

PERTH & KINROSS COUNCIL
FINANCE & RESOURCES COMMITTEE

24 APRIL 2024

REVENUE BUDGET 2023/24 – UPDATE NO. 4

**Contact Officer: Scott Walker, Strategic Lead – Finance & Business Support
(Report No. 24/130)**

1. PURPOSE

- 1.1 This report provides an update on progress with the 2023/24 General Fund Revenue Budget based upon the January 2024 ledger, updated for any subsequent known material movements, and the projected financial position of the Housing Revenue Account.
- 1.2 The total net **projected under spend** on the 2023/24 General Fund Management Budget is **£1.373 million** (see **Appendix 1**).
- 1.3 The report also seeks approval for several adjustments to the 2024/25 Revenue Budget approved by Council on 28 February 2024.

2. RECOMMENDATIONS

The Committee is requested to:

- A. note the contents of the report.
- B. note the projected outturn for General Fund Services set out in **Section 5 and Appendix 1 and 2**.
- C. note the projected outturn for Corporate Budgets and Perth & Kinross Integration Joint Board set out in **Section 6**.
- D. note the funding update provided in **Section 7**.
- E. note the projected outturn for the Housing Revenue Account, which is summarised in **Section 8 and Appendix 4**.
- F. approve the adjustments to the 2023/24 Management Revenue Budget detailed in **Sections 8, 9, 10 & 11 and Appendices 1, 2, 4, 5, 6 & 7**.
- G. note the financial risks set out in **Section 12 and Appendix 8**.
- H. approve the adjustments to the 2024/25 Management Revenue Budget detailed in **Section 13 and Appendix 9**.

3. STRUCTURE

Section 4	Background
Section 5	Revenue Monitoring – Service Budgets
Section 6	Revenue Monitoring – Corporate Budgets
Section 7	Revenue Monitoring – Funding
Section 8	Revenue Monitoring – Other Updates
Section 9	2023/24 Additional Funding
Section 10	2023/24 Virements
Section 11	2023/24 Movements in Reserves
Section 12	Financial Risks
Section 13	Adjustments to 2024/25 Revenue Budget
Section 14	Conclusions

4. BACKGROUND

- 4.1 This report updates the Committee on progress with the 2023/24 Revenue Budget. **Appendix 1** to this report summarises the current projected year end (outturn) position for each Service based upon the January 2024 ledger, updated for any subsequent known material movements.
- 4.2 The budget total reflected in Column 1 of **Appendix 1** to this report is that approved by the Council in setting the 2023/24 Final Revenue Budget on 1 March 2023 (Report No. 23/72 refers). In addition, adjustments approved by the Council on 4 October 2023 (Report No. 26/268 refers), the Finance & Resources Committee on 26 April, 13 September and 22 November 2023 and 31 January 2024 (Report Nos. 23/120, 23/242, 23/315 and 24/40 refer) and Executive Sub-Committee of the Finance & Resources Committee on 24 July 2023 (Report No. 23/219 refers) are reflected in **Appendix 1** (Column 2).

5. REVENUE MONITORING – SERVICE BUDGETS

- 5.1 The Service Budget projections included within this section and Appendix 1 through to 8 have been prepared based on the Council's previous structure. Going forward, future reports will reflect the new structure.
- 5.2 The total net projected under spend on Service budgets, which is summarised in **Section 1** of **Appendix 1** to this report, is **£2.543 million** which represents **0.7%** of total net Service expenditure.
- 5.3 Details of variances against individual Service budgets are shown in **Appendix 2** to this report with the most significant variances summarised below.
- 5.4 The management of Service over and under spends are considered throughout the financial year and may also form part of the Revenue Budget strategy for future years.
- 5.5 All Council Services are over achieving on approved levels of slippage. Whilst there is a financial impact of this which is reflected in the projected outturns included in this report, there may be unintended consequences in

terms of performance, delivery of strategic objectives and impact on the remaining workforce.

- 5.6 There also remains a risk that the Council continues to experience increases in costs over the short to medium term that are higher than budgeted inflation levels. This is already being seen in the cost of the materials required by property and housing maintenance teams. Going forward, this may continue to have an impact on projected outturns and future years' budgets.

Education & Children's Services

- 5.7 The projected outturn for Education & Children's Services excluding Devolved School Management (DSM) and the Pupil Equity Fund (PEF) is currently anticipated to be **£2.761 million** or **1.1%** less than budget – a movement of **£1.725 million** on the position last reported to Committee. The individual elements contributing to this position are summarised in the following table and narrative.

Function	Projected Outturn			Movement
		£'m	%	£'m
Education Services	Under spend	(1.008)	(1.7)	(0.604)
Children, Young People & Families	Under spend	(0.337)	(1.4)	(0.236)
Business & Resource Services	Under spend	(0.205)	(2.8)	(0.130)
Catering Services	Under spend	(1.211)	(16.8)	(0.755)
TOTAL	Under spend	(2.761)	(1.1)	(1.725)

- 5.8 Within **non devolved Education Services** there is an increase in the net projected under spend of **£604,000**. This is primarily made up of movements in projected staff costs due to additional slippage (£565,000). Other projected net under spends (£39,000) include the impact of non-domestic rates revaluations.
- 5.9 In **Services for Children, Young People & Families** there is an increase in the projected under spend of **£236,000**. This is made up of increases in projected under spends on staff costs (£146,000) and non-staff related budgets (£90,000).
- 5.10 In **Business & Resource Services** there is an increase in the projected under spend of **£130,000** due, primarily to updated staff cost and income projections.
- 5.11 In **Catering Services**, there is an increase in the net projected under spend of **£755,000**. This updated projection is based upon the latest information provided by Tayside Contracts and on further increases in school meal uptake.
- 5.12 The updated projected under spend on Catering Services is based on the increased budget, which includes the additional contribution from Reserves of £2.1 million approved by the Finance & Resources Committee on 22 November 2023 (Report No. 23/315 refers).

- 5.13 The **Devolved School Management Scheme** (DSM) is currently projected to under spend by **£349,000** due to staff slippage and additional income, which represents **0.3%** of the overall DSM budget. However, individual schools are experiencing challenges in delivering approved staff slippage targets. The budgets for the Devolved School Management scheme are allocated by financial year (April – March), whereas expenditure is incurred by academic year (August – June).
- 5.14 At this stage of the academic year, expenditure met from the **Pupil Equity Fund** (PEF) is projected to be **£100,000** less than the allocation from the Scottish Government of £1.874 million. Schools are being instructed to use this year's PEF by 31 March 2024. It is anticipated that the projected under spend on teacher and support costs of £100,000 will be carried forward to 2024/25 to meet commitments. The budgets for the Pupil Equity Fund scheme are allocated by financial year, whereas expenditure is incurred by academic year.

Communities

- 5.15 The projected outturn for Communities is currently anticipated to be **£373,000** or **0.5%** more than budget - which represents a movement of **£250,000** on the position last reported to Committee. This position is summarised in the following table and narrative.

Function	Projected Outturn			Movement
		£'m	%	£'m
Environmental & Consumer Services	Over spend	1.143	3.0	0.205
Culture & Communities	Over spend	0.115	0.9	-
Planning & Development	Over spend	0.170	2.6	0.125
Housing	Over spend	0.050	0.6	0.005
Business & Resources	Under spend	(1.105)	(18.3)	(0.585)
TOTAL	Over spend	0.373	0.5	0.250

- 5.16 In **Environmental & Consumer Services** there is an increase in the projected net over spend of **£205,000**. This is due to projected over spends in Roads on winter maintenance and flooding and Operations on additional hires and supplies & services, partially offset by additional income.
- 5.17 The projected outturn for Environmental & Consumer Services now includes updated information on the financial consequences of the severe weather of October 2023. The gross cost has increased **£2.213 million**, and it is anticipated that **£1.415 million** will be recovered from the Scottish Government through the Bellwin Scheme with the balance of **£798,000** being funded from unearmarked Reserves.
- 5.18 In **Planning & Development** there is a net increase in the projected over spend of **£125,000** due, in the main, to updated projections in relation to Perth Harbour and events income.
- 5.19 Within **Housing** there is a net increase in the projected over spend of **£5,000**.

- 5.20 Within **Business & Resources** there is a net increase in the projected under spend of **£585,000**. This is a combination of additional staff slippage and income partially offset by an increase in non-staff cost budgets.

Corporate & Democratic Services

- 5.21 The projected outturn for Corporate & Democratic Services is currently anticipated to be **£228,000** or **0.6%** less than budget – a movement of **£288,000** from the position last reported to Committee. The main movements are summarised in the following table and narrative.

Function	Projected Outturn			Movement
		£'000	%	£'000
Legal & Governance Services	Under spend	(71)	(1.6)	47
Finance	Over spend	118	8.9	41
Human Resources	Under spend	(177)	(5.3)	(109)
IT & Revenues and Benefits	Over spend	260	2.7	91
Property	Under spend	(358)	(1.7)	(358)
TOTAL	Under spend	(228)	(0.6)	(288)

- 5.22 Within **Legal & Governance, Finance and Human Resources** and **IT & Revenues and Benefits** there has been a reduction in the net under spend of **£70,000**. This is made up of increase demand for community / crisis grants partially offset by a combination of updated staff cost projections and income assumptions as well as a reduction in non-staff related expenditure across the Service.
- 5.23 In **Property** there has been an increase in the net projected under spend of **£358,000**. This is a combination of additional fee income and reduced expenditure on maintenance and energy.

Chief Executive Service

- 5.24 The projected outturn for the Chief Executive's Service is currently anticipated to be **£73,000** more than budget. These projections include one-off costs of change associated with the Council's new leadership structure.

6. REVENUE MONITORING – CORPORATE BUDGETS

- 6.1 Included within **Section 2 of Appendix 1** is an update on the Council's Corporate budgets. More information on variances against individual budget headings are set out below.

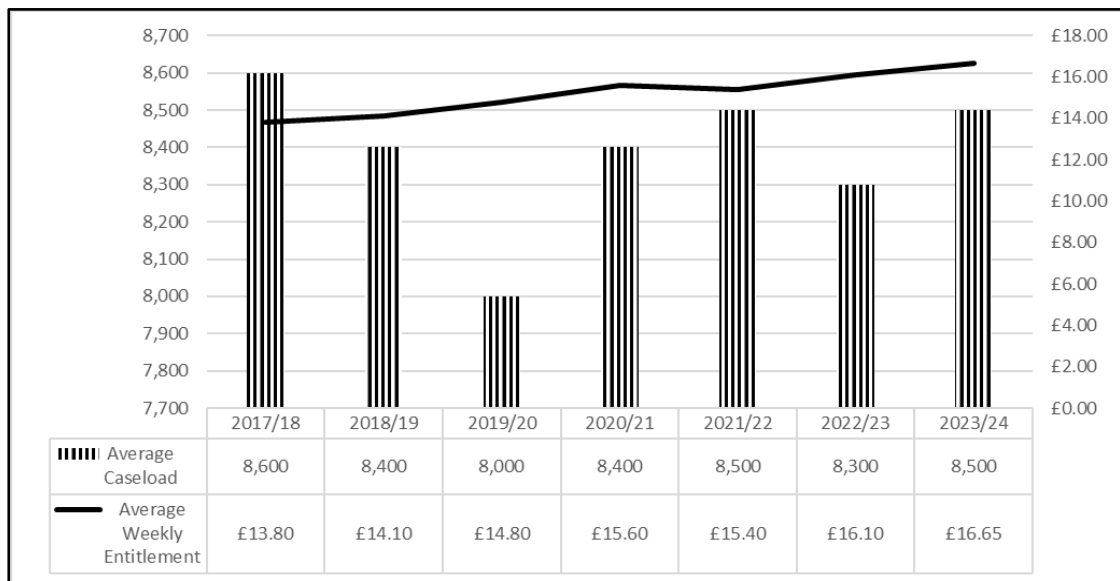
Perth & Kinross Integration Joint Board

- 6.2 In setting the 2023/24 final Revenue Budget, Perth & Kinross Integration Joint Board approved the use of Reserves to deliver a balanced position. However, the financial position of the IJB remains challenging due to health and social care continuing to face recruitment challenges, increasing client needs, uncertainty over funding and rising costs particularly within prescribing.

- 6.3 On 11 March 2024, the Audit & Performance Committee of the Perth & Kinross Integration Joint Board received a financial update for the Health & Social Care Partnership. At that time there was a projected over spend of **£660,000** which is set out in **Appendix 3**. Within the overall projected over spend, **£447,000** relates to social care.
- 6.4 In relation to non-devolved functions there is currently a projected under spend of **£330,000** which is reflected in **Appendix 1**.

Council Tax Reduction Scheme

- 6.5 The application of the Council Tax Reduction Scheme is a statutory function for the Council. The promotion and encouragement of take up is a key responsibility for the Council, particularly when households are facing significant pressures on the cost of living.
- 6.6 The level of expenditure incurred by the Council is dependent upon two main drivers, firstly, the average number of weekly caseload and, secondly, the average value of weekly entitlements. The following graph sets out both variables over the current and previous six financial years. The graph shows a clear increase in the average weekly entitlement whereas the average caseload has been more volatile but has returned to higher levels.



- 6.7 In the current financial year, the Council is supporting approximately **8,500** households across Perth and Kinross with the Council Tax Reduction Scheme with an average award of **£16.65** per week. This results in a projected over spend on the Council Tax Reduction Scheme of approximately **£1.150 million** which is reflected in **Appendix 1**.

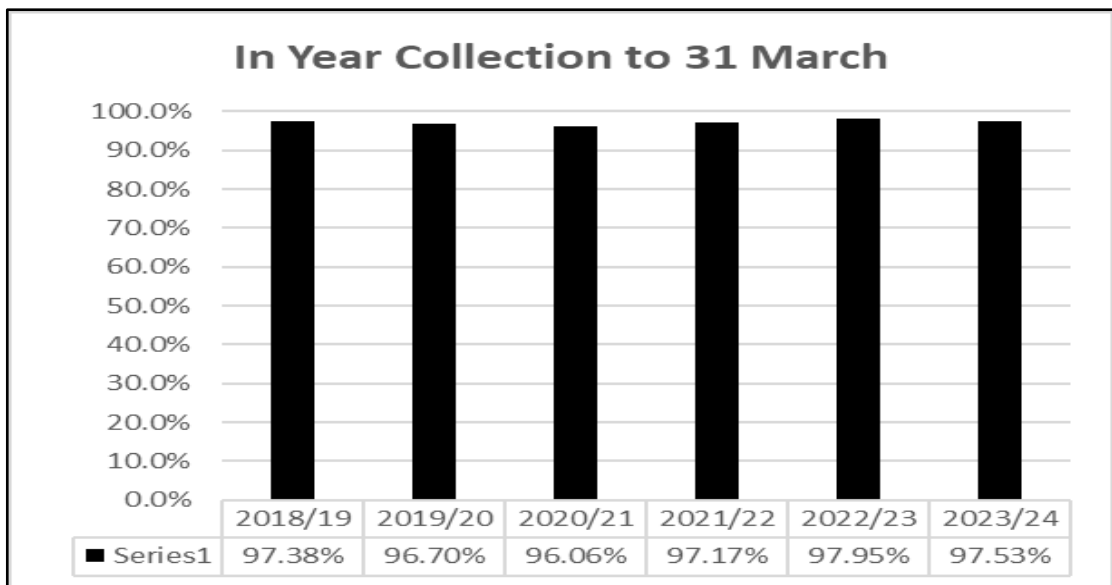
7. REVENUE MONITORING – FUNDING

7.1 Further information on the Council’s funding is set out within **Section 3 of Appendix 1**. More information on variances against individual budget headings are set out below.

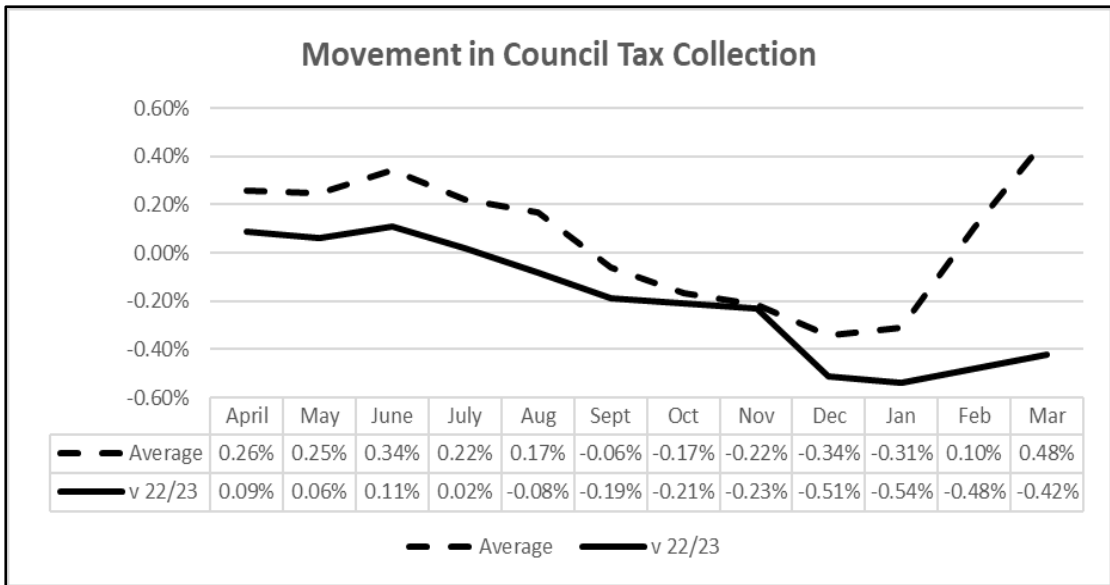
Council Tax Income

7.2 The amount of income the Council will generate from Council Tax is dependent on two main factors, firstly collection levels and secondly, the number of Band D properties on the Valuation Roll.

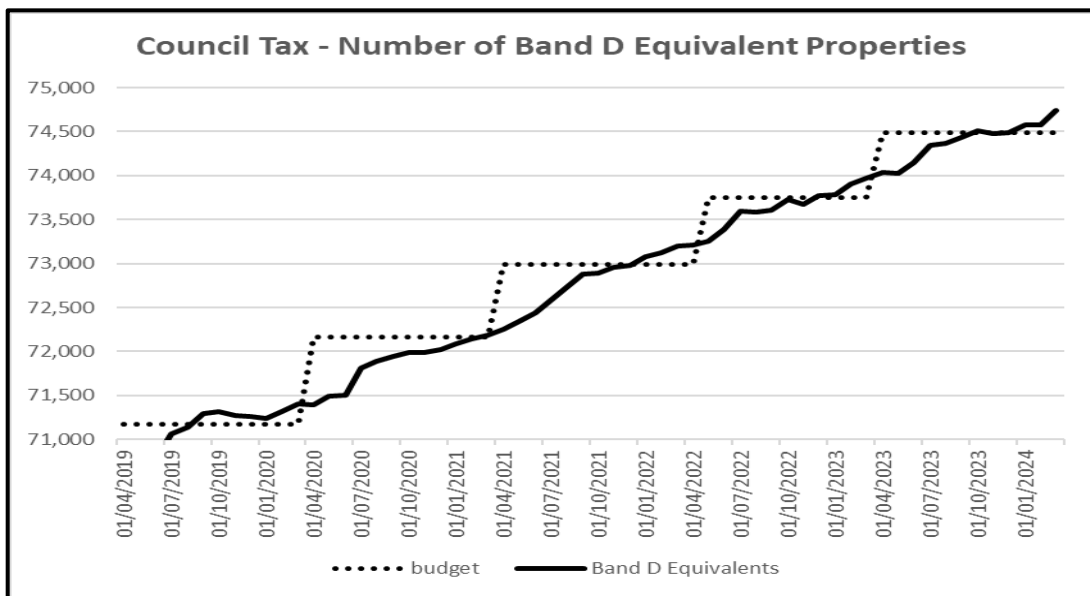
7.3 Monitoring of Council Tax collection levels is carried out monthly. The following graph sets out collection performance to 31 March 2024 together with prior year comparative figures for the previous five financial years.



7.4 Between 2018/19 and 2022/23, the average collection figure to 31 March was 97.05%. The actual collection figure to 31 March 2024 was **97.53%** which is an improvement of **0.48%** compared to the five-year average, but a **0.42%** reduction on the comparable position in 2023.



7.5 Secondly, in setting the Council’s Revenue Budget, assumptions are made on increases in the number of Band D equivalent properties. The graph set out below suggests that actual growth levels are in line with budget assumptions.



7.6 Using the information on both in year and previous years collection rates, along with the growth in the number of band D equivalent properties, the level of Council Tax income is now projected to be **£200,000** more than budget and this is reflected in **Appendix 1**.

Non-Domestic Rates

7.7 The actual collection rate to 31 March 2024 was **96.46%**, compared to 97.91% for the same period in 2022/23.

8. REVENUE MONITORING – OTHER UPDATES

Impact on Arm's Length External Organisations (ALEOs)

- 8.1 The Council continues to work closely with its three Arm's Length External Organisations (ALEOs) – Live Active Leisure (LAL), Perth Theatre & Concert Hall (PTCH) and Culture Perth & Kinross (CPK) who make an important contribution to the Corporate Plan through the current Culture, Physical Activity and Sport Strategies approved by Council in May 2023.
- 8.2 To date, no significant financial issues have been identified relating to Culture Perth and Kinross or Perth Theatre & Concert Hall.
- 8.3 Live Active Leisure finished 2022/23 with a revenue deficit of **£203,000**. For 2023/24, LAL initially budgeted for a deficit of £630,000. The latest projections, which have been considered by their own, Finance and Governance Committee indicate a deficit of approximately **£334,000**. For 2023/24, LAL are funding the budgeted deficit from their Reserves.
- 8.4 LAL's projected deficits in 2021/22 and 2022/23 did not materialise, which is positive. However, Council officers will work with LAL throughout the year on best/worst/mid-range projections to ensure that the Committee has more certainty about the likely year end position for 2023/24. This will be particularly important to support work on the ALEO budget positions and SLA awards for 2024/25 given the continuing financial challenges which face the Council.

Housing Revenue Account

- 8.5 The Housing Revenue Account is currently projected to **break even** in the current financial year. The main elements are summarised below and set out in **Appendix 4**.
- 8.6 Across the Housing Revenue Account there is an increase in the net projected under spend of **£170,000**. The main reasons for this movement are updated bad debt provisions and staff cost projections, partially offset by reduced income.
- 8.7 As a result of the variances identified above Capital Financed from Current Revenue will reduce by **£280,000**.

9. 2023/24 ADDITIONAL FUNDING

- 9.1 Since the 2023/24 Revenue Budget was updated on 31 January 2024 (Report No. 24/40 refers), the Council has been advised of additional funding for the current financial year from several sources. To ensure that the 2023/24 Management Budget continues to reflect the operational requirements of the Council, several adjustments are required, which are summarised below and included in **Appendix 1** and **Appendix 5**.

Scottish Government – Revenue Support Grant:

- Support for School Staff Training – £23,000 (Education & Children’s Services) (ECS)
- Summer programmes - £2,000 (ECS)
- Storm Babet - £88,000 (Communities)
- Pay Uplifts - £1.411 million (Reserves)
- Self-Directed Support Transformational Funding - £6,000 (Health & Social Care)

9.2 The Scottish Government has advised that the increase in funding identified above of **£1.530 million** will be made through a redetermination of the Council’s Revenue Support Grant. It is therefore necessary to adjust budgets for Education & Children’s Services, Communities, Health & Social Care and Revenue Support Grant.

9.3 **ACTION:** The Committee is asked to approve the adjustments set out at paragraph 9.1 which is reflected in **Appendix 1** (Column 3) to this report.

Other Funding

9.4 Other funding amounting to **£1.071 million** will be paid outside the Revenue Support Grant mechanism as Other Grant income and is, therefore, cost neutral in terms of the budget summary. Details of this funding is set out in **Appendix 5**.

9.5 **ACTION:** The Committee is asked to note the receipt of **£1.071 million** of additional resources, with this funding being reflected within Education & Children’s Services and Communities as additional grant income. The current projected outturn assumes that all these additional resources will be fully expended in 2023/24 or carried forward under the terms of the grant award.

10. 2023/24 VIREMENTS

Contribution to/from Capital Fund

10.1 In line with the strategy for managing the Council’s Capital Programme over the medium term, it is recommended that the eventual over or under spend on Capital Financing Costs and Interest on Revenue Balances be transferred from or to the Capital Fund.

10.2 The latest monitoring indicates a projected reduction in capital financing costs (loan charges) of **£545,000** based on capital expenditure and the latest treasury management activity and a reduction in income of **£534,000** from interest on revenue balances due to updated interest rate projections. This will result in a net increase in the Contribution to the Capital Fund of **£11,000** in the current financial year.

10.3 **ACTION:** The Committee is requested to approve the virement of **£545,000** from the Capital Financing Costs (Loan Charges) Budget and **£534,000** from Interest on Revenue Balances with a corresponding increase in the projected

Contribution to the Capital Fund. These adjustments have been reflected in **Appendix 1** (Column 4) to this report.

- 10.4 At 31 March 2023, the audited 2022/23 Annual Accounts included a Capital Fund balance of **£26.343 million**. Following the Council approval of a 1% increase in Council Tax to be applied to the Loan Charges budget each year from 2025/26, with the existing approved Capital Budget, the Capital Fund is currently projected to peak in 2050/51, before gradually reducing until fully utilised in 2062/63.

11. 2023/24 MOVEMENTS IN RESERVES

- 11.1 Included at **Appendix 6** is an update on the Council's General Fund Reserves. The appendix includes the following:

- Earmarked and unearmarked Reserves at 31 March 2023 (per audited Annual Accounts).
- previously approved contributions to and from earmarked Reserves in 2023/24, 2024/25 and 2025/26.
- The impact of proposals within this report on earmarked Reserves.
- Known commitments against earmarked Reserves.
- The impact of the latest revenue monitoring on the level of unearmarked Reserves.

- 11.2 The earmarked Reserves are brigaded under three headings as follows:

- i. Balances held under statute / regulation – these earmarked Reserves are prescribed under legislation and the Council has limited discretion in how they are applied.
- ii. Balances held for specific (previously approved) purposes – the purpose of these earmarked Reserves has been previously approved by Council in either the Reserves Strategy or Annual Accounts
- iii. Balances held for other purposes – the creation of these earmarked Reserves has been approved by Council, but not specific proposals.

- 11.3 Proposals involving earmarked Reserves under i. and ii. above will be advised to Committee in summary as Council either has limited discretion or previously approved their application. Proposals to apply earmarked Reserves under iii. above will include more detail for elected member consideration.

Balances Held for Specific (Previously Approved) Purposes

- 11.4 These earmarked Reserves have previously been approved by elected members in their consideration of the Reserves Strategy or Annual Accounts. The proposals listed below transfer funding to earmarked Reserves to be applied in future years.

- Climate Change - £110,000

- Workforce Management (including Transformation) - £111,000
- School Estate - £805,000 (Perth High School, Learning Estate Investment Programme & Bertha Park High School)

- 11.5 **ACTION:** the Committee is asked to approve the transfer of **£1.026 million** to the earmarked Reserves set out above. These adjustments are reflected in **Appendix 1** (column 5) to the report.
- 11.6 Approval is also sought to draw down **£236,000** for the Culture earmarked Reserve in respect of the Stone of Destiny and opening exhibition costs.
- 11.7 **ACTION:** the Committee is asked to approve the application of **£236,000** from the Culture earmarked Reserve to fund the upfront costs relating to the opening of the Perth Museum. The adjustment for 2023/24 is reflected in **Appendix 1**.
- 11.8 In addition, in setting the 2023/24 Revenue Budget in March 2023 the **Council Approved Expenditure** to fund several specific initiatives. For a variety of reasons including consultation and capacity issues, there has been slippage in the delivery of a few of these projects that may result in the expenditure not being incurred in the current financial year. Projects totalling **£524,000** are set out at **Appendix 7**.
- 11.9 Should the Committee confirm that that the projects remain a priority for the Council then the balances set out in **Appendix 7** will be transferred to an earmarked Reserve to ensure that the funding is in place to ensure delivery. The final outturn for individual projects may change before the end of the financial year. Therefore, by agreeing the projects within **Appendix 7**, the Committee is confirming that the initiative remains a priority and that the final under spend will be earmarked within Reserves.
- 11.10 Should any of the projects no longer be a priority, the projected under spend would be available to support the financial management of the Council in both current and future financial years.
- 11.11 **ACTION:** The Committee is asked to confirm that the projects listed in **Appendix 7** remain a priority and that the final under spends, currently projected at **£524,000** are transferred to an earmarked Reserve to ensure delivery. These adjustments are reflected in **Appendix 1** (column 5) to the report.
- 11.12 Furthermore, under the Framework for Managing Workforce Change, the authority to approve voluntary severance requests sits with the Executive Leadership Team, except for requests from Chief Officers. With that in mind, approval is sought to draw down **£217,000** from the Transformation and Workforce Management earmarked Reserve to fund voluntary severance requests. These voluntary severance requests will support the delivery of savings previously approved by Council and payback in less than two years.

- 11.13 **ACTION:** The Committee is asked to approve the transfer of **£217,000** from the Transformation & Earmarked Reserve with adjustments reflected in **Appendix 1** (Column 5) to the report.
- 11.14 Subject to approval of the proposals included within this report set out above, the level of unearmarked Reserves will increase to **£17.858 million** or **4%**.

Insurance Fund

- 11.15 In setting the 2025/26 Provisional Revenue Budget, Council has already acknowledged the pressure on the Insurance Fund with a recurring contribution of £800,000 from that year.
- 11.16 However, based on the latest information, the level of unearmarked Reserves is now projected to be more favourable than previously advised. With this in mind, and subject to this position crystallising in the 2023/24 Annual Accounts, approval is sought for a non-recurring contribution of **£1 million** to the Insurance Fund to improve the financial position of the Fund.
- 11.17 **ACTION:** The Committee is asked to approve a contribution of **£1 million** to the Insurance Fund in 2023/24 with this adjustment being reflected in **Appendix 1** (Column 5) to the report.
- 11.18 Subject to approval of all the proposals included within this report and recognising the known commitments, the level of earmarked Reserves will reduce to **£24.133 million** and the level of unearmarked Reserves will be **£16.858 million** or **3.7%**.
- 11.19 The level of unearmarked Reserves at 31 March 2024 may increase on completion of the unaudited 2023/24 Annual Accounts are completed. If this does come to pass, it is proposed that the amount in excess of 4% is transferred to the earmarked Reserve for Transformation & Workforce Management. The Finance & Resources Committee on 18 September 2024 will receive an update on his proposal.

12. FINANCIAL RISKS

- 12.1 In preparing the Council's 2023/24 Revenue Monitoring, officers have considered the key strategic, operational and financial risks facing the Council over this period. Whilst the risks may be managed in the current financial year, there is the potential for there to be an impact in the future.
- 12.2 To alleviate the impact these risks may have if they occur, a number of general risk mitigation factors are utilised by the Council which include detailed budget monitoring carried out by Services and having general fund balances available to meet unforeseen expenditure.
- 12.3 Financial risks previously identified are summarised in **Appendix 8**.

13. ADJUSTMENTS TO 2024/25 REVENUE BUDGET

2024/25 Additional Funding

- 13.1 Since the 2024/25 Revenue Budget was approved on 28 February 2024 (Report No. 24/63 refers), the Council has been advised of additional funding in 2024/25 from the Scottish Government as follows. To ensure that the 2024/25 Management Budgets continue to reflect the operational requirements of the Council, several adjustments are required, which are summarised below and included in **Appendix 9**.

Revenue Support Grant

- Living Wage: £7.014 million (Health & Social Care - £6.764 million, Housing & Communities - £250,000)
- Discretionary Housing Payment: £958,000 (Customer & Digital)
- Scottish Disability Allowance - £117,000 (Finance & Business Support)
- Whole Family Wellbeing Fund - £5,000 (Children, Families & Justice)

Non-Domestic Rates

- Increase in allocation - £203,000.

- 13.2 The Scottish Government has advised that the adjustment in funding identified at paragraph 13.1 will be made through a redetermination of the Council's Revenue Support Grant. It is therefore necessary to adjust the budgets for Housing & Communities, Customer & Digital, Finance & Business Support, Health & Social Care, Revenue Support Grant and Non-Domestic Rates.

- 13.3 **ACTION:** The Committee is asked to approve the adjustments set out in paragraphs 13.1 and 13.2. These adjustments are reflected in **Appendix 9** (Column 3) to this report.

- 13.4 The Scottish Government has also withheld distribution of £145.5 million nationally for teachers, which the Council has not adjusted for and amounts to **£3.625 million**. The Council's 2024/25 Revenue Budget has been constructed on the basis that this funding is forthcoming during the financial year. This funding will no longer be paid through the Revenue Support Grant mechanism and as such the an other grant income budget has been created in Economy, Place and Learning.

2024/25 Service Virements

- 13.5 To ensure that the 2024/25 Management Revenue Budget continues to reflect current Service needs and operational requirements the following virements between budgets are required.

- Capital Grant to Communities (£139,000) to reflect a rephasing of expenditure on Tactran capital projects – this is brought forward from 2023/24.

2024/25 Movements in Reserves

Transformation Projects

- 13.6 Due to the rephrasing of expenditure, approval is sought to draw down funding to take forward the following approved projects in 2024/25:
- Anti-Poverty - **£74,000** to Strategic Planning, People & Performance
 - Transformation - **£702,000** to Strategic Planning, People & Performance
 - Procurement & Commissioning - **£142,000** to Legal & Governance
 - Finance - **£214,000** to Finance & Business Support
- 13.7 **ACTION:** The Committee is asked to approve the transfers from the Transformation and Workforce Management earmarked Reserve listed in 13.6 above. These adjustments are reflected in **Appendix 9** (Column 5) to this report.

Council Approved Expenditure

- 13.8 Approval is sought to apply funding to the Council approved projects identified at paragraph 11.9 and **Appendix 7** to 2024/25 to ensure that they are delivered.
- 13.9 **ACTION:** The Committee is asked to approve the adjustments set out at paragraph 11.9 above and **Appendix 7** in 2024/25. These adjustments are reflected in **Appendix 9** (Column 5) to this report.

Climate Change

- 13.10 Approval is sought to apply the 2023/24 projected under spend of **£110,000** on Climate Change identified in paragraph 10.22 to 2024/25.
- 13.11 **ACTION:** The Committee is asked to approve the transfer of £110,000 from the Climate Change earmarked Reserve to Environment & Infrastructure. This adjustment is reflected in **Appendix 9** (Column 5) to the report.

Modern Apprentices

- 13.12 Approval is sought to apply **£340,000** to support the modern apprentice programme.
- ACTION:** The Committee is asked to approve the transfer of **£340,000** from the Modern Apprentices earmarked Reserve to Strategic Planning, People and Resources. This adjustment is reflected in **Appendix 9** (Column 5) to the report.

Working Smarter

- 3.13 Approval is sought to apply **£115,000** on the working smarter project previously reported as requiring to be carried forward.

ACTION: The Committee is asked to approve the transfer of **£115,000** from the working smarter earmarked Reserve to Property Services. This adjustment is reflected in **Appendix 9** (Column 5) to the report.

14. CONCLUSION

- 14.1 Based on the October January 2024 ledger, a **projected under spend of £1.428 million** has been identified in the current financial year.
- 14.2 This level of projected over spend and contributions from unearmarked Reserves included within this and previous reports will result in a reduction in the level of unearmarked Reserves to **£16.858 million** or **3.7%**.
- 14.3 The financial position of the Council and its partners and ALEOs remains challenging and regular updates will be provided to the Council and the Finance & Resources Committee as the position develops.

APPROVED

Name	Designation	Date
Clare Mailer	Director – Strategy, People & Resources	28 March 2024

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	None
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	Yes
Asset Management (land, property, IST)	Yes
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	Yes
Sustainability (community, economic, environmental)	Yes
Legal and Governance	None
Risk	None
Consultation	
Internal	Yes
External	None
Communication	
Communications Plan	None

1. Strategic Implications

Corporate Plan

1.1 The Council's Corporate Plan 2022 – 2027 lays out seven outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- Tackling poverty
- Tackling climate change and supporting sustainable places
- Growing a sustainable and inclusive local economy
- Enabling our children and young people to achieve their full potential
- Protecting and caring for our most vulnerable people
- Supporting and promoting physical and mental wellbeing
- Placing communities at the heart of how we work

1.2 This report relates to all these objectives.

2. Resource Implications

Financial

2.1 There are no direct financial implications arising from this report other than those reported within the body of the main report.

Workforce

- 2.2 There are no direct workforce implications arising from this report other than those reported within the body of the main report.

Asset Management (land, property, IT)

- 2.3 There are no direct asset management implications arising from this report other than those reported within the body of the main report.

3. Assessments

Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.
- 3.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as **not relevant** for the purposes of EqIA.

Strategic Environmental Assessment

- 3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.4 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

Sustainability

- 3.5 Under the provisions of the Local Government in Scotland Act 2003 the Council must discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.
- 3.6 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

4. Consultation

Internal

- 4.1 The Executive Leadership Team have been consulted in the preparation of this report.

2. BACKGROUND PAPERS

- 2.1 No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

3. APPENDICES

- Appendix 1 – 2023/24 Management Budget
- Appendix 2 – General Fund 2023/24 Projected Outturn – Service Analysis
- Appendix 3 – Health & Social Care Partnership
- Appendix 4 – Housing Revenue Account 2023/24 Projected Outturn
- Appendix 5 – Other Fundings
- Appendix 6 – General Fund Balances
- Appendix 7 – Council Approved Expenditure
- Appendix 8 – Financial Risks
- Appendix 9 – 2024/25 Management Budget