
Report To:	Policy & Resources Committee	Date: 15 September 2020
Report By:	Chief Financial Officer	Report No: FIN/80/20/AP/AE
Contact Officer:	Alan Puckrin	Contact No: 01475 712223
Subject:	2020/21 General Fund Revenue Budget as at 31 July 2020	

1.0 PURPOSE

1.1 The purpose of this report is to advise the Committee of the position of the General Fund Revenue Budget as at 31 July 2020 and to update the Committee in respect of the position of the General Fund Reserves and Earmarked Reserves.

2.0 SUMMARY

2.1 The Council approved the 2020/21 Revenue Budget in March 2020.

2.2 It can be seen from Appendix 1 that as at 31 July 2020 the General Fund is projecting a £315,000 underspend (excluding Health & Social Directorate) which represents 0.16% of the net Revenue Budget. This is mainly due to:

- Projected underspend of non-pay inflation (£200,000)
- Projected underspend of pay inflation (£200,000)
- Projected underspend of pressures contingency (£100,000)
- Small net overspends in other Service Committees (£185,000)

2.3 From Appendix 1 it can be seen that the Policy & Resources Committee and Health and Social Care Partnership are currently projecting underspends. Both Education & Communities and the Environment & Regeneration Service Committees are currently projecting overspends excluding any COVID costs. Appendix 1 shows that there is unbudgeted COVID expenditure of £6.094 million and an estimated reduction in Council Tax Income of £0.870m due to COVID, this is detailed within Section 6.

2.4 Appendix 2 shows the latest position in respect of Earmarked Reserves, excluding those relating to Asset Plans and Funding Models, it can be seen that as at 31 July 2020 expenditure totalled £621,000 which equates to 8.62% of the planned spend in 2020/21. It can also be seen from Appendix 2 that at 31 July 2020 actual expenditure is £38,000 more than phased budget.

2.5 Appendix 3 shows the latest position in respect of the General Fund Reserves and shows that the projected balance at 31 July 2020 is £4.115 million which is £315,000 more than the minimum recommended balance of £3.8 million. This position reflects the decisions taken at the Policy & Resources Committee on 11 August 2020 at which the Committee approved £3.285m Write Back of Earmarked Reserves to help fund the COVID related budget shortfall.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee notes the latest position of the 2020/21 Revenue Budget and General Fund Reserves.
- 3.2 It is recommended that the Committee notes the latest costs in relation to COVID-19.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

4.1 The Council approved the 2020/21 Revenue Budget in March 2020.

5.0 POSITION AS AT 31 JULY 2020

5.1 It can be seen from Appendix 1 that as at 31 July 2020 the General Fund is projecting an underspend of £0.315 million which equates to 0.016% of the net General Revenue Fund Budget.

5.2 Appendix 1 shows that the Policy & Resources Committee and Health and Social Care Partnership are currently projecting underspends. Both Education & Communities and the Environment & Regeneration Service Committees are currently projecting overspends.

5.3 The main issues relating to the four Service Committees exclude COVID-19 expenditure as will be funded either from specific Scottish Government grants or from Reserves:-

Policy & Resources Committee – Projected underspend of £500,000 (3.04%) mainly due to underspends with the non-pay and pay inflation contingencies and less need for the 2020/21 Pressures Contingency.

Environment & Regeneration – Projected overspend of £126,000 (0.54%) mainly due to under-recoveries within Parking and Green Waste permit income.

Education & Communities – Projected overspend of £59,000 (0.06%) mainly due to an overspend on ASN transport partly off-set within underspends for Gas and Biomass Fuel.

Health & Social Care – Projected underspend of £73,000 (0.14%) mainly due to an underspend with care home beds offset by increased client commitment costs within Learning Disability Service, and Children and Families Service.

5.4 Appendix 2 shows the latest position in respect of the Earmarked Reserves and provides information on performance against phased budget. The Committee is asked to note that the phasing will not be amended during the year and provides a useful benchmark for Officers and Members to monitor performance against originally envisaged targets. The Earmarked Reserve statement excludes those funds that relate to Assets Plans or Funding Models.

5.5 As at 31 July 2020 the Council has spent £621,000 against a phased budget target of £583,000. This represents 8.62% of the planned spend and equates to 6.52% ahead of phased budget to date. Performance in respect of Earmarked Reserves is reviewed by the Corporate Management Team and reported in detail to each Service Committee.

5.6 Appendix 3 shows the latest position in respect of the General Fund Reserves and shows that the projected unallocated balance at 31 March 2020 is £4.115 million which is £0.315 million more than the minimum recommended balance of £3.8 million. This position reflects the decisions taken to date. At the Policy & Resources Council meeting held in August 2020, funding of £3.285m was approved for COVID related expenditure.

6.0 PROJECTED EXCESS REVENUE COVID COSTS 2020/21

6.1 Due to the COVID pandemic £6.964 million unbudgeted costs are projected. This excludes HSCP which is funded through the IJB and Scottish Government grants.

6.2 The make up of the £6.964 million cost is as follows:

Policy & Resources £855,000, Environment & Regeneration £2.185 million, Education &

Communities £2.652 million and £402,000 Contingency. These costs are funded through additional Government funding, Committee specific underspends and write back of specific Earmarked Reserves.

6.3 The COVID costs will continue to be closely monitored with the intention of managing costs within the approved extra resources.

7.0 CONSULTATION

7.1 This report has been produced utilising the detailed budget reports to each Committee.

8.0 IMPLICATIONS

8.1 Finance

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A	N/A	N/A	N/A	N/A	N/A

Annually Recurring Costs

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
N/A	N/A	N/A	N/A	N/A	N/A

8.2 Legal

There are no legal implications arising from this report.

8.3 Human Resources

There are no HR implications arising from this report.

8.4 Equalities

There are no equality implications arising from this report.

Equalities

(a) Has an Equality Impact Assessment been carried out?

	YES (see attached appendix)
X	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO

8.5 Repopulation

There are no repopulation implications arising from this report.

9.0 BACKGROUND PAPERS

9.1 None

Policy & Resources Committee
Revenue Budget Monitoring Report
Position as at 31st July 2020

Committee	Approved Budget 2020/2021	Revised Budget 2020/2021	Projected Out-turn 2020/2021	Projected Over/(Under) Spend	Percentage Variance
	£,000's	£,000's	£,000's	£,000's	
Policy & Resources	16,405	16,442	15,942	(500)	(3.04%)
Environment & Regeneration	23,547	23,196	23,322	126	0.54%
Education & Communities (Note 1)	95,311	91,031	91,090	59	0.06%
Health & Social Care	52,289	52,352	52,279	(73)	(0.14%)
Committee Sub-Total	187,552	183,021	182,633	(388)	(0.21%)
Loan Charges (Including SEMP) (Note 2)	11,236	15,444	15,444	0	0.00%
Saving Approved yet to be allocated (Note 3)	(90)	(90)	(90)	0	0.00%
Unbudgeted Covid Expenditure (Note 4)	0	0	6,094	6,094	100.00%
Earmarked Reserves	0	930	930	0	0.00%
Total Expenditure	198,698	199,305	205,011	5,706	2.86%
Financed By:					
General Revenue Grant/Non Domestic Rates	(166,076)	(166,683)	(170,773)	(4,090)	2.45%
Contribution from General Reserves	0	0	(2,874)	(2,874)	100.00%
Council Tax (Note 5)	(32,622)	(32,622)	(31,752)	870	(2.67%)
Integration Joint Board - Contribution to Reserves	0	0	73	73	100.00%
Net Expenditure	0	0	(315)	(315)	

Note 1 - Reduction reflects loans charges and earmarked reserves.

Note 2 - Loan Charges account reduced by £400,000 to reflect reduction in Interest rates, off-set by £400,000 reduction in Internal Interest within P&R budget.

Note 3 - Corporate insurance saving yet to be allocated to Service budgets.

Note 4 - Additional COVID unbudgeted expenditure, excludes HSCP and is net of Specific Grant Support;

1. Policy & Resources	855
2. Environment & Regeneration	2,185
3. Education & Communities	2,652
4. Contingency	402
	<u>6,094</u>

Note 5 - Council Tax reflects the estimated impact in collection rates due to COVID

Earmarked Reserves

SEMP	73
DMR	200
Microsoft Licence	300
City Deal	345
VRP	12

Contribution to General Earmarked Reserves 930

Earmarked Reserves Position Statement

Appendix 2

Summary

<u>Committee</u>	<u>Total Funding 2020/21</u>	<u>Phased Budget to</u>	<u>Actual Spend To 31 July 2020</u>	<u>Variance Actual to Phased Budget</u>	<u>Projected Spend 2020/21</u>	<u>Earmarked 2021/22 & Beyond</u>
	£000	£000	£000	£000	£000	£000
Education & Communities	2,625	85	85	0	2,391	234
Health & Social Care	3,041	262	323	61	2,206	835
Regeneration & Environment	5,838	43	47	4	1,972	3,866
Policy & Resources	2,102	193	166	(27)	634	1,468
	13,606	583	621	38	7,203	6,403

<u>2020/21 %age Spend Against Projected</u>	<u>2020/21 %age Over/(Under) Spend Against Phased Budget</u>
3.55%	0.00%
14.64%	23.28%
2.38%	9.30%
26.18%	(13.99%)
8.62%	6.52%

Actual Spend v Phased Budget Ahead of Phasing = £38k 6.52%

Appendix 3

GENERAL FUND RESERVE POSITION
Position as at 31/07/20

	<u>£000</u>	<u>£000</u>
Unaudited Balance 31/03/20		5305
Projected Surplus/(Deficit) 2020/21	315	
Contribution to/(from) General Fund Reserves Note 1	<u>0</u>	
		315
Earmarked Reserves Write Back - Approved P&R August 2020		3285
Covid Recovery Plan Initial Costs - Still to be Approved		(179)
<i><u>Approved Use of Reserves (August 2020)</u></i>		
Projected Excess Revenue Covid Costs 2020/21		(2874)
Projected Excess CFCR Covid Costs 2020/22		(1737)
Projected Unallocated Balance 31/03/21		<u><u>4115</u></u>

Minimum Reserve required is £3.8 million

Note 1 No contribution from reserves was required when setting 2020/21 Revenue Budget.