

PERTH & KINROSS COUNCIL

Strategic Policy & Resources Committee

20 April 2022

REVENUE BUDGET 2021/22 – UPDATE NO.5

Contact Officer: **Scott Walker, Chief Accountant**
(Report No. 22/87)

1. PURPOSE

- 1.1 This report provides an update on progress with the 2021/22 General Fund Revenue Budget based upon the January 2022 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 / additional income on the 2021/22 General Fund Management Budget is **£5.260 million** (see **Appendix 1**).

2. RECOMMENDATIONS

- 2.1 The Committee is requested to:
- i) note the contents of the report,
 - ii) note the projected outturn for General Fund Services set out in Section 4 and **Appendix 1 and 2**
 - iii) note the projected outturn for Corporate Budgets set out in Section 5
 - iv) note the Health & Social Care projected outturn, which is summarised in section 5 and **Appendix 3**,
 - v) note the projected outturn for the Housing Revenue Account which is summarised in Section 6 and **Appendix 4**.
 - vi) approve the adjustments to the 2021/22 Management Revenue Budget detailed in **Appendices 1, 2, 4 and 5** and Section 7, 8 and 9,
 - vii) Approve the adjustments to the 2022/23 Management Revenue Budget detailed in **Appendix 6** and Section 10
 - viii) Note the 2023/24 structural deficit of **£10.015 million** that will need to be addressed for 1 April 2023.

3. BACKGROUND

- 3.1 This report updates the Committee on progress with the 2021/22 Revenue Budget. **Appendix 1** to this report summarises the current projected year end (outturn) position for each Service based upon the January 2022 ledger, updated for any subsequent known material movements.
- 3.2 The budget total reflected in Column 1 of **Appendix 1** to this report is that approved by the Council in setting the 2021/22 Final Revenue Budget on 10 March 2021 (Report No. 21/33 refers). In addition, adjustments approved by Council on 31 March 2021 and 23 June 2021 (Report Nos 21/40 and 21/101 refer) and the Strategic Policy & Resources Committee on 1 September, 24 November 2021, and 2 February 2022 (Report Nos. 21/146, 21/214 and 22/24 refer) are reflected in **Appendix 1** (Column 2).
- 3.3 On 27 January 2021, the Council also approved the creation of the Covid-19 earmarked Reserve (Report No. 21/8 refers).
- 3.4 The Council's Financial Regulations currently allow Executive Directors to vire budgets up to £100,000 within their Service. Any virements between Services of more than £100,000 are either included in the body of the revenue monitoring report or in the appendices for approval.
- 3.5 This report details the latest projected outturns and proposed adjustments to the 2021/22 General Fund and Housing Revenue Account budgets.

4. REVENUE MONITORING – SERVICE BUDGETS

- 4.1 Details of variances against Service budgets are shown in **Appendix 2** to this report with the most significant variances summarised below. The total net projected under spend on Service budgets, as set out in **Appendix 1** to this report, is **£5.018 million** which represents **1.5%** of total net Service expenditure.
- 4.2 The utilisation of Service under spends are considered throughout the financial year and formed part of the Revenue Budget strategy for 2022/23 approved by Council on 23 February 2022 (Report No. 22/35 refers).
- 4.3 There remains a risk that the Council will 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 have an impact on projected outturns and future years' budgets.

Education & Children's Services

- 4.4 The projected outturn for Education & Children's Services excluding Devolved School Management (DSM) and the Pupil Equity Fund (PEF) is currently anticipated to be **£1.620 million** less than budget, a movement of £59,000 from the position last reported to Committee. The movements are summarised as follows.

- 4.5 Staff costs – increase in projected under spend of **£320,000** due to slippage across the Service in excess of the budgeted target.
- 4.6 Residential Schools / Foster Care and Kinship Care – increase in projected over spend of **£330,000** based on current demand for this type of care.
- 4.7 Supplies and Services – increase in projected under spend across the Service of **£120,000** due to Covid-19.
- 4.8 Income – increase in projected income shortfall of **£228,000** based on the latest information on paid school meal uptake.
- 4.9 Other budgets (third party payments and transfer payments) – increase in projected net under spend of **£59,000**.
- 4.10 There is a planned under spend of **£920,000** on Devolved School Management budgets (DSM) due to staff slippage, a rephasing of property related expenditure and reduced expenditure on educational materials due to supply issues relating to IT equipment and transport costs. This planned under spend represents **0.83%** of the overall DSM budget. This includes the planned carry forwards that individual schools identify on an annual basis. In line with the approved DSM scheme, the eventual over and under spends will be carried forward into 2022/23. The budgets for the Devolved School Management scheme are allocated by financial year (April – March), whereas expenditure is incurred by academic year (August – June).
- 4.11 At this stage of the academic year, expenditure met from the Pupil Equity Fund is projected to be **£900,000** less than the allocation from the Scottish Government of £2.038 million. In line with the terms of this funding, the final under spend will be carried forward to 2022/23 to meet future commitments. The budgets for the Pupil Equity Fund scheme are allocated by financial year, whereas expenditure is incurred by academic year.

Communities

- 4.12 The projected outturn for Communities is currently anticipated to be **£2.292 million** less than budget, a movement of £134,000 from the position last reported to Committee. The movements are summarised as follows.
- 4.13 Roads & Transport – increase in projected income of **£110,000** from statutory notices and a rephasing of works **£100,000**. In addition, it is anticipated that Winter Maintenance will over spend by **£200,000** based on activity across the whole of 2021/22.
- 4.14 Housing – increase in projected under spend of **£210,000**, due, in the main, to further slippage on care and repair schemes because of reduced applications during November, December and January, and a number of grants being cancelled by previous applicants.
- 4.15 Across Operations & Fleet Management, Community Greenspace and Culture & Community Services there was a net reduction in the projected under spend

of **£86,000** which includes updated projections on waste disposal costs and commercial waste income.

Corporate & Democratic Services

- 4.16 The projected outturn for Corporate & Democratic Services is currently anticipated to be **£1.106 million** less than budget, a movement of £434,000 from the position last reported to Committee. The movements are summarised as follows.
- 4.17 Staff cost projections have been updated which have resulted in an increase in the projected under spend of **£149,000**.
- 4.18 Energy costs are projected to under spend by a further **£110,000** due to the reduced use of corporate buildings as well as reduced prices due to the pre purchasing of electricity and gas.
- 4.19 Expenditure on financial insecurity activities is expected to under spend by **£143,000**, which, in line with the previous decision of this Committee, will be carried forward.
- 4.20 Increase in projected levels of income of **£50,000** due primarily to the receipt of licensing income.
- 4.21 Service wide, there has been a reduction in the projected under spend of **£18,000** due to various movements across all budgets.
- 4.22 Within the projected outturn for Corporate & Democratic Services it is assumed that **£648,000** in funding will be received from the Scottish Government to reimburse the Council for Self-isolation payments to offset expenditure already incurred.

5. REVENUE MONITORING – CORPORATE BUDGETS

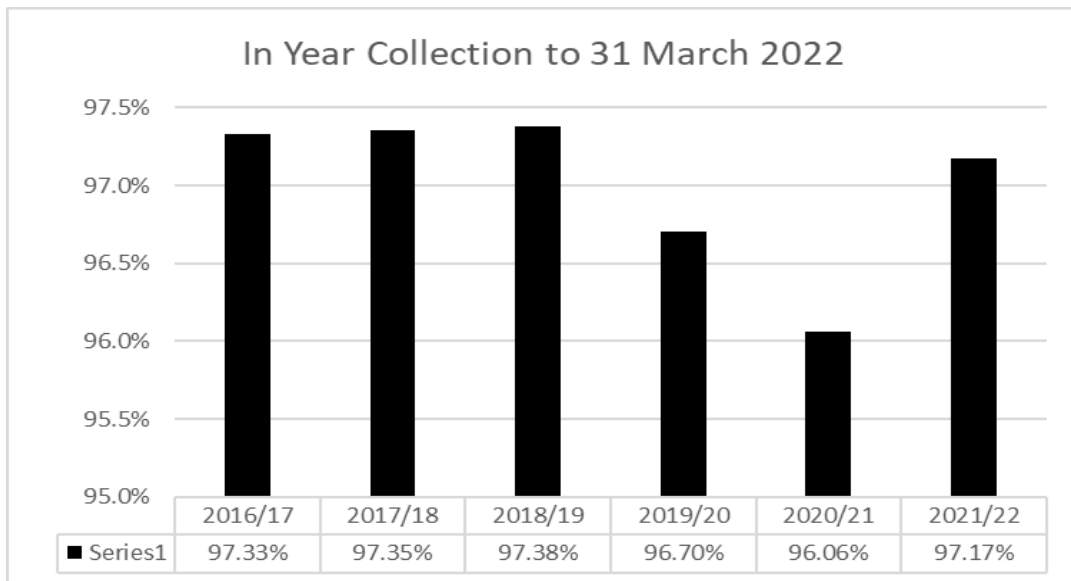
Health & Social care

- 5.1 The month ten (January) projected outturn for Perth and Kinross Integration Joint Board (IJB) is set out in **Appendix 3** and was considered by the IJB Audit & Performance Committee on 7 March 2022. Currently there is a projected net under spend of **£468,000** on devolved social care functions. It is anticipated that this projected under spend will be transferred to the Partnership's Reserves at year end and therefore has no impact on the Council's final outturn for the current year.

Council Tax Income

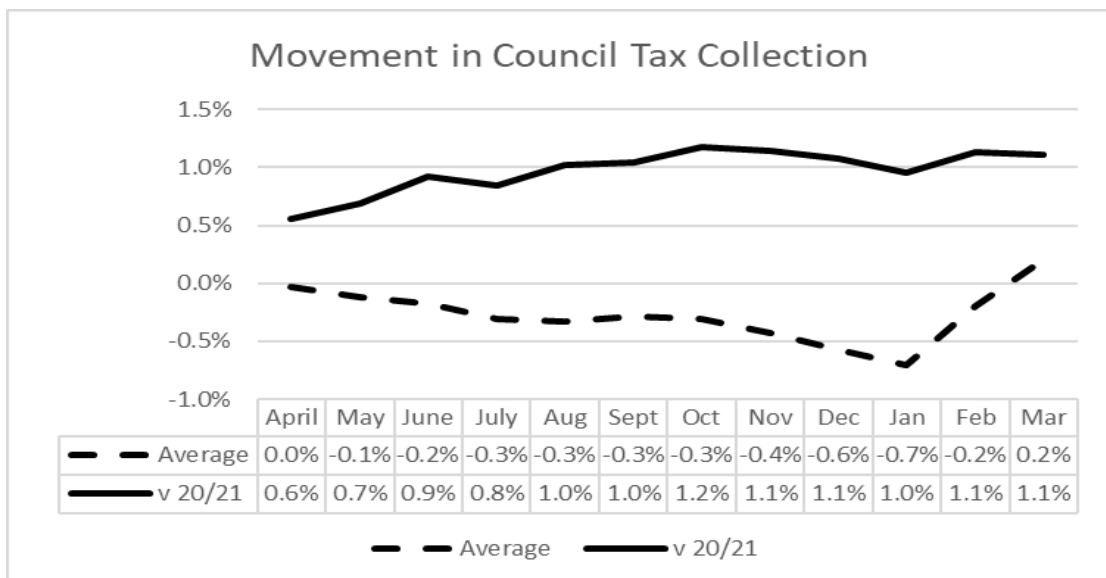
- 5.2 The amount of income the Council will generate from Council Tax is dependent on two main factors, firstly the collection levels and secondly, the number of Band D properties on the Valuation Roll.
- 5.3 Monitoring of Council Tax collection levels is carried out monthly. The following graph sets out collection performance for 2021/22 to 31 March 2022

together with prior year comparative figures for the previous five financial years.

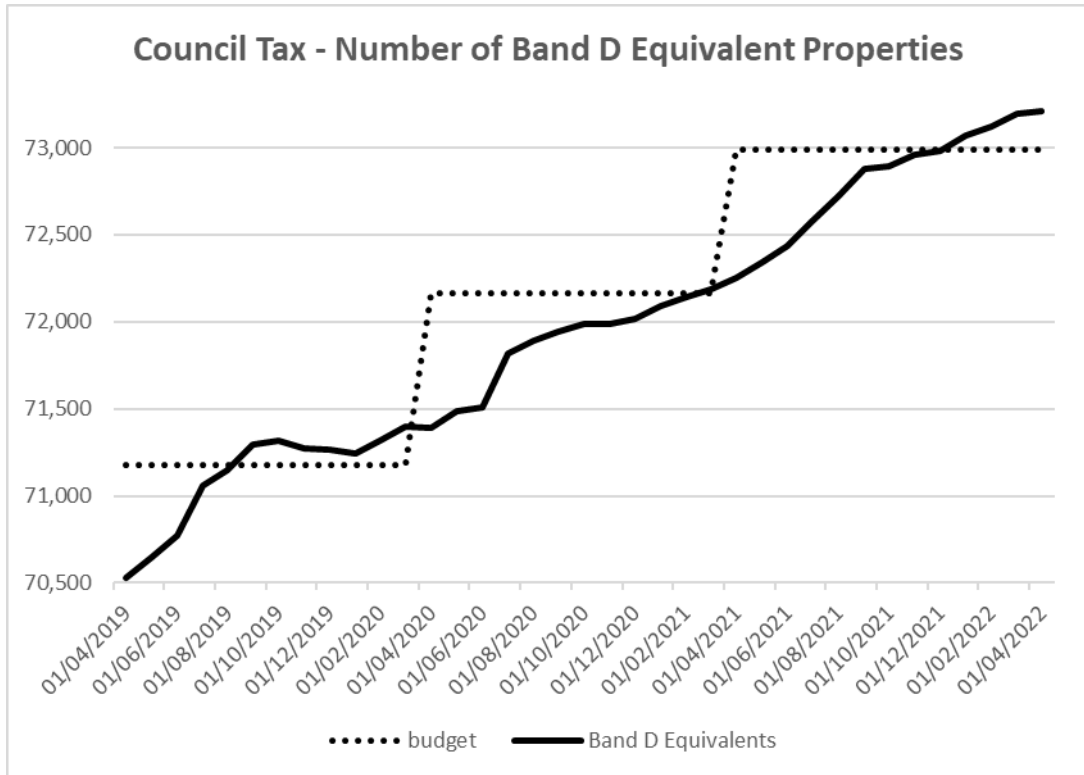


5.4 Collection levels in 2020/21 were clearly impacted by Covid-19. This was addressed in the 2021/22 Revenue Budget when budgeted collection levels were reduced by 1.5% to 96.5%.

5.5 Between 2016/17 and 2020/21, the average collection figure to 31 March was 97.0%. The actual collection figure to 31 March 2022 was 97.2% which is an increase of 0.2% compared to the historical average and a 1.1% increase on the comparable position in 2021.



5.6 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.



- 5.7 The latest projected outturn continues to indicate additional Council Tax income of **£600,000** in excess of budget will be received in 2021/22. There are several national issues that may impact on Council Tax income going forward. The potential impact of these issues will be kept under review with updates to elected members being provided to future meetings of this Committee.

Non-Domestic Rates

- 5.8 The actual collection rate to 31 March 2022 was 94.29%, compared to 95.83% for the same period to 2020/21, and 97.48% in 2019/20.

Other Corporate Budgets

- 5.9 The latest information from Tayside Contracts suggests that the Council will receive **£200,000** as its share of the distributable surplus. The budgeted income is £550,000 so this represents a variance of £350,000 which is reflected in **Appendix 1**. This relates to a reduction in activity in the Facilities Management Division due primarily to the impact of Covid-19 and inflationary pressures.
- 5.10 In addition, latest estimates suggest a projected over spend on the Apprenticeship Levy of **£44,000** due to increased costs and an under spend on payments to Tayside Pension Fund of **£36,000** due to reduced charges.

6. REVENUE MONITORING – OTHER REVENUE BUDGETS

Housing Revenue Account

- 6.1 The Housing Revenue Account is currently projected to under spend by **£474,000** in the current financial year which is a movement of £474,000 from the position last reported to Committee. The main reasons for this movement are summarised below and set out in **Appendix 4**.
- 6.2 Based on current trends, the provision for bad debts has been reduced (**£403,000**). In addition, there is a further net underspend (**£71,000**) including capital financed from current revenue and staff slippage which is partially offset by increases in material.
- 6.3 In setting the HRA Strategic Financial Plan on 24 January, the Housing and Communities Committee agreed that any further under spends in the current financial year would be transferred to the HRA, Covid-19 earmarked Reserve to support future service delivery. On that basis, this would result in a transfer of £474,000 to that earmarked Reserve.

Impact on Arm's Length External Organisations (ALEOs)

- 6.4 The Council continues to work closely with its three Arm's Length External Organisations (ALEOs) – Live Active Leisure (LAL), Horsecross Arts (Hx Arts) and Culture Perth & Kinross (CPK) who make an important contribution to the wellbeing of both citizens and visitors to Perth and Kinross.
- 6.5 As sole member and core funder of all three ALEOS, the Council has managed financial risk by maintaining normal monthly service level agreement payments to all three organisations to mitigate the impact of Covid-19. In addition, officers continue to work closely with all three ALEOs to understand the impact of Covid-19 more fully on service delivery. Recovery rates (returning customers) vary across the three but are currently between 30-40% of pre-Covid levels. National research and data are being used, where available, by the ALEOs to make realistic future projections.
- 6.6 To date, no significant financial issues have been identified relating to Culture Perth and Kinross which is less reliant on commercial income than other ALEOS. Horsecross Arts income was impacted by the reintroduction of Covid restrictions from December 2021, but it has received further emergency cultural recovery funding of around £419,000 and is therefore still projecting a small surplus for financial year 2021/22.
- 6.7 The last meeting of the Strategic Policy & Resources Committee was advised that Live Active Leisure were projecting a year end deficit of around £600,000. This projection has been updated with the latest information including non-recurring funding relating to use of Live Active Leisure venues for mass vaccination centres and more detailed customer data. The latest projection for Live Active Leisure is a surplus of approximately £150,000. As this is a significant shift from the previous position the Council will be monitoring Live

Active Leisure's financial position more closely and will require monthly management accounts to be provided.

- 6.8 The long-term impact on Covid-19 on the Council's ALEOs across future financial years will be kept under review with updates provided to future meetings of the Strategic Policy & Resources Committee.

7. 2021/22 ADDITIONAL FUNDING

- 7.1 Since elected members considered Revenue Budget 2021/22 - Update No. 4 on 2 February 2022 (Report No 22/24 refers), the Council has been advised of additional funding in 2021/22 from several sources. To ensure that the 2021/22 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:

- Scottish Child Bridging Payments: £424,000 (Corporate & Democratic Services (CDS))
 - Business Support & Low-Income Household: £2.149 million (Revenue Grants earmarked Reserve)
 - Low Income Pandemic: £93,000 (CDS)
 - Fair Work, Employability & Skills: £1.581 million - £185,000 (Communities) and £1.396 million Revenue Grants earmarked Reserve
 - Whole Family Wellbeing: £55,000 (Education & Children's Services (ECS))
 - SNCT Teachers Pay & Conditions: £161,000 (ECS)
 - Psychology Trainees: £6,000 (ECS)
 - Telecare Fire Safety: £32,000 (Health & Social Care)
- 7.2 The Scottish Government has advised that the increase in Revenue Support Grant identified above of **£4.501 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, Corporate & Democratic Services, Health & Social Care and Revenue Support Grant with a transfer to the Revenue Grants earmarked Reserve.
- 7.3 **ACTION:** The Council is asked to approve the adjustments set out at paragraph 7.2 which is reflected in **Appendix 1** (Column 3) to this report.

Other Funding

- 7.4 Other funding amounting to **£4.459 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**.
- 7.5 **ACTION:** The Council is asked to note the receipt of **£4.459 million** of additional resources, with this funding being reflected within Communities as additional grant income. The current projected outturn assumes that all these

additional resources will be fully expended in 2021/22 or will be carried forward under the terms of the grant award.

8. 2021/22 VIREMENTS

Contribution to/from Capital Fund

- 8.1 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.
- 8.2 The latest monitoring indicates a reduction in the projected outturn for capital financing costs (loan charges) of **£71,000** based on the latest treasury management activity and a reduction of **£24,000** in income from interest on revenue balances.
- 8.3 **ACTION:** The Committee is requested to approve the virement of **£71,000** from the Capital Financing Costs (Loan Charges) Budget and **£24,000** to Interest on Revenue Balances with a corresponding reduction in the projected Contribution from the Capital Fund. These adjustments have been reflected in **Appendix 1** (Column 4) to this report.

Service Virements

- 8.4 To ensure that the 2021/22 Management Revenue Budget continues to reflect current Service needs and operational requirements the following virements between budgets are required.
- Health & Social Care to Communities (£18,000) to reflect living wage commitments.
 - Education & Children's Services to Health & Social Care (£40,000) to contribute to a complex needs co-ordinator.
 - Communities to Capital Grant (£120,000) to reflect current year activity which will be carried forward into 2022/23.
 - Capital Grant to Corporate & Democratic Services (£10,000) to fund CO2 monitors for third parties.
- 8.5 **ACTION:** The Committee is asked to approve the adjustments to Service Revenue Budgets listed in 8.4 above. These adjustments are reflected in **Appendix 1** (Column 5) to this report.

9. 2021/22 MOVEMENTS IN RESERVES

Transformation Projects

- 9.1 Due to a rephrasing of expenditure there is now a projected under spend on the following transformation project:
- Low Carbon Transformation Project - £97,000
 - Review of Older People Services - £54,000

- 9.2 **ACTION:** The Committee is asked to approve the transfer of **£97,000** and **£54,000** from Communities and Health and Social Care respectively to the earmarked Reserve for Workforce Management (including Transformation). This adjustment is reflected in **Appendix 1** (Column 5) to the report and has no impact on the level of unearmarked Reserves.

Cultural Activities

- 9.3 The 2021/22 Revenue Budget includes a recurring budget of £500,000 towards supporting Cultural Activities. Due to Covid-19, **£275,000** of activity has been delayed. Approval is sought to transfer the projected under spend of £275,000 to the earmarked Reserve for Culture.
- 9.4 **ACTION:** The Council is asked to approve the transfer of **£275,000** from Communities to the Culture earmarked Reserve. This adjustment is reflected in **Appendix 1** (Column 5) to this report.

Covid-19 Earmarked Reserve

- 9.5 On 23 June 2021, the Council approved the application of £2.005 million from the Covid-19 earmarked Reserve for several specific initiatives (Report No. 21/101 refers). The total amount approved covered more than one financial year.
- 9.6 Approval is now sought to transfer the remaining balance for the following projects to earmarked Reserves, which will be drawn down as required.
- Working Smarter for Perth and Kinross - £272,000
 - Project Feasibility Fund - £450,000
- 9.7 **ACTION:** The Committee is asked to approve the transfer of **£722,000** from Corporate & Democratic Services to earmarked Reserves. This adjustment is reflected in **Appendix 1** (Column 5) to this report.

Works Maintenance

- 9.8 The Communities Service have been projecting a contribution of **£100,000** towards maintenance works. This contribution will now not be required in 2021/22. Approval is therefore sought to transfer these resources to earmarked Reserves, to be drawn down at the appropriate point.
- 9.9 **ACTION:** The Committee is asked to approve the transfer of **£100,000** from Communities to earmarked Reserves. This adjustment is reflected in **Appendix 1** (Column 5) to this report.

Public Sector Leadership

- 9.10 Funding is earmarked to take forward a public sector leadership initiative involving the third sector and Scottish Government. Approval is sought to draw this down.

- 9.11 **ACTION:** The Committee is asked to approve the transfer of **£40,000** from earmarked Reserves to Corporate & Democratic Services. This adjustment is reflected in **Appendix 1** (Column 5) to this report.

Revenue Grants

- 9.12 The Council has received funding from the Scottish Government in the current financial year in relation to Covid-19 Education Recovery and additional teaching and support staff. Of this, **£450,000** relates to Covid-19 education Recovery which will be incurred in the remainder of the current academic year (i.e., April to June). A further **£1.165 million** relates to additional teachers and support staff. Therefore, approval is sought to transfer these amounts to the Revenue Grants earmarked Reserve to be drawn down in 2022/23.
- 9.13 **ACTION:** The Committee is asked to approve the transfer of **£1.615 million** from Education & Children's Service to the Revenue Grants earmarked Reserve. This adjustment is reflected in **Appendix 1** (Column 5) to this report.

10. UPDATE TO 2022/23 REVENUE BUDGET

2022/23 Additional Funding

- 10.1 Since elected members approved the 2022/23 Final Revenue Budget on 23 February 2022 (Report No. 22/35 refers), the Council has been advised of additional funding in 2022/23. To ensure that the 2022/23 Management Budgets continue to reflect the operational requirements of the Council, several adjustments are required, which are summarised below and included in **Appendix 6**.

Scottish Government: Revenue Support Grant

- £150 Cost of Living Support: £6.140 million (Council Tax & Corporate & Democratic Services (CDS))
 - Discretionary Housing Payments: £860,000 (CDS)
 - Scottish Child Payment Bridging Payments: £664,000 (CDS)
 - Removal of Curriculum Charges: £189,000 (Education & Children's Services (ECS))
 - Removal of Music Tuition Charges: £384,000 (ECS)
 - FSM (Free School Meals) Expansion P4/P5 and Special: £1.142 million (ECS)
 - FSM School Holidays: £315,000 (ECS)
 - Additional Investment in Health & Social Care: £6.060 million (Health & Social Care - £5.930 million (HSC)) (Communities - £130,000)
 - Social Work Capacity in Adult Services: £700,000 (HSC)
- 10.2 The Scottish Government has advised that the increase in Revenue Support Grant identified at 10.1 of **£16.454 million** will be made through a redetermination of the Council's Revenue Support Grant. It is therefore necessary to adjust the budgets for Corporate & Democratic Services,

Education & Children's Services, Communities, Health & Social Care and Revenue Support Grant.

- 10.3 **ACTION:** The Committee is asked to approve the adjustments set out at paragraph 10.2 above. This adjustment is reflected in **Appendix 6** (Column 2) to this report.
- 10.4 All the additional funding for 2022/23 identified above relates to specific initiatives and is therefore not available to support the structural deficit of **£10.015 million** that exists following Council decisions on 23 February 2022. As the 2023/24 Revenue Budget is developed, there is a risk that the deficit that requires to be addressed increases.
- 10.5 **ACTION:** The Committee is asked to note the 2023/24 structural deficit of **£10.015 million** that will need to be addressed for 1 April 2023.

2022/23 Service Virements

- 10.6 To ensure that the 2022/23 Management Revenue Budget continues to reflect current Service needs and operational requirements the following virements between budgets are required.
- Capital Grant to Communities (£120,000) to reflect activity brought forward.
- 10.7 **ACTION:** The Committee is asked to approve the adjustments to Service Revenue Budgets listed in 10.6 above. These adjustments are reflected in **Appendix 6** (Column 3) to this report.
- 10.8 On 31 March 2022, the Council received correspondence from the National records of Scotland. This advised that the Registrar General for Scotland has, with the approval of the Scottish Ministers, made a Scottish Statutory Instrument to increase the marriage and civil partnership notice fees from £30 to £45 per party to the intended marriage or civil partnership. This will be included within 2022/23 revenue monitoring updates.

2022/23 Movements in Reserves

Covid-19 Earmarked Reserve

- 10.9 On 23 June 2021, the Council approved an allocation of £100,000 to provide additional support for young people, particularly impacted by the social restrictions put in place to manage the Covid-19 pandemic (Report No. 21/101 refers). This additional capacity allowed Youth Services, Safer Communities, Police Scotland, Universal Partners, and Education & Children's Services to undertake greater engagement with both young people and the wider community.
- 10.10 Approval is sought to drawdown a further contribution of **£120,000** from the Covid-19 earmarked Reserve to extend the project.

- 10.11 **ACTION:** The Committee is asked to approve the transfer of **£120,000** to Education & Children's Services and Communities to extend support for young people. This adjustment is reflected in **Appendix 6** (Column 3) to this report.
- 10.12 The Covid-19 Pandemic and the restrictions associated with it has resulted in an increase in mass-market SCAMS and attempted SCAMS. This has resulted in a backlog of unactioned information which represents a risk to vulnerable people.
- 10.13 Perth & Kinross Council is responsible for acting on information identifying people in the area who are vulnerable to this kind of criminality meaning the backlog also represents a reputational risk to the Council.
- 10.14 Approval is sought to draw down **£28,000** from the Covid-19 earmarked Reserve to enhance capacity within Trading Standards for one year to respond to the increase in demand.
- 10.15 **ACTION:** The Committee is asked to approve the transfer of **£28,000** to Communities to enhance the Council's capacity to respond to SCAMS. This adjustment is reflected in **Appendix 6** (Column 3) to this report.
- 10.16 The Council has been approached by the Aero Space Scientific Education Trust (ASSET) for a contribution of **£26,000** to the development of outline and full business cases for the Aerospace Kinross Tay Cities Deal project. ASSET has been given an indicative award of £1.6 million for this project within the Tay Cities Deal and now needs to prepare business cases to unlock the funding / enable bridging finance.
- 10.17 Approval is sought to make this contribution from the Project Feasibility Fund within earmarked Reserves.
- 10.18 **ACTION:** The Committee is asked to approve the transfer of **£26,000** to Communities to support the Aero Space Scientific Education Trust. This adjustment is reflected in **Appendix 6** (Column 3) to this report.

Revenue Grants Earmarked Reserve

- 10.19 Approval is sought to transfer **£1.244 million** from the Revenue Grants earmarked Reserve for teachers and support staff. This funding was received in previous years but relates to 2022/23 activity. Furthermore, approval is sought to transfer **£874,000** from the Revenue Grants earmarked Reserves for the Perth and Kinross Discretionary Fund that was approved by Committee in September 2021 (Report No. 21/146 refers). The scheme closes on 30 June 2022, and it is anticipated that payments will commence shortly after this date.
- 10.20 **ACTION:** The Committee is asked to approve the transfers from Revenue Grant earmarked Reserves listed in 10.19 above. These adjustments are reflected in **Appendix 6** (Column 4) to this report.

10.21 Furthermore, approval is sought to reinstate **£1.615 million** from the Revenue Grants earmarked Reserve for Covid-19 Education Recovery and additional teachers and support staff – see paragraph 9.12 above.

10.22 **ACTION:** The Committee is asked to approve the transfer of **£1.615 million** from earmarked Reserves to Education & Children’s Services. This adjustment is reflected in **Appendix 6** (Column 4) to this report.

Workforce Management (including Transformation)

10.23 Due to a rephrasing of expenditure, approval is sought to transfer funding to take forward the following approved projects:

- Low Carbon Transformation Project - £97,000
- Review of Older People Services - £54,000
- School Estate Review - £100,000
- Mobile Technology within Care at Home - £46,000

10.24 **ACTION:** The Committee is asked to approve the transfers from the Workforce Management earmarked Reserve listed in 10.23 above. These adjustments are reflected in **Appendix 6** (Column 4) to this report.

2022/23 Local Government Elections

10.25 The Council has in place £265,000 available to fund the local government elections that will take place in May 2022. However, with the additional measures required to deliver an election during the Covid-19 pandemic, this is likely to be insufficient. Approval is sought to apply a further **£85,000** to recognise the additional costs.

10.26 **ACTION:** The Committee is asked to approve the transfer of **£85,000** to Corporate & Democratic Services for the local government elections in May 2022. This adjustment is reflected in **Appendix 6** (Column 4) to this report.

Financial Assistance

10.27 The Council has in place £196,000 in earmarked Reserves to support the delivery of the Royal National Mod that will take place in 2022/23. The Council also makes an annual recurring contribution of £20,000 towards this event. Approval is sought to apply the **£216,000** in 2022/23.

10.28 **ACTION:** The Committee is asked to approve the transfer of **£216,000** to Communities for the Royal National Mod. This adjustment is reflected in **Appendix 6** (Column 4) to this report.

11. CONCLUSION

11.1. The Strategic Policy & Resources Committee has received four previous updates on the 2021/22 Revenue Budget.

- 11.2. Currently, a projected under spend / over recovery of income of **£5.260 million** is reported which will support the delivery of the 2022/23 Final Revenue Budget.
- 11.3. Looking ahead, the Council's financial position is likely to remain challenging and regular updates will be provided to the Council's Strategic Policy and Resources Committee as the position develops.
- 11.4. The Council has a structural deficit of **£10.015 million** that will need to be addressed for 1 April 2023. There is a risk that this deficit will increase as the 2022/23 Revenue Budget is developed. Work is ongoing to develop a strategy to respond to this situation.

APPROVED

Name	Designation	Date
Stewart Mackenzie	Head of Finance	7 April 2022
Karen Donaldson	Chief Operating Officer	7 April 2022

If you or someone you know would like a copy of this document in another language or format, (on occasion, only a summary of the document will be provided in translation), this can be arranged by contacting the Customer Service Centre on 01738 475000.

You can also send us a text message on 07824 498145.

All Council Services can offer a telephone translation facility.

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 2018 – 2022 lays out five 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:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible, and informed citizens;
- (iii) Promoting a prosperous, inclusive, and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

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 Officer 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 – 2021/22 Management Budget
- Appendix 2 – General Fund 2021/22 Projected Outturn – Service Analysis
- Appendix 3 – Perth and Kinross Integration Joint Board
- Appendix 4 – Housing Revenue Account 2021/22 Projected Outturn
- Appendix 5 – Other Grant Funding
- Appendix 6 – 2022/23 Management Budget