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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>23 May 2023</b>
<b>Report By:</b>	<b>Chief Financial Officer, Chief Executive and Corporate Director Education, Communities &amp; Organisational Development</b>	<b>Report No:</b>	<b>FIN/31/23/AP/AB</b>
<b>Contact Officer:</b>	<b>Alan Puckrin</b>	<b>Contact No:</b>	<b>01475 712090</b>
<b>Subject:</b>	<b>2022/23 Policy &amp; Resources Committee and General Fund Revenue Budget position at 28 February 2023</b>		

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## **1.0 PURPOSE AND SUMMARY**

1.1  For Decision  For Information/Noting

- 1.2 The purpose of this report is to advise Committee of the 2022/23 Committee Revenue Budget projected position at 28 February 2023 and the overall General Fund Revenue Budget projection at the same date. The report also highlights the position of the General Fund Reserve.
- 1.3 The revised 2022/23 Revenue Budget for the Policy & Resources Committee is £19,478,000 excluding Earmarked Reserves. The latest projection is an overspend of £683,000 (3.4%) and is due to pay and non-pay inflation pressures which are being held centrally, off-set with additional Internal Resource Interest (IRI) income due to the increase in interest rates. This represents a decrease in projected overspend of £126,000 since the Period 10 report mainly due to a reduction on the call from the non-pay inflation contingency, increased turnover savings and a reduction in annual pension costs.
- 1.4 The latest projection for the General Fund Budget is an underspend of £1,098,000 after the one-off use of £4million of Reserves which was agreed by the Council when Members approved the 2022/23 Revenue Budget. Based on these figures the Council's unallocated Reserves are currently projected to be £1.264million more than the minimum recommended level of £4.0million by 31 March 2023. This position includes the allocation of £18.7million from Reserves approved by the Council on 2 March 2023 and additional available funding streams; Service Concession & future IRI estimates.

## **2.0 RECOMMENDATIONS**

- 2.1 It is recommended that the Committee notes the projected overspend for 2022/23 of £683,000 at 28 February 2023 within the Committee's Budget.
- 2.2 It is recommended that the Committee notes the projected 2022/23 surplus of £18,340 for the Common Good Budget.

2.3 It is recommended that the Committee notes the projected underspend of £1,098,000 for the General Fund and the projected surplus reserves of £1.264million at 31 March 2023.

**Alan Puckrin**  
**Chief Financial Officer**

**Louise Long**  
**Chief Executive**

**Ruth Binks**  
**Corporate Director**  
**Education, Communities**  
**& Organisational Development**

### **3.0 BACKGROUND AND CONTEXT**

3.1 The revised 2022/23 Revenue Budget for the Policy & Resources Committee is £19,478,000 excluding Earmarked Reserves. This is a decrease of £2,690,000 from the approved budget due to additional funding from the Scottish Government for the Local Pay Offer more than offset by allocations to services from the pay and non-pay inflation allowance. Appendix 1 gives more details of this budget movement.

### **3.2 2022/23 Projected Outturn – Policy & Resources Committee Budget (£683,000 Overspend 3.4%)**

The main projected variances contributing to the net overspend are listed below –

- (a) Projected underspend of £81,000 for Finance/ICT Employee costs due to exceeding turnover targets.
- (b) ICT Computer Software Maintenance one-off projected underspend £39,000.
- (c) Projected underspend within Revenues of £75,000 due to one-off administration income relating to the Cost of Living grant payments. This underspend will be off-set with various administrative costs all under £20,000.
- (d) Projected over-recovery of £55,000 within Income Recharges for ICT service recharges for computer equipment for which a saving was approved as part of the 2023/24 Budget.
- (e) Projected overspend of £50,000 for Legal Employee costs due to turnover target not yet met.
- (f) Projected overspend of £1,250,000 for the Non-Pay Inflation Contingency largely due to rising utility and fuel costs and contracts linked to rates of RPI.
- (g) Projected shortfall of £1,400,000 in the Pay Inflation allowance based on the 2022/23 SJC Pay Award and after netting off an additional £2.167 million recurring funding and one-off funding of £1.867 million from the Scottish Government. The projection allows for the IJB receiving a £1.1 million share of this additional funding in 2022/23.
- (h) Projected over-recovery of £1,800,000 from Internal Resource Interest due to current interest rates as reported as part of the December Financial Strategy.

More details are shown in Appendices 2 and 3

### **3.3 Earmarked Reserves**

Appendix 4 gives an update on the operational Earmarked Reserves, i.e. excluding strategic funding models. Spend to date is currently £5,476,000 largely due to the delivery of the Council Cost of Living payments. This represents 46.4% of the projected 2022/23 spend.

Appendix 7 gives a summary breakdown of the current earmarked reserves position. It can be seen that expenditure at 28 February was £11,821,000 which is £767,000 (6.94%) more than the phased budget and 58.22% of projected 2022/23 spend.

### **3.4 Common Good Fund**

The Common Good Fund is projecting a surplus in 2022/23 of £18,340 as shown in Appendix 5 and which results in projected surplus fund balance of £124,008 at 31 March 2023.

### 3.5 General Fund Budget & Reserves Position

Appendix 6 shows that as at 28 February 2023 the General Fund is projecting a £1,098,000 underspend (excluding Health & Social Care) which represents 0.49% of the net Revenue Budget. This is a reduction in expenditure of £237,000 since P10. This is mainly due to an £200k increase within Education Services overall underspend due to additional Teachers strike days not included at last Committee.

3.6 Appendix 8 shows the latest position in respect of the General Fund Reserves and shows that the projected balance at 31 March, 2023 is £5.264 million which is £1.264 million above the minimum recommended balance of £4 million. The General Fund Reserve position includes additions to the Reserve beyond 2022/23 that were agreed as part of the 2023/25 Budget approved by the Council on 2 March 2023.

### 4.0 IMPLICATIONS

4.1 The table below shows whether risks and implications apply if the recommendations are agreed:

SUBJECT	YES	NO	N/A
Financial		X	
Legal/Risk	X		
Human Resources		X	
Strategic (LOIP/Corporate Plan)		X	
Equalities & Fairer Scotland Duty			X
Children & Young People's Rights & Wellbeing			X
Environmental & Sustainability			X
Data Protection			X

### 4.2 Finance

The report highlights a small improvement in the overall projected 2022/23 General Fund Budget and Reserve position from that reported at period 10. The next update in August will advise of the position following the preparation of the 2022/23 Annual Accounts.

One off Costs

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

Annually Recurring Costs/ (Savings)

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

#### **4.3 Legal/Risk**

The approved Governance Documents set out the roles and responsibilities of Committees and officers in ensuring budgets are not overspent and the process to be followed in the event approved limits are projected to be breached.

#### **4.4 Human Resources**

There are no specific human resources implications arising from this report.

#### **4.5 Strategic**

The current and projected financial position was considered when developing the recently refreshed strategic plans for the Council.

### **5.0 CONSULTATION**

5.1 The reported figures are based on recent meetings with all relevant budget holders.

### **6.0 BACKGROUND PAPERS**

6.1 There are no background papers.

**Policy & Resources Budget Movement - 2022/23****Period 11: 1 April 2022 - 28 February 2023**

Service	Approved Budget	Movements			Transferred to	Revised Budget
	2022/23 £000	Inflation £000	Virement £000	Supplementary Budgets £000	EMR £000	2022/23 £000
Finance	7,555	511	40	48	0	8,154
Legal	1,961	115	6	0	0	2,082
Organisational Development, Policy & Communications	2,115	131	23	0	0	2,269
Chief Exec	331	13	0	0	0	344
Miscellaneous	9,730	(6,424)	250	3,898	(825)	6,629
Totals	<u>21,692</u>	<u>(5,654)</u>	<u>319</u>	<u>3,946</u>	<u>(825)</u>	<u>19,478</u>

**Supplementary Budget Detail**

£000

Inflation

Benefit Subsidy 2022/23 Inflation	186
Finance & ICT - Inflation adjustments	16
P&R Pay Award 22/23	541
Legal: HOS Overbudgeted, transfer to Inflation Contingency	(7)
Legal - Team Lead Pay Inflation	2
HR - Occupational Health contract increase	33
Miscellaneous - Pay Inflation allocated out	(3,573)
Miscellaneous - Non Pay Inflation allocated out	(2,852)
	<u>(5,654)</u>

Virements

Finance (ICT): New Ways of Working	40
Legal - Additional Senior Allowances Councillors	6
HR - Corp Comms Money for Post 78069 Team Lead	23
Anti-Poverty	250
	<u>319</u>

Supplementary Budgets

Revenues Redeterminations 2022/23	48
Miscellaneous - SG Local Pay Offer Allocation (Ex-HSCP)	3,898
	<u>3,946</u>

**Total Inflation & Virements**(1,389)

## REVENUE BUDGET MONITORING REPORT

## CURRENT POSITION

Period 11: 1 April 2022 - 28 February 2023

2021/22 Actual £000	SUBJECTIVE ANALYSIS	Approved Budget 2022/23 £000	Revised Budget 2022/23 £000	Projected Out-turn 2022/23 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
8,144	Employee Costs	8,366	8,894	8,848	(46)	(0.5%)
487	Property Costs	569	569	569	0	-
905	Supplies & Services	888	901	946	45	5.0%
1	Transport & Plant	4	4	2	(2)	(50.0%)
1,253	Administration Costs	1,295	1,303	1,215	(88)	(6.8%)
29,661	Payments to Other Bodies	39,866	37,925	38,643	718	1.9%
(26,838)	Income	(29,296)	(29,293)	(29,237)	56	(0.2%)
<b>13,612</b>	<b>TOTAL NET EXPENDITURE</b>	<b>21,692</b>	<b>20,303</b>	<b>20,986</b>	<b>683</b>	<b>3.4%</b>
	Earmarked reserves		(825)	(825)	0	
<b>13,612</b>	<b>Total Net Expenditure excluding Earmarked Reserves</b>	<b>21,692</b>	<b>19,478</b>	<b>20,161</b>	<b>683</b>	

2021/22 Actual £000	OBJECTIVE ANALYSIS	Approved Budget 2022/23 £000	Revised Budget 2022/23 £000	Projected Out-turn 2022/23 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
7,487	Finance	7,555	8,154	7,888	(266)	(3.3%)
1,353	Legal Services	1,961	2,082	2,178	96	4.6%
<b>8,840</b>	<b>Total Net Expenditure Environment, Regeneration &amp; Resources</b>	<b>9,516</b>	<b>10,236</b>	<b>10,066</b>	<b>(170)</b>	<b>(1.7%)</b>
2,117	Organisational Development, Policy & Communications	2,115	2,269	2,279	10	0.4%
<b>2,117</b>	<b>Total Net Expenditure Education, Communities &amp; Organisational Development</b>	<b>2,115</b>	<b>2,269</b>	<b>2,279</b>	<b>10</b>	<b>0.4%</b>
337	Chief Executive	331	344	357	13	3.8%
2,318	Miscellaneous	9,730	7,454	8,284	830	11.1%
<b>13,612</b>	<b>TOTAL NET EXPENDITURE</b>	<b>21,692</b>	<b>20,303</b>	<b>20,986</b>	<b>683</b>	<b>3.4%</b>
	Earmarked reserves		(825)	(825)		
<b>13,612</b>	<b>Total Net Expenditure excluding Earmarked Reserves</b>	<b>21,692</b>	<b>19,478</b>	<b>20,161</b>	<b>683</b>	

## REVENUE BUDGET MONITORING REPORT

## MATERIAL VARIANCES (EXCLUDING EARMARKED RESERVES)

Appendix 3

Period 11: 1 April 2022 - 28 February 2023

Outturn 2021/22 £000	Budget Heading	Budget 2022/23 £000	Proportion of Budget £000	Actual to 28/02/23 £000	Projection 2022/23 £000	Over/(Under) Budget £000	Percentage Variance %
	<b><u>Finance/ICT Services</u></b>						
4,753	Employee Costs	5,189	4,748	4,324	5,108	(81)	(1.6%)
24,407	Revenues - Benefits & Allowances	27,671	25,365	21,912	27,623	(48)	(0.2%)
(33)	Revenues - Bad Debt Provision	0	0	15	20	20	(100.0%)
0	Revenues - Cost of Living Award (Projected Under Spend is Funding For Admin Costs)	0	0	0	(75)	(75)	(100.0%)
(271)	Revenues - Income - Statutory Additions	(294)	(270)	(239)	(270)	24	(8.2%)
0	Revenues - Income- Council Tax Previous Years	(356)	(326)	0	(385)	(29)	8.1%
(30)	ICT - Income - Recharges	0	0	(55)	(55)	(55)	(100.0%)
0	ICT- Other Expenditure	40	33	0	1	(39)	(97.5%)
6	Revenues - Legal Expenses	9	8	17	30	21	233.3%
	<b><u>Legal Services</u></b>						
1,321	Employee Costs	1,643	1,386	1,429	1,693	50	3.0%
(576)	Income - Licenses	(471)	(432)	(243)	(443)	28	(5.9%)
(10)	Income - Recharges Capital	(24)	(22)	(2)	(2)	22	(91.7%)
	<b><u>Organisational Development, Policy &amp; Communications</u></b>						
1,752	Employee Costs	1,925	1,625	1,589	1,896	(29)	(1.5%)
	<b><u>Miscellaneous Services</u></b>						
1,014	Non Pay Inflation	2,227	2,007	2,007	3,477	1,250	56.1%
2,816	Pay Inflation	2,876	3,573	3,573	4,276	1,400	48.7%
(104)	Internal Resource Interest	(201)	0	0	(2,001)	(1,800)	895.5%
2,260	Pensions	2,275	2,085	2,035	2,249	(26)	(1.1%)
<b>37,305</b>	<b>TOTAL MATERIAL VARIANCES</b>	<b>42,509</b>	<b>39,781</b>	<b>36,362</b>	<b>43,142</b>	<b>633</b>	



## EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Policy &amp; Resources

C a t e g o r y	Project	Lead Officer/ Responsible Manager	Total Funding	Phased Budget P11	Actual 28/02/2023	Projected Spend	Amount to be Earmarked for 2023/24 & Beyond	Lead Officer Update
			2022/23	2022/23	2022/23	2022/23		
			£000	£000	£000	£000		
B	Early Retiral/Voluntary Severance Reserve	Alan Puckrin	1,473	0	0	1,260	213	Projection based on agreed release costs relating to the 2023/24 Budget. £1.7m further resources allocated to the reserve in 2023/24.
C	Equal Pay	Steven McNab	100	0	0	0	100	Balance for equal pay which is under review on an annual basis after £100k write back.
C	Digital Strategy	Alan Puckrin	160	0	54	66	94	Project officer £70k over 2 years starting 01/10/21. £68k uncommitted. To be allocated to the Digital Modernisation reserve.
C	Welfare Reform - Operational	Alan Puckrin	117	0	61	65	52	£52k unallocated balance which will be used from 23/24 following £36k approved write back.
B	Cloud Technology	Alan Puckrin	176	0	20	20	156	Cloud Migration Analyst started 23/08/21 for 1 year before post is mainstreamed. Balance required for Digital Modernisation project.
C	Anti-Poverty Fund	Ruth Binks	1,897	922	1,101	1,517	380	£763k of funding relates to c/f of the recurring element of the Anti Poverty fund and £309k relates to c/f for FSM holiday payments and bridging payments all of which will be fully spent. New funding relates to an underspend of SG FSM funding (£118k) and uncommitted Anti Poverty recurring budget (£559k) as well as ADP funding for IRISE project (£145k). It is anticipated that this funding will be spent on a number of projects agreed by P&R in November 22 with a balance of £380k uncommitted.
C	Community Facilities Digital Inclusion	Alan Puckrin	16	0	2	2	14	Budget holders have confirmed that the project is delivered except for Grieve Road CC. £16k allocated for this. Balance approved for write back.
B	Loan Charge Funding Model	Alan Puckrin	337	0	0	0	337	December Finance Strategy forecast a balance of £0.4m by 31.3.23. Council agreed to allocate £1.2million to this reserve in 2023/24 to address projected deficit over 2023/25.
C	GDPR	Iain Strachan	35	17	16	16	19	Information governance system contract (Workpro) awarded (2yr+1yr+1yr). Spend committed - £10k per year. Continued corporate training programme being organised.
C	Local Government Elections	Iain Strachan	110	110	110	110	0	Cost for May 2022 Local election. £140k approved from Committee - £30k in 2021/22 & £110k in 2022/23 within overspend of £18k being reported as part of Legal Services overspend on 2022/23.

**EARMARKED RESERVES POSITION STATEMENT**

**COMMITTEE: Policy & Resources**

C a t e g o r y	Project	Lead Officer/ Responsible Manager	Total	Phased Budget	Actual	Projected	Amount to be	Lead Officer Update
			Funding	P11	28/02/2023	Spend	Earmarked for	
			2022/23	2022/23	2022/23	2022/23	2023/24	
			£000	£000	£000	£000	& Beyond	
C	Contribution from the SG Omicron Funding - £350 Payment	Alan Puckrin	500	500	500	500	0	Complete.
B	2022/24 Budget Funding Reserve	Alan Puckrin	6,000	0	0	4,000	2,000	£4.0m approved for use 22/23. Further £4.0m added per 2023/26 in March, 2023.
B	Covid - ICT Technicians to support Digital School Inclusion	Alan Puckrin	60	0	30	36	24	2 posts to 30.6.22, mainlined thereafter (from P4 being charged to 30.4.23 but with proposals, from P6, to extend). Both posts were filled from 1.11.21, but currently only one post filled/being charged to EMR.
B	Covid - Scottish Welfare Fund -Balance From 21/22	Alan Puckrin	40	0	0	40	0	All required 22/23.
C	Covid - Desks and Equipment	Steven McNab	6	14	5	6	0	Support Health and Safety of employees working at home providing equipment. This EMR is linked to DSE risk assessments of employees working at home. £8k budget to be written back.
C	Covid Recovery - Increased Occ Health Provision - 24 Months	Steven McNab	36	33	33	36	0	This EMR is mainly used for counselling services and providing mental health support during the covid recovery period.
C	Covid Recovery - Additional HR Support to Services - 24 Months	Steven McNab	48	44	44	48	0	Additional HR Support during the COVID Recovery period. HR Advisor ends on 15/08/23.
C	Covid Recovery - Flu Vaccines	Steven McNab	3	5	1	1	2	This EMR will be used to secure flu jabs and offered to employees through ICON and wider communications. This rollout will be around December 2022. Uncommitted £9k budget to be written back.
C	Covid Recovery - 2x Additional ICT Service Desk Technicians - 18 Months	Alan Puckrin	63	0	12	17	46	Approved P&R 25/05/21 - Covid Recovery Plans. 1 year temp Service Desk post funded from 1.9.22 to meet increased demand during hybrid working pilot
C	Covid Recovery - Contingency for new initiatives/increased costs	Alan Puckrin	0	0	0	0	0	£278k allocated to IL utility costs September 2022, any unused balance proposed to be written back 31/03/22.
C	Extension of Corporate Policy Post	Steven McNab	44	0	0	0	44	Budget transfer from COVID Recovery budget to fund extension of Corporate Policy Post.
B	Tenant Hardship Fund	Alan Puckrin	59	0	59	59	0	Complete.
C	Additional Payroll post - 12 Months	Steven McNab	28	25	25	28	0	Cost for senior clerical assistant within payroll team. The anticipated end date of post is 31/03/23.

**EARMARKED RESERVES POSITION STATEMENT**

**COMMITTEE: Policy & Resources**

C a t e g o r y	Project	Lead Officer/ Responsible Manager	Total Funding	Phased Budget P11	Actual 28/02/2023	Projected Spend	Amount to be Earmarked for 2023/24 & Beyond	Lead Officer Update
			2022/23	2022/23	2022/23	2022/23	2022/23	
			£000	£000	£000	£000	£000	
C	New Ways of Working	Steven McNab	286	98	41	54	232	Ongoing to the summer of 2023. Project requires 150k employee costs alongside 150k non employee other costs. The staffing requirement has a 22.2 hour post until 03/06/23 The non-employee costs relate to expenditure in rationalising office estate with regards to hybrid working that will see office refurbishments, relocation of staff and IT Costs that improve digital capabilities. It has also been agreed, this will fund the £7.6k capitial requirement for Online form solutions Victoria Forms.
C	HR Resources	Steven McNab	92	0	0	0	92	This is Monies to fund the 2 HR employees for 2023/24. 40k has been agreed from Covid Jobs Refresh, 17k moved from HR EMR above to here. 35k moved to here from Discover Inverclyde EMR.
C	Contribution to IJB budget 2022/23	Alan Puckrin	550	0	0	550	0	Budget transferred to IJB March 2023
C	Support with Energy Bill Costs - £350 Payment	Alan Puckrin	2,948	3,000	2,948	2,948	0	£52k balance forms part of the £1.46million write back approved December Council.
C	Covid Recovery - Large Outdoor Festival 2022	Ruth Binks	350	350	350	350	0	Funding supported Meliora Festival, reported to September P&R - complete.
C	Covid Recovery - Marketing Post & Support for Discover Inverclyde - 2 Years	Ruth Binks	142	97	64	71	71	The EMR supports a new temporary two year communications officer (tourism) post to support local delivery of tourism activity in partnership with the discover Inverclyde tourism partnership working towards the key priority areas to embed the 'discover Inverclyde' theme and call to action focussing on marketing priorities (food and drink; film and TV; outdoor activities and sports cruise ships; heritage and walking. The spend for this EMR will be 22/23 and 23/24. The two year post is funded from Nov 21 to Nov 23.
<b>Total Category B</b>			<b>8,145</b>	<b>0</b>	<b>109</b>	<b>5,415</b>	<b>2,730</b>	
<b>Total Category C to E</b>			<b>7,531</b>	<b>5,215</b>	<b>5,367</b>	<b>6,385</b>	<b>1,146</b>	

## COMMON GOOD FUND

Period 11: 1 April 2022 - 28 February 2023

	Final Outturn 2021/22	Approved Budget 2022/23	Budget to Date 2022/23	Actual to Date 2022/23	Projected Outturn 2022/23
<b><u>PROPERTY COSTS</u></b>	<b>72,380</b>	<b>29,000</b>	<b>23,300</b>	<b>31,610</b>	<b>35,660</b>
Repairs & Maintenance	47,450	9,000	7,500	10,450	11,000
Rates 1	21,720	19,000	15,800	21,160	21,160
Property Insurance	3,210	1,000	0	0	3,500
<b><u>ADMINISTRATION COSTS</u></b>	<b>15,050</b>	<b>7,700</b>	<b>1,300</b>	<b>0</b>	<b>7,700</b>
Sundries	8,850	1,500	1,300	0	1,500
Commercial Rent Management Recharge	2,200	2,200	0	0	2,200
Recharge for Accountancy	4,000	4,000	0	0	4,000
<b><u>OTHER EXPENDITURE</u></b>	<b>26,000</b>	<b>61,500</b>	<b>61,500</b>	<b>55,100</b>	<b>61,500</b>
Christmas Lights Switch On	10,500	10,500	10,500	5,890	10,500
Gourock Highland Games	0	29,400	29,400	29,400	29,400
Armistice Service	6,530	8,300	8,300	6,510	8,300
Comet Festival	0	13,300	13,300	13,300	13,300
Bad Debt Provision	8,970	0	0	0	0
<b><u>INCOME</u></b>	<b>(118,620)</b>	<b>(109,800)</b>	<b>(91,100)</b>	<b>(104,880)</b>	<b>(123,200)</b>
Property Rental	(158,050)	(159,000)	(132,500)	(134,700)	(159,000)
Void Rents 2	39,690	49,700	41,400	29,820	36,300
Internal Resources Interest	(260)	(500)	0	0	(500)
<b><u>NET ANNUAL EXPENDITURE</u></b>	<b>(5,190)</b>	<b>(11,600)</b>	<b>(5,000)</b>	<b>(18,170)</b>	<b>(18,340)</b>
<b><u>EARMARKED FUNDS</u></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>TOTAL NET EXPENDITURE</u></b>	<b>(5,190)</b>	<b>(11,600)</b>	<b>(5,000)</b>	<b>(18,170)</b>	<b>(18,340)</b>

Fund Balance as at 31st March 2022 105,668

Projected Fund Balance as at 31st March 2023 124,008**Notes:****1 Rates (Empty Properties)**

Rates are currently being paid on empty properties, projection reflects current Rates levels however all historic Rates costs are being examined to ensure all appropriate empty property relief has been obtained. Any subsequent credit will be included in future reports.

**2 Current Empty Properties are:**Vacant since:

12 Bay St  
14 Bay St  
6 John Wood Street  
10 John Wood Street  
15 John Wood Street

April 2015, currently being marketed  
November 2022, currently being marketed  
January 2019, currently being marketed  
August 2018  
June 2017

Policy & Resources CommitteeRevenue Budget Monitoring ReportPosition as at 28th February 2023

Committee	Approved Budget 2022/2023 £,000's	Revised Budget 2022/2023 £,000's	Projected Out-turn 2022/2023 £,000's	Projected Over/(Under) Spend £,000's	Percentage Variance
Policy & Resources	21,692	19,478	20,161	683	3.51%
Environment & Regeneration	21,424	23,275	23,078	(197)	(0.85%)
Education & Communities <b>(Note 1)</b>	99,748	98,981	98,253	(728)	(0.74%)
Health & Social Care	65,522	65,767	63,755	(2,012)	(3.06%)
<b>Committee Sub-Total</b>	<b>208,386</b>	<b>207,501</b>	<b>205,247</b>	<b>(2,254)</b>	<b>(1.09%)</b>
Loan Charges (Including SEMP) <b>(Note 1)</b>	11,977	16,883	16,883	0	0.00%
Identified Savings <b>(Note 2)</b>	39	39	(9)	(48)	0.00%
Saving Approved yet to be Allocated <b>(Note 3)</b>	(30)	(30)	(10)	20	0.00%
Earmarked Reserves	0	2,444	2,444	0	0.00%
<b>Total Expenditure</b>	<b>220,372</b>	<b>226,837</b>	<b>224,555</b>	<b>(2,282)</b>	<b>(1.01%)</b>
<b>Financed By:</b>					
General Revenue Grant/Non Domestic Rates	(185,285)	(189,806)	(190,034)	(228)	0.12%
Contribution from General Reserves	(4,000)	(5,944)	(5,944)	0	100.00%
Contribution to Reserves	1,858	1,858	1,858	0	100.00%
Council Tax <b>(Note 4)</b>	(32,945)	(32,945)	(33,545)	(600)	1.82%
Integration Joint Board - Contribution to Reserves	0	0	2,012	2,012	100.00%
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>(1,098)</b>	<b>(1,098)</b>	

**Note 1 - Reduction reflects SEMP loans charges**

**Note 2 - Identified savings to be allocated**

**Note 3 - Approved savings yet to be allocated (New Ways of Working)**

**Note 4 - Based on the most recent Council Tax Base return there is an increase in the property numbers. £600k has been allocated in the 2023/25 budget process.**

**Earmarked Reserves Position Statement**

**Appendix 7**

**Summary**

<u>Committee</u>	<u>Total Funding 2022/23</u>	<u>Phased Budget P11</u>	<u>Actual Spend To 28 February 2023</u>	<u>Variance Actual to Phased Budget</u>	<u>Projected Spend 2022/23</u>	<u>Earmarked 2023/24 &amp; Beyond</u>	<u>2022/23 %age Spend Against Projected</u>	<u>2022/23 %age Over/(Under) Spend Against Phased Budget</u>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>		
Education & Communities	4,545	3,565	3,515	(50)	4,010	535	87.66%	(1.40%)
Health & Social Care	4,753	951	110	(841)	837	3,916	13.14%	(88.43%)
Regeneration & Environment	11,166	1,323	2,720	1,397	3,656	7,510	74.40%	105.63%
Policy & Resources	15,676	5,215	5,476	261	11,800	3,876	46.41%	5.00%
	36,140	11,054	11,821	767	20,303	15,837	58.22%	6.94%

**Actual Spend v Phased Budget      Ahead Phasing =      £767k      6.94%**

**Last Update (Period P10)      Ahead Phasing =      £567k**

**Increase in Acceleration      £200k**

**GENERAL FUND RESERVE POSITION**  
**Position as at 28/02/23**

	<u>£000</u>	<u>£000</u>
Usable Balance 31/3/22		3719
<u>Available Funding:</u>		
Share of Scottish Government one off funding £120m 2022/23	1858	
Service Concession (P&R January 2023)	14748	
IRI Interest (2023/26)	<u>3500</u>	20106
Projected Surplus/(Deficit) 2022/23	1098	
Contribution to/(from) General Fund Reserves	<u>0</u>	1098
<u>Use of Balances:</u>		
Local Elections	(140)	
Loans Charges Funding Model (December Financial Strategy)	(1200)	
IL Smoothing Reserve	(400)	
IL - Living Wage Contribution	(77)	
Service Concession Smoothing Reserve (P&R January 2023)	(602)	
Agreed Use of Free Reserves Full Council March 2023):		
Support to 2023/26 Budgets	(4000)	
Net Zero action plan	(3300)	
Anti Poverty initiatives	(800)	
Employability Smoothing Reserve	(400)	
Digital Modernisation	(1000)	
Inflation Smoothing Reserve	(3000)	
2023/26 Capital Programme Funding	(4000)	
Clune Park Regeneration	(500)	
Voluntary Severance Reserve	<u>(1700)</u>	(21119)
<u>Agreed Write back of Earmarked Reserves:</u>		
Write Back December P&R		1460
		<u><u>5264</u></u>

**Minimum Reserve required is £4 million**