs - HRA	0.000	-	-	0.000	-	0.000	-	
Total Resources	669.984	1.460	-	671.444	(0.240)	671.204	32.343	703.547
CFCR	0.405	-	1.355	1.760	-	1.760		
Loan Charges	45.029	-	-	45.029	-	45.029		
Corporate Items	1.410	(1.410)	-	0.000	-	0.000		
Corporate Items – 2020/21 Strategy	0.050	(0.050)	-	0.000	-	0.000		
Council Tax	(136.268)	-	-	(136.268)	-	(136.268)		
General Revenue Grant	(223.836)	-	-	(223.836)	-	(223.836)		
Non Domestic Rates	(341.166)	-	-	(341.166)	-	(341.166)		
Transfer from Reserves	(32.283)	-	32.283	0.000	-	0.000		
Other Income and Expenditure	(686.659)	(1.460)	33.638	(654.481)	-	(654.481)	(37.418)	(691.899)
(Surplus)/Deficit on Provision of Services	(16.675)	-	33.638	16.963	(0.240)	16.723	(5.075)	11.648

Annual Accounts: Restatement of Monitoring Figures Reported

This Appendix reconciles the monitoring figures reported in Appendix 1 of this report to the figures in the Council's Annual Accounts (in the Expenditure and Funding Analysis Statement and the Comprehensive Income and Expenditure Account). This is detailed below:

- The starting point for the Expenditure and Funding Analysis is the year-end outturn before transfers to reserves shown in Appendix 1 (col 5), the monitoring surplus of £16.675 million. An adjustment is made to move the Corporate Items from the Other Income and Expenditure to the Resources in Appendix 8 (col 2). This is where they are shown in the Annual Accounts.
- Appendix 8 (col 3) then takes this monitoring surplus of £16.675 million, and removes the Transfers from Reserves totalling £33.638 million, as the accounting requirements require us to remove both Transfers To and Transfers From Reserves, from these reported Committee figures.
- The table in Appendix 8 then adds the HRA outturn position (col 5) to give the Council's total position: a deficit on provision of services of £16.723 million. This represents the Council's outturn position (General Fund plus HRA) on an accounting basis before Transfers To / Transfers From Reserves and is the position shown in the Expenditure and Funding Analysis (col 6).
- Finally, the Expenditure and Funding Analysis position (col 7) is adjusted by adding the technical accounting transactions, including depreciation and pension accounting entries, which are outwith the normal Council monitoring process, to arrive at the figures in the Comprehensive Income and Expenditure Statement of a deficit of £11.648 million, before the entries to reverse out the accounting transactions and to add in transfers to and from reserves. These transactions are for accounting purposes and reflect the Council spend in line with accounting guidance. They do not change the final outturn position of the Council and have no impact on the actual position of the Council and the funds available.
- As detailed in above, the Expenditure and Funding Analysis shows the movement on the General Fund Reserve and HRA Reserve before any transfers to/from other reserves. These transfers relate to transfers from Other Reserves including the Repairs and Renewals Fund (including Winter Maintenance), the Insurance Fund and the IT Development Fund (Capital Fund) to offset expenditure and commitments that have been charged to the Revenue Budget but where the funding to pay for these commitments sits in another Reserve and are shown in Table 3 below.
- These transfers need to be taken into account to arrive at the total movement in the General Fund Reserve and HRA Reserve included in the Balance Sheet (Table 2 below). Table 2 below shows that when these transfers totalling £9.998 million are taken into account, the total General Fund and HRA position for the year is an increase of £6.725 million. This increase takes account of the final year end surplus of £3.021 million as well as all transfers to and from all reserves, including those above.

Table 2 - Total Movement in General Fund Reserve and HRA Reserve	General Fund £m	HRA £m	Total £m
Closing General Fund and HRA Balance	(82.785)	(9.011)	(91.796)
(Surplus) /Deficit on General Fund per EFA	16.963	(0.240)	16.723
Transfer to/from Other Reserves (see Table 3)	(9.536)	(0.462)	(9.998)
Total Movement in Year	7.427	(0.702)	6.725
Closing General Fund and HRA Balance	(75.358)	(9.713)	(85.071)

Table 3 - Transfers to/from Other Reserves	General Fund £m
Repairs and Renewals (including Winter Maintenance)	(1.011)
Insurance Fund	(1.225)
Capital Fund (including IT Development Fund, Central Energy Efficiency Fund, Education Capital Items Replacement)	(2.262)
Capital Receipts Reserve	(5.500)
Housing Revenue Account	0.462
Total Transfers to/from Other Reserves	(9.536)