

Report

Report to:	Executive Committee
Date of Meeting:	10 March 2021
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Revenue Budget Monitoring for Period 11: 1 April 2020 to 29 January 2021 and Probable Outturn
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1. Purpose of Report

1.1. The purpose of the report is to:

- ◆ advise the Committee on the overall financial position of the Council's General Fund Revenue Account and Housing Revenue Account for the period 1 April 2020 to 1 January 2021, and a projection for the year to 31 March 2021.

2. Recommendation(s)

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

- (1) that the previously reported COVID shortfall of £4.657 million, the additional Loss of Income funding of £2.755 million and the revised COVID shortfall of £1.902 million (section 4.1), be noted;
- (2) that including Resources, Corporate Items and Council Tax, the Council's revised outturn **underspend of £0.261 million**, including the updated COVID shortfall position (section 5.1), be noted;
- (3) that an underspend of £2.213 million on the General Fund Revenue Account after transfers as at 29 January 2021 (section 6.1), be noted; and
- (4) that the breakeven position on the Housing Revenue Account at 29 January 2021 and the forecast to 31 March 2021 of breakeven (section 7), be noted.

3. Background

3.1. General Fund Position

This overview report will summarise the probable outturn position for COVID (section 4) and also for the Council's General Fund Revenue Account to 31 March 2021 (section 5). The report will also provide the position on the General Fund Account (section 6) including the COVID expenditure and income position for the current period 1 April 2020 to 29 January 2021. Finally, the report will provide a probable outturn and the current period position on the Housing Revenue Account (section 7).

4. 2020/2021 COVID Probable Outturn

4.1. As reported previously, an updated probable outturn position for the costs in relation to the pandemic have been prepared. Whilst the costs associated with COVID across Resources were refined, the net cost of COVID remained at the £4.657 million previously reported. After taking into account the Loss of Income funding from the Scottish Government of £2.755 million, there is a revised shortfall of £1.902 million. Details are included in Appendix 1.

- 4.2. This estimated position is based on what is known at present. The high level COVID restrictions in place are expected to result in additional costs, with no certainty or confirmation of what the level of these costs may be or whether there will be additional funding made available to help manage them.
- 4.3. **Capital:** Currently, the capital account is absorbing additional costs associated with COVID, estimated at around £7.8 million. There is a possibility that depending on how COVID costs progress over the next few months and the Council's ability to use the options on fiscal flexibility, officers may present to members a change to the current approach. This may involve using the Revenue COVID funds to cover some of these additional costs and reduce the burden on the capital programme. This will continue to be monitored.
- 5. 2020/2021 General Services Probable Outturn**
- 5.1. As reported previously, the probable outturn position for the Council (including the COVID shortfall of £1.902 million) shows a forecast underspend of £25.124 million, before Transfers to Reserves (Appendix 2a). After taking into account all the proposed Transfers to Reserves totalling £24.863 million (Appendix 4), the outturn position is an **underspend of £0.261 million (Appendix 3a)**.
- 5.2. A summary of this position is detailed in Table 1.

Table 1: Final Outturn Position

	£m
Forecast Underspend Before Transfers to Reserves excl COVID shortfall (<i>Appendix 2a £25.124m less COVID shortfall £1.902m</i>)	27.026
Less: Previously Approved Transfers to Reserves for 2021/2022 Strategy (<i>Appendix 4</i>)	(14.289)
Less: Proposed Transfers to Reserves (<i>Appendix 4</i>)	(10.574)
Forecast Underspend After Transfers to Reserves	2.163
Less: Shortfall on COVID Funding (<i>section 4.1</i>)	(1.902)
Revised Forecast Underspend After Transfers to Reserves	0.261

- 5.3. Full details of the transfers to reserves totalling £24.863 million were detailed in the previous report and are included at Appendix 4 for information.
- 5.4. The underspend position after transfers to reserves (before the COVID shortfall) of £2.163 million reflects an over recovery of council tax. This is partially offset by an overspend on the Resources' position, mainly within Education Resources and an overspend on Corporate Items – Non-COVID including the commitment for Council Tax Second Homes offset by additional Council Tax income. This position is summarised in Table 2.

Table 2: Forecast Underspend After Transfers to Reserves (excl COVID Shortfall)

	£m
Resources' Outturn	(0.324)
Corporate Items – Non COVID	(0.117)
Council Tax / CTRS	2.604
Forecast Underspend After Transfers to Reserves (excl COVID)	2.163

- 5.5. A reconciliation of the revised outturn underspend position of £0.261 million (section 5.2), to the £4.657 million as a result of COVID, as previously reported to this Committee, is shown in Table 3.

Table 3: Reconciliation to Probable Outturn Position (*Executive Committee 10 February 2021*)

	£m
Costs of Covid (including capital and before any recharges to HRA and capital) after additional funding for loss of income	(36.033)
Recharges to HRA / capital	31.376
Previously reported Projected Outturn	(4.657)
Loss of Income Funding from the Government	2.755
= Shortfall in COVID funding	(1.902)
Expenditure Position from Probable Outturn Exercise	(0.441)
Over-Recovery of Council Tax excl COVID	2.604
Probable Outturn Position: Revised underspend	0.261

6. 2020/2021 General Services Monitoring Position

6.1. Financial Position as at 29 January 2021

As at 29 January 2021, the position on the General Fund (including COVID spend and income) before transfers to reserves is an underspend of £10.340 million (Appendix 2a). Appendix 3a shows the position assuming the approval of the proposed transfers to reserves, as an underspend of £2.213 million. This is in line with the probable outturn position being reported. This relates mainly to the over recovery of Council Tax.

6.2. COVID Position as at 29 January 2021

The total COVID net expenditure as at 29 January 2020 is £21.538 million which has been funded from a number of COVID funding streams including the Food Fund, Hardship Fund, Consequential, Education specific funding and administrative support funding. This expenditure and income have both been included in the position detailed in section 6.1.

- 6.3. The total funding utilised to 29 January 2021 is £22.289 million, which equates to 65.6% of the total funding confirmed to date (including the £0.751 million of funding used in 2019/2020).

- 6.4. Since the last report, the Council has received confirmation of its funding for Free School Meals (January and February lockdown allocations) totalling £0.892 million and its share of the £45 million being made available to Education for Teachers, Digital Inclusion and Home Learning Support. The Education funding can be used into 2021/2022 and work is ongoing to identify all commitments, however, it is assumed that the funds will be fully spent or will be transferred to reserves at year end. These have both been added to the expenditure and income in the Cost of Recovery, with no impact on the previously reported COVID shortfall of £1.902 million.

- 6.5. A summary of the position is included in Table 4 with a full breakdown included in Appendix 5.

Table 4: Analysis of COVID expenditure at 29 January 2021 (Period 11)

	As at 29 January 2021 £m
Additional Resource Spend	15.557
Lost Income	5.106
Unachieved Savings	0.484
Less: Unspent Budget	(2.851)
Total Net Expenditure incl in Resources	18.296
Food Fund Spend	3.242
Total Expenditure incl Food Fund	21.538
Total COVID Funding Utilised	(21.538)
Net COVID Expenditure	0.000

- 6.6. The COVID costs above exclude the costs of the Social Work mobilisation Plan. The assumption is that this will be fully funded. The spend to period 11 is £17.084 million. As at 29 January 2021, the Council has received £11.010 million of funding, with regular claims for funding being made. The Scottish Government have now allocated a final tranche of funding through Health Boards for mobilisation plans. Work is ongoing with the Chief Financial Officer for the IJB to ensure that funding allocated for Local Authorities is passed over.
- 6.7. **COVID Funding Update:** In addition to the funding previously reported, the Scottish Government are making a further £15 million of Flexible Fund available to enable authorities to assist individuals and communities during Tier 4 lockdown in 2020/2021. This takes the total Flexible Fund to £30 million. Discussions are currently taking place around the distribution of the full £30 million of funding, as the original £15 million was only allocated to the 11 councils in Tier 4 lockdown at that time, whereas all councils are now currently deemed to be in Tier 4 lockdown. An update will be provided once the Council's updated allocation is known.
- 6.8. For 2021/2022, the Scottish Government is making available £259 million of one-off funding to assist in managing the costs of COVID. In addition to this, a further £110m million is being added to the funding available for Loss of Income. Discussions will take place with COSLA around the distribution of these funds and an update will be provided when the Council's allocation is confirmed.
- 6.9. **2020/2021 Additional General Revenue Grant Update – F/C 1/2021**
As part of the 2021/2022 grant settlement, the Council received an update on its 2020/2021 General Revenue Grant. The Council was notified of additional funding in relation to the Teachers Induction Scheme (£2.355 million) which is not allocated until this point each financial year, Education Psychologists (£0.009 million) and EU BREXIT funding (£0.025 million), totalling £2.389 million. These amounts have been added to the figures detailed in Appendix 2a.
- 7. Housing Revenue Account Position**
- 7.1. As at 29 January 2021, Appendix 6 of the report shows a breakeven position against the phased budget on the Housing Revenue Account.
- 7.2. The forecast to 31 March 2021 on the Housing Revenue Account is a breakeven position.

8. Employee Implications

8.1. None.

9. Financial Implications

9.1. As detailed within this report.

10. Climate Change, Sustainability and Environmental Implications

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

11. Other Implications

11.1. 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.

12. Equality Impact Assessment and Consultation Arrangements

12.1. 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.

12.2. 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)

11 February 2021

Link(s) to Council Values/Ambitions/Objectives

♦ Accountable, Effective, Efficient and Transparent

Previous References

♦ None

List of Background Papers

♦ Financial ledger and budget monitoring results to 1 January 2021

Contact for Further Information

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

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	Community and Enterprise	Education	Finance and Corporate	Housing and Technical	Social Work	Capital	Total
Budget Revision 2020/2021							
Projected Costs including Recovery Plan	4.432	12.755	9.648	0.765	0.370	1.325	29.295
Lost Income	4.811	0.564	0.555	0.500	-	-	6.430
Total Costs	9.243	13.319	10.203	1.265	0.370	1.325	35.725
Less: Spend Not Made	(1.413)	(0.975)	(0.306)	(0.018)	(0.007)	-	(2.719)
Net Cost to the Council in 2020/2021	7.830	12.344	9.897	1.247	0.363	1.325	33.006
Funding							
- Hardship Fund (£50m)							(2.227)
- Consequentials (£155m + £49m)							(12.152)
- Food Fund (£30m + £27.6m)							(3.282)
- Additional Teachers / Support (£130m)							(2.167)
- IT Equipment (Revenue and Capital)							(1.469)
- Teachers (£30m)							(1.300)
- Mobilisation (£20m)							(1.206)
- Financial Insecurity							(1.244)
- Support (Winter Payments, Outbound Calling, Support for People, Self Isolate, Business Grants)							(0.758)
- Additional Free School Meals							(0.470)
- Tier 4 - Community and Support							(0.894)
- £100 Winter Payments							(0.863)
- Loss of Income (£90m)							(2.755)
- Transport Mobilisation (£1.5m)							(0.072)
- Additional Teachers/Digital Inclusion/Home Learning Support (£45m)							(2.806)
- Free School Meals (January and February lockdown)							(0.892)
Total Funding							(34.557)
Add: Savings Not Achievable							0.553
Add: SLLCT Shortfall							2.900
Balance							1.902

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

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report (BEFORE Transfers)
Period Ended 29 January 2021 (No.11)

<u>Committee</u>	Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Budget Proportion to 29/01/21	Actual to Period 11 29/01/21	Variance to 29/01/21	
Departments:	£m	£m	£m	£m	£m	£m	
Community and Enterprise Resources	109.638	118.360	(8.722)	96.073	102.379	(6.306)	over
Facilities, Waste and Grounds	67.193	67.358	(0.165)	52.045	52.048	(0.003)	over
Fleet, Environmental and Projects	1.072	1.793	(0.721)	0.419	1.026	(0.607)	over
Leisure and Culture Services	19.538	19.503	0.035	19.217	19.184	0.033	under
Planning and Economic Development	2.120	2.601	(0.481)	9.166	9.315	(0.149)	over
Roads	19.715	21.404	(1.689)	15.226	16.573	(1.347)	over
COVID-19	0.000	5.701	(5.701)	0.000	4.233	(4.233)	over
Education Resources	351.403	357.893	(6.490)	273.180	273.991	(0.811)	over
Education	351.403	345.138	6.265	273.180	267.499	5.681	under
COVID-19	0.000	12.755	(12.755)	0.000	6.492	(6.492)	over
Finance and Corporate Resources	35.756	42.092	(6.336)	35.400	39.951	(4.551)	over
Finance Services - Strategy	1.965	1.966	(0.001)	2.906	2.902	0.004	under
Finance Services - Transactions	13.686	13.684	0.002	13.008	13.032	(0.024)	over
Audit and Compliance Services	0.330	0.330	0.000	0.484	0.484	0.000	-
Information Technology Services	5.192	5.505	(0.313)	6.073	6.354	(0.281)	over
Communications and Strategy Services	1.022	1.037	(0.015)	1.197	1.192	0.005	under
Administration and Licensing Services	4.222	4.773	(0.551)	4.102	4.558	(0.456)	over
Personnel Services	9.339	9.238	0.101	7.630	7.539	0.091	under
COVID-19	0.000	5.559	(5.559)	0.000	3.890	(3.890)	over
Housing and Technical Resources	15.746	16.993	(1.247)	13.325	13.970	(0.645)	over
Housing Services	9.080	8.925	0.155	5.657	5.598	0.059	under
Property Services	6.666	6.803	(0.137)	7.668	7.727	(0.059)	over
COVID-19	0.000	1.265	(1.265)	0.000	0.645	(0.645)	over
Social Work Resources	173.159	173.538	(0.379)	131.645	131.959	(0.314)	over
Performance and Support Services	8.056	7.756	0.300	6.951	6.718	0.233	under
Children and Families	36.449	36.757	(0.308)	29.487	29.734	(0.247)	over
Adults and Older People	127.134	127.177	(0.043)	94.281	94.313	(0.032)	over
Justice and Substance Misuse	1.520	1.478	0.042	0.926	0.897	0.029	under
COVID-19	0.000	0.370	(0.370)	0.000	0.297	(0.297)	over
Joint Boards	2.245	2.245	0.000	1.877	1.877	0.000	-
	687.947	711.121	(23.174)	551.500	564.127	(12.627)	over

<u>Committee</u>	Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Budget Proportion to 29/01/21	Actual to Period 10 29/01/21	Variance to 29/01/21	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	687.947	711.121	(23.174)	551.500	564.127	(12.627)	over
CFCR	1.398	1.398	0.000	0.000	0.000	0.000	-
Loan Charges	40.843	37.843	3.000	32.091	29.733	2.358	under
Corporate Items	3.804	2.873	0.931	0.400	0.102	0.298	under
Corporate Items - COVID-19	33.663	5.720	27.943	21.538	3.242	18.296	under
Corporate Items - 2020/2021 Strategy	14.289	0.000	14.289	0.000	0.000	0.000	-
Total Expenditure	781.944	758.955	22.989	605.529	597.204	8.325	under
Council Tax	159.471	161.236	1.765	125.299	126.685	1.386	over rec
Less: Council Tax Reduction Scheme	(22.590)	(21.789)	0.801	(17.749)	(17.120)	0.629	under
Net Council Tax	136.881	139.447	2.566	107.550	109.565	2.015	over rec
General Revenue Grant	346.438	346.438	0.000	272.201	272.201	0.000	-
General Revenue Grant – COVID19	37.770	37.339	(0.431)	11.360	11.360	0.000	-
Non-Domestic Rates	226.179	226.179	0.000	177.712	177.712	0.000	-
Transfer from Reserves	34.676	34.676	0.000	34.676	34.676	0.000	-
Total Income	781.944	784.079	2.135	603.499	605.514	2.015	over rec
Net Expenditure / (Income)	0.000	(25.124)	25.124	2.030	(8.310)	10.340	under

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report (BEFORE Transfers)
Period Ended 29 January 2021 (No.11)

<u>Budget Category</u>	Annual Budget	Annual Forecast BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Budget Proportion to 29/01/21	Actual to Period 11 29/01/21 BEFORE Transfers	Variance to 29/01/21	
	£m	£m	£m	£m	£m	£m	
Service Departments:							
Expenditure							
Employee Cost	535.114	545.535	(10.421)	431.801	435.410	(3.609)	over
Property Costs	54.055	59.127	(5.072)	43.625	47.088	(3.463)	over
Supplies and Services	53.874	53.313	0.561	42.759	36.869	5.890	under
Transport Costs	42.199	40.781	1.418	34.136	32.482	1.654	under
Administration Costs	16.730	15.860	0.870	12.968	12.372	0.596	under
Payments to Other Bodies	146.699	143.164	3.535	105.561	102.834	2.727	under
Payments to Contractors	201.338	216.054	(14.716)	153.532	163.980	(10.448)	over
Transfer Payments	6.217	6.405	(0.188)	5.712	5.724	(0.012)	over
Housing Benefits	70.687	69.575	1.112	54.714	53.734	0.980	under
Financing Charges (controllable)	2.095	2.215	(0.120)	1.703	1.882	(0.179)	over
Total	1,129.008	1,152.029	(23.021)	886.511	892.375	(5.864)	over
Service Departments Total	1,129.008	1,152.029	(23.021)	886.511	892.375	(5.864)	over
CFCR	1.398	1.398	0.000	0.000	0.000	0.000	-
Loan Charges	40.843	37.843	3.000	32.091	29.733	2.358	under
Corporate Items	3.804	2.873	0.931	0.400	0.102	0.298	-
Corporate Items - COVID-19	33.663	5.720	27.943	21.538	3.242	18.296	under
Corporate Items - 21/22 Strategy	14.289	0.000	14.289	0.000	0.000	0.000	-
Total Expenditure	1,223.005	1,199.863	23.142	940.540	925.452	15.088	under
Income							
Housing Benefit Subsidy	65.542	64.951	(0.591)	50.325	49.728	(0.597)	under rec
Other Income	375.519	375.957	0.438	284.686	278.520	(6.166)	under rec
Council Tax (Net of Council Tax Reduction Scheme)	136.881	139.447	2.566	107.550	109.565	2.015	over rec
General Revenue Grant	346.438	346.438	0.000	272.201	272.201	0.000	-
General Revenue Grant - COVID-19	37.770	37.339	(0.431)	11.360	11.360	0.000	-
Non Domestic Rates	226.179	226.179	0.000	177.712	177.712	0.000	-
Transfer from Reserves	34.676	34.676	0.000	34.676	34.676	0.000	-
Total Income	1,223.005	1,224.987	1.982	938.510	933.762	(4.748)	under rec
Net Expenditure / (Income)	0.000	(25.124)	25.124	2.030	(8.310)	10.340	under

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report (AFTER Transfers)

Period Ended 29 January 2021 (No.11)

<u>Committee</u>	Annual Budget	Annual Forecast AFTER Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion to 29/01/21	Actual to Period 11 29/01/21	Variance to 29/01/21	
Departments:	£m	£m	£m	£m	£m	£m	
Community and Enterprise Resources	109.638	118.807	(9.169)	96.073	102.762	(6.689)	over
Facilities, Waste and Grounds	67.193	67.595	(0.402)	52.045	52.248	(0.203)	over
Fleet, Environmental and Projects	1.072	1.838	(0.766)	0.419	1.064	(0.645)	over
Leisure and Culture Services	19.538	19.503	0.035	19.217	19.184	0.033	under
Planning and Economic Development	2.120	2.766	(0.646)	9.166	9.460	(0.294)	over
Roads	19.715	21.404	(1.689)	15.226	16.573	(1.347)	over
COVID-19	0.000	5.701	(5.701)	0.000	4.233	(4.233)	over
Education Resources	351.403	364.154	(12.751)	273.180	279.288	(6.108)	over
Education	351.403	351.399	0.004	273.180	272.796	0.384	under
COVID-19	0.000	12.755	(12.755)	0.000	6.492	(6.492)	over
Finance and Corporate Resources	35.756	42.195	(6.439)	35.400	40.040	(4.640)	over
Finance Services - Strategy	1.965	1.966	(0.001)	2.906	2.902	0.004	under
Finance Services - Transactions	13.686	13.684	0.002	13.008	13.032	(0.024)	over
Audit and Compliance Services	0.330	0.330	0.000	0.484	0.484	0.000	-
Information Technology Services	5.192	5.505	(0.313)	6.073	6.354	(0.281)	over
Communications and Strategy Services	1.022	1.037	(0.015)	1.197	1.192	0.005	under
Administration and Licensing Services	4.222	4.773	(0.551)	4.102	4.558	(0.456)	over
Personnel Services	9.339	9.341	(0.002)	7.630	7.628	0.002	under
COVID-19	0.000	5.559	(5.559)	0.000	3.890	(3.890)	over
Housing and Technical Resources	15.746	16.993	(1.247)	13.325	13.970	(0.645)	over
Housing Services	9.080	8.925	0.155	5.657	5.598	0.059	under
Property Services	6.666	6.803	(0.137)	7.668	7.727	(0.059)	over
COVID-19	0.000	1.265	(1.265)	0.000	0.645	(0.645)	over
Social Work Resources	173.159	173.538	(0.379)	131.645	131.959	(0.314)	over
Performance and Support Services	8.056	7.756	0.300	6.951	6.718	0.233	under
Children and Families	36.449	36.757	(0.308)	29.487	29.734	(0.247)	over
Adults and Older People	127.134	127.177	(0.043)	94.281	94.313	(0.032)	over
Justice and Substance Misuse	1.520	1.478	0.042	0.926	0.897	0.029	under
COVID-19	0.000	0.370	(0.370)	0.000	0.297	(0.297)	over
Joint Boards	2.245	2.245	0.000	1.877	1.877	0.000	-
	687.947	717.932	(29.985)	551.500	569.896	(18.396)	over

<u>Committee</u>	Annual Budget	Annual Forecast AFTER Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion to 29/01/21	Actual to Period 11 29/01/21	Variance to 29/01/21	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	687.947	717.932	(29.985)	551.500	569.896	(18.396)	over
CFCR	1.398	1.398	0.000	0.000	0.000	0.000	-
Loan Charges	40.843	40.843	0.000	32.091	32.091	0.000	-
Corporate Items	3.804	3.636	0.168	0.400	0.102	0.298	under
Corporate Items - COVID-19	33.663	5.720	27.943	21.538	3.242	18.296	under
Corporate Items - 2020/2021 Strategy	14.289	14.289	0.000	0.000	0.000	0.000	-
Total Expenditure	781.944	783.818	(1.874)	605.529	605.331	0.198	under
Council Tax	159.471	161.236	1.765	125.299	126.685	1.386	over rec
Less: Council Tax Reduction Scheme	(22.590)	(21.789)	0.801	(17.749)	(17.120)	0.629	under
Net Council Tax	136.881	139.447	2.566	107.550	109.565	2.015	over rec
General Revenue Grant	346.438	346.438	0.000	272.201	272.201	0.000	-
General Revenue Grant - COVID-19	37.770	37.339	(0.431)	11.360	11.360	0.000	-
Non-Domestic Rates	226.179	226.179	0.000	177.712	177.712	0.000	-
Transfer from Reserves	34.676	34.676	0.000	34.676	34.676	0.000	-
Total Income	781.944	784.079	2.135	603.499	605.514	2.015	over rec
Net Expenditure / (Income)	0.000	(0.261)	0.261	2.030	(0.183)	2.213	under

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report (AFTER Transfers)
Period Ended 29 January 2021 (No.11)

<u>Budget Category</u>	Annual Budget	Annual Forecast AFTER Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion to 29/01/21	Actual to Period 11 29/01/21 AFTER Transfers	Variance to 29/01/21	
	£m	£m	£m	£m	£m	£m	
Service Departments:							
Expenditure							
Employee Cost	535.114	546.419	(11.305)	431.801	436.158	(4.357)	over
Property Costs	54.055	59.199	(5.144)	43.625	47.153	(3.528)	over
Supplies and Services	53.874	56.216	(2.342)	42.759	39.325	3.434	under
Transport Costs	42.199	40.851	1.348	34.136	32.540	1.596	under
Administration Costs	16.730	15.886	0.844	12.968	12.397	0.571	under
Payments to Other Bodies	146.699	145.783	0.916	105.561	105.051	0.510	under
Payments to Contractors	201.338	216.221	(14.883)	153.532	164.121	(10.589)	over
Transfer Payments	6.217	6.405	(0.188)	5.712	5.724	(0.012)	over
Housing Benefits	70.687	69.575	1.112	54.714	53.734	0.980	under
Financing Charges (controllable)	2.095	2.215	(0.120)	1.703	1.882	(0.179)	over
Total	1,129.008	1,158.770	(29.762)	886.511	898.085	(11.574)	over
Service Departments Total	1,129.008	1,158.770	(29.762)	886.511	898.085	(11.574)	over
CFCR	1.398	1.398	0.000	0.000	0.000	0.000	-
Loan Charges	40.843	40.843	0.000	32.091	32.091	0.000	-
Corporate Items	3.804	3.636	0.168	0.400	0.102	0.298	under
Corporate Items - COVID-19	33.663	5.720	27.943	21.538	3.242	18.296	under
Corporate Items - 21/22 Strategy	14.289	14.289	0.000	0.000	0.000	0.000	-
Total Expenditure	1,223.005	1,224.656	(1.651)	940.540	933.520	7.020	under
Income							
Housing Benefit Subsidy	65.542	64.951	(0.591)	50.325	49.728	(0.597)	under rec
Other Income	375.519	375.887	0.368	284.686	278.461	(6.225)	under rec
Council Tax (Net of Council Tax Reduction Scheme)	136.881	139.447	2.566	107.550	109.565	2.015	over rec
General Revenue Grant	346.438	346.438	0.000	272.201	272.201	0.000	-
General Revenue Grant - COVID-19	37.770	37.339	(0.431)	11.360	11.360	0.000	-
Non Domestic Rates	226.179	226.179	0.000	177.712	177.712	0.000	-
Transfer from Reserves	34.676	34.676	0.000	34.676	34.676	0.000	-
Total Income	1,223.005	1,224.917	1.912	938.510	933.703	(4.807)	under rec
Net Expenditure / (Income)	0.000	(0.261)	0.261	2.030	(0.183)	2.213	under

Proposed Transfers to Reserves

Purpose / Description	Resource	Value £m
Resources		
Parent Pay Development Contribution to meet the costs of the development of the Parent Pay system.	Community and Enterprise	0.070
Crematorium Sinking Fund Annual contribution to the Crematorium sinking fund for the future replacement of the mercury filters and brick works	Community and Enterprise	0.025
Electric Sweeper – Payback Ring-fenced reserves used to manage purchase of electric vehicles in short term which have to be repaid over next few year. This contribution is the first repayment.	Community and Enterprise	0.065
Restoration works – Alexander Park, Stonehouse Funding required to rectify the landslip and re-instate a core path in Alexander Hamilton Memorial Park for health and safety reasons	Community and Enterprise	0.077
Fleet Sinking Fund Annual contribution to cover the expected future costs of replacing ramp equipment at the Fleet depot in the Hamilton International Technology Park.	Community and Enterprise	0.045
Local Plan To fund ongoing costs in relation to progressing the new local development plan to adoption.	Community and Enterprise	0.025
Business Support Contribution to assist in funding the anticipated increase in demand for support from local business in 2021/2022 as a result of the ongoing economic fallout from the COVID19 pandemic.	Community and Enterprise	0.140
Total Community and Enterprise Resources		0.447
Pupil Equity Fund The funding received from the Government can be used up to the end of the school term (June 2021). The underspend reflects the element of the funding that will be utilised in April to June 2021.	Education	2.450
Early Years 1140 Hours This transfer relates to the underspend on the current year grant allocation to be carried forward to meet the commitments in line with the spend profile of the project.	Education	3.811
Total Education Resources		6.261
Sanitary Products This transfer relates to the underspend on the current year grant allocation to be carried forward to meet commitments.	Finance and Corporate	0.072
Men's Shed This contribution is required as it is match funding required to secure Lottery funding for extension of the contract.	Finance and Corporate	0.025
British Sign Language This transfer relates to funding to enable the implementation of the British Sign Language (Scotland) Bill which was not fully used in the current year. The funding is required to meet commitments in 2021/2022.	Finance and Corporate	0.006
Total Finance and Corporate Resources		0.103
Total Resource Proposed Transfers to Reserves		6.811
Loan Charges		
Winter Maintenance Fund Contribution required to ensure there is an ability to manage underspends and overspends on winter activity across financial years.	Loan Charges	1.000
Insurance Fund The contribution will allow the increased costs of insurance to be met from the fund for a further year covering 2021/22.	Loan Charges	1.000
Strategic Waste Fund The contribution will the Council to continue to meet the costs of the Councils waste service from 2021/22.	Loan Charges	1.000
Total Loan Charges Proposed Transfers to Reserves		3.000
Corporate Items		
Central Energy Efficiency Fund (CEEF) Resources are allocated funding from the CEEF Reserve to pay for spend to save projects which they repay over future years from the revenue savings generated by the project. This transfer represents the payback of savings from Resources and allows the Reserve to be regenerated for use on future projects.	Corporate Items	0.181
Council Tax Second Homes This transfer represents the over recovery of income from Council Tax on second homes included in the Council's Council Tax income line. This is required to be transferred to the Housing Revenue Account for use on social housing.	Corporate Items	0.582
Total Corporate Proposed Transfers to Reserves		0.763
Total Proposed Transfers to Reserves		10.574
2021/2022 Revenue Budget Strategy – Loans Fund Review The Executive Committee (June 2020) agreed that the 2020/2021 underspend generated by the Loans Fund Review would be transferred to reserves for use in future years budget strategies.	Corporate Items – 2021/2022 Strategy	8.900
2021/2022 Revenue Budget Strategy – Capital Funding The Executive Committee (June 2020) agreed that as a result of COVID-19, and the fact that the Capital Programme did not need this funding this year, the £5.389 million would be transferred to reserves for use in the 2021/2022 Revenue Budget Strategy.	Corporate Items – 2021/2022 Strategy	5.389
Total 2021/2022 Revenue Budget Strategy Approved Transfers		14.289
Total Transfers to Reserves		24.863

COVID-19 Expenditure to 29 January 2021

Additional Costs

Service	Description of Cost	Value £m
Community and Enterprise Resources		
Facilities, Waste and Grounds (FWG)	Staffing costs supporting COVID response	0.154
Fleet, Environmental and Projects	Staffing costs supporting COVID response	0.166
Planning and Economic Development	Staffing costs supporting COVID response	0.006
All Services	PPE, Equipment and cleaning materials for staff.	0.525
FWG	New booking system for special uplifts	0.010
FWG	Temporary Mortuary Costs and Shelving / Racking for Bereavement Services	0.143
FWG	Food Costs - Social Work and Homelessness	0.011
All Services	IT Costs to facilitate home working	0.010
All Services	Fleet costs including fuel supporting COVID19 response	0.359
FWG and Fleet, Environmental and Projects	Printing and Stationery, signage and mobile phones	0.048
FWG	Increase in domestic waste tonnage and costs at civic amenity sites including security	1.478
FWG	Webcast system and live webcasts	0.026
Leisure	Impact of lost income on SLLCT establishments	1.269
FWG	Grounds Start up costs – Purchase of Machinery - Grounds	0.028
Education Resources		
Schools	Supply Teachers (April, May and June)	0.502
Support Services	Education Additional Staffing (to December)	0.125
YFCL	Hub School Janitors (April and May)	0.020
YFCL	YFCL Sessional Additional Hours (April and May)	0.032
YFCL	YFCL Summer Hubs (July / August)	0.226
Schools	Additional Teachers (to December)	1.980
Schools	Additional School Support Assistants (to December)	0.163
Schools	Additional Cleaning	0.679
Schools	Facilities Orders (Hand sanitisers / soap dispensers / bins / wipes / hand towels)	0.722
ELC	ELC Works	0.043
Schools	Additional Utilities - ventilation required	0.307
Schools / ELC	Central Orders (Gloves/wipes/aprons/ visors / masks)	0.939
Schools / ELC	Hub Schools and Early Years Supplies / Materials	0.134
Schools	Schools Hand Washing Supplies / Home Working Materials etc	0.025
Schools	Hub Schools Replenishment of Supplies / Materials	0.023
Schools	ICT - Primary Refresh Out of Hours Work and ICT for Support Staff	0.123
Schools	Winter Clothing Payments	0.050
Schools	Digital Inclusion	0.178
Schools	Signage / Posters / Stickers	0.062
Schools	Equity / Information Activity Packs	0.024
ELC	ELC Provision to Key workers	0.043
Schools	Footwear and Clothing Grants (additional claimants)	0.092
Finance and Corporate Resources		
IT Services	IT related spend to allow home working	0.333
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.	0.712
All	PPE, Telephones and mail to support COVID response	0.247
Finance (Transactions)	Benefits costs associated with homeless use of Bed and Breakfast	0.062
Finance (Transactions)	Expenditure on Financial Insecurity Items – Winter Fuel Payments, Free School Meals for Children self-isolating, assistance to tenants, foodbank expenditure, tenancies.	0.490

Service	Description of Cost	Value £m
Finance (Transactions)	£100 Winter Payments	0.994
Service	Description of Cost	Value £m
Finance (Transactions)	Free School Meals – School holidays (includes additional school closure days due to lockdown)	1.052
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.	0.645
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	0.297
Total Additional Costs as at Period 11		15.557

Council Tax and Council Tax Reduction Scheme (CTRS)

Service	Description of Lost Income	Value £m
Council Tax	Loss of 2020/21 Council Tax Income including cancelled Direct Debits at end January 2021	0.000
Council Tax	Loss of Council Tax arrears collection income at end January 2021	0.000
CTRS	Cost of additional payments as at end January 2021	0.000
Additional Cost/Lost Income as at Period 11		0.000

Expenditure on Food Fund

Service	Description of Cost	Value £m
Corporate Items	Expenditure on Food Fund related items including Free School Meals provision, paypoint costs for Free School Meals, provision of meals to hubs and social work and food to vulnerable households	3.242
Additional Costs as at Period 11		3.242

Lost Income

Service	Description of Lost Income	Value £m
Community and Enterprise Resources		
Planning and Economic Development	Reduced income from Planning applications	0.460
Roads	Reduced Parking income and income from Roads Act legislation	1.646
Facilities, Waste and Grounds	Reduced school meals, milk subsidy, care of gardens, special uplifts, sale of bins income	1.989
Fleet, Environmental and Projects	Reduced income from taxi inspections.	0.041
Education Resources		
Early Years	Reduced income from Early Years Fees, playgroups and nursery milk claims	0.403
Support Services	Reduced income from Music Tuition fees	0.112
Support Services	Reduced income from Privilege transport	0.017
Finance and Corporate Resources		
Communications and Strategy	Reduced print room income.	0.047
Administration, Legal and Licensing	Reduced income for Licensing and Registration	0.355
Administration, Legal and Licensing	Reduced Legal Fees income	0.028
Finance (Transactions)	Reduced commission income for childcare due to homeworking	0.008
Total Lost Income as at Period 11		5.106

Unachieved Savings

Service	Description of Unachieved Savings	Value £m
Community and Enterprise Resources		
Facilities, Streets, Waste and Grounds	Implementation of work pattern changes within Grounds	0.085
Education Resources		
Support Services	Support Services	0.030
Schools	Curriculum and Quality Improvement Service Budget Realignment	0.020
Early Years	Employment of Early Learning and Childcare Graduates	0.049
Finance and Corporate Resources		
IT	IT Staffing Structure	0.271
Administration, Legal and Licensing	Licensing and Registration Fee Income	0.029
Unachieved Savings as at Period 11		0.484

Unspent Budget

Service	Description of Lost Income	Value £m
Community and Enterprise Resources		
Facilities, Waste and Grounds	Reduced expenditure on food purchases	(1.337)
Facilities, Waste and Grounds	Reduced expenditure on fuel in Street Cleaning	(0.073)
Facilities, Waste and Grounds	Reduced expenditure on fireworks display	(0.020)
Planning and Economic Development	Reduced expenditure due to cancellation of Christmas events	(0.045)
Roads	Reduced expenditure on flooding works	(0.085)
All	Reduced expenditure on multi-function devices and postages	(0.013)
Education Resources		
Support Services	West Partnership Income	(0.012)
Schools	Rates	(0.236)
YFCL	Breakfast Clubs and Holiday Lunch Clubs	(0.674)
All	Reduced expenditure on multi-function devices	(0.053)
Finance and Corporate Resources		
All	Reduced expenditure on multi-function devices and postages	(0.018)
Corporate Items	Rates	(0.285)
Unspent Budget as at Period 11		(2.851)

Net Cost of COVID-19 as at Period 11	21.538
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SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 29 January 2021 (No.11)
Housing Revenue Account

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 29/01/21	Actual to Period 11 29/01/21	Variance to 29/01/21		%	Note
	£m	£m	£m	£m	£m	£m			
Employee Costs	13.721	13.384	0.337	11.144	10.962	0.182	under	1.6%	1
Property Costs	46.661	48.396	(1.735)	33.832	34.772	(0.940)	over	(2.8%)	2
Supplies & Services	0.996	0.809	0.187	0.846	0.824	0.022	under	2.6%	
Transport & Plant	0.195	0.223	(0.028)	0.085	0.087	(0.002)	over	(2.4%)	
Administration Costs	5.644	5.632	0.012	3.862	3.856	0.006	under	0.2%	
Payments to Other Bodies	3.176	3.130	0.046	2.616	2.610	0.006	under	0.2%	
Payments to Contractors	0.100	0.131	(0.131)	0.095	0.110	(0.015)	over	(15.8%)	
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	-	n/a	
Financing Charges	18.134	18.142	(0.008)	18.183	18.183	0.000	-	0.0%	
Total Controllable Expenditure	88.627	89.847	(1.220)	70.663	71.404	(0.741)	over	(1.0%)	
Total Controllable Income	(107.634)	(105.901)	(1.733)	(79.061)	(77.571)	(1.490)	under rec	(1.9%)	3
Transfer to/(from) Balance Sheet	3.418	0.465	2.953	2.322	0.091	2.231	under	96.1%	4
Net Controllable Expenditure	(15.589)	(15.589)	0.000	(6.076)	(6.076)	0.000	-	0.0%	
Add: Non Controllable Budgets									
Financing Charges	15.589	15.589	0.000	10.592	10.592	0.000	-	0.0%	
Total Budget	0.000	0.000	0.000	4.516	4.516	0.000		0.0%	

Variance Explanations

1. Employee Costs

This underspend reflects the level of turnover within the Service.

2. Property Costs

This overspend reflects an increase in the level of demand for repairs and maintenance, following the easing of lockdown restrictions and recharges from property services for fixed costs.

3. Income

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

4. Transfer to/(from) Balance Sheet

This reflects the current anticipated year end transfer from reserves. The transfer will depend on the final outturn, and currently the transfer required is higher than anticipated due to the under recovery of income as a result of COVID19 lockdown.