

PERTH & KINROSS COUNCIL

31 March 2021

REVENUE BUDGET 2020/21 UPDATE No.4

Report by Head of Finance
(Report No. 21/40)

PURPOSE OF REPORT

This report provides an update on progress with the 2020/21 Revenue Budget, with a focus on the estimated financial impact of Covid-19 in the current year.

1. BACKGROUND

- 1.1. On 27 January 2021, the Council considered the Revenue Budget 2020/21 Update No.3 (Report No. 21/8) refers. At that time, the gross impact of Covid on the Council's in-year financial position was estimated at between a projected net under spend of £1.6 million and projected net over spend of £600,000.
- 1.2. This report provides the Council with the latest forecast year end position for financial year 2020/21 based on expenditure and income to January 2021 for the General Fund and Housing Revenue Account, updated for any anticipated material changes.
- 1.3. This report also provides a further update on the funding that has been made available to the Council.

2. LATEST PROJECTED FINANCIAL IMPACT OF COVID-19 ON COUNCIL

- 2.1 The projections included within this report are based on the most up to date information available at the time of writing. The final outturns will be included in the 2020/21 Unaudited Annual Accounts that, it is anticipated, will be considered by elected members in June 2021.
- 2.2 The Executive Officer Team has reviewed the projected outturns included within this update and these are set out in more detail below.

SERVICE BUDGETS

- 2.3 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 over-spend on Service budgets, as set out in Appendix 1 to this report, is **£4.307 million** which represents **1.38%** of total net Service expenditure.

Education & Children's Services

- 2.4 The projected outturn for Education & Children's Services (excluding Devolved School Management (DSM) and Pupil Equity Fund (PEF)) is currently anticipated to be **£829,000** more than budget which is summarised as follows.
- 2.5 Early Learning & Childcare 1140 Expansion Funding – projected net under spend of **£1.584 million**. Of this under spend, £1,034,000 was front loaded funding by the Scottish Government compared to the Perth & Kinross Council projected spending plan. The application of this Scottish Government funding has previously been approved by Council to support Covid related expenditure which is partially offset by additional expenditure in relation to partner providers / child minders and activity centres for essential workers.
- 2.6 Staff costs – projected net under spend of **£612,000**. Staff slippage of £1.354 million more than the approved budget is anticipated in the current year. This is partially offset by additional staff costs in relation to supply and casual workers of £762,000.
- 2.7 Property Costs – projected under spend of **£150,000** due to non-domestic rates, rent and unitary charges. These under spends are partially offset by increased cleaning costs in schools.
- 2.8 Supplies and Services – projected net over spend of **£205,000** comprising projected over-spends on personal protective equipment and school meals partially offset by projected under spends including food insecurity, breakfast clubs and instrumental music.
- 2.9 Transport Costs – projected under spend of **£256,000** on employee related travel due to reduced activity during periods of restrictions.
- 2.10 Home to School Transport – projected net over spend of **£893,000** due to additional costs arising from the phased return to school as well as an increase in demand for school transport for pupils with Additional Support Needs.
- 2.11 Transfer Payments – projected over-spend of **£69,000** due to additional demand for school clothing grants.
- 2.12 Third Party Payments – projected net under spend of **£331,000**, due primarily to reduced payments to partner providers and service level agreements.
- 2.13 Residential Schools / Foster Care and Kinship Care – projected net under spend of **£137,000** based on the latest information on demand and placements.

- 2.14 Income – projected net shortfall of **£2.732 million**. Reduced income across several sources including school meals, kid's clubs, school lets and music tuition.
- 2.15 There is a planned under spend of **£919,000** on Devolved School Management budgets (DSM) due, mainly, to staff slippage and reduced expenditure on property costs and educational materials e.g. books and photocopying. 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 2021/22. The budgets for the Devolved School Management scheme are allocated by financial year, whereas expenditure is incurred by academic year.
- 2.16 At this stage of the academic year, expenditure met from the Pupil Equity Fund is projected to be **£450,000** less than the allocation from the Scottish Government of £1.669 million. In line with the terms of this funding, the final under spend will be carried forward to 2021/22 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

- 2.17 The projected outturn for Communities is currently anticipated to be **£4.308 million** more than budget which is summarised as follows.
- 2.18 Service Wide Budgets are projected to over-spend by a net **£2.287 million**. The majority of this net projected over-spend is made up of additional expenditure of £1.530 million relating to Covid-19 including PPE, cleaning and property ventilation costs. In addition, there are costs related to the August 2020 weather event and a shortfall in income from recharges to capital. These are partially offset by additional staff slippage.
- 2.19 Roads and Transport are projected to over-spend by **£761,000**. The main factors contributing to this position are a projected over-spend on Winter Maintenance costs and a previously reported revenue contribution to the Almondbank Flood Protection Scheme. This is partially offset by projected under spends on areas such as road safety, street lighting energy and flooding revenue budgets.
- 2.20 Car Parking – projected net over spend of **£2.200 million** due primarily to the impact of Covid-19 restrictions on income.
- 2.21 Regulatory Services – projected under spend of **£210,000** due to savings on supplies and services and third-party payments.
- 2.22 Operations & Fleet Management – projected over-spend of **£90,000** due to reduced income from commercial waste, sales and public toilets offset by savings on loan charges and fuel costs.
- 2.23 Community Greenspace – projected net under spend of **£59,000** due primarily to slippage on maintenance works partially offset by reduced income.

- 2.24 Waste Strategy – projected net under spend of **£125,000** due to slippage on the Eating Well, Living Well project partially offset by expenditure on the Fly Tipping Fund.
- 2.25 Planning & Economic Development – projected under spend of **£175,000**. The main components of this position are under spends on events and economic development initiatives offset by reductions in income from planning & building warrants and commercial rent.
- 2.26 Housing – projected under spend of **£450,000** due primarily to slippage on the care and repair budget.
- 2.27 Across Innovation, Culture & Communities, Housing Support and Planning and Commissioning there is a combined net projected under spend of **£11,000**.

Corporate & Democratic Services

- 2.28 The projected outturn for Corporate & Democratic Services is currently anticipated to be **£830,000** less than budget which is summarised as follows.
- 2.29 Core Costs – projected over-spend of **£319,000** primarily due to slippage in the delivery of approved savings.
- 2.30 Property – projected under spend of **£1.275 million** primarily due to savings on energy costs (reductions in price and building closures) and maintenance.
- 2.31 Other functions – projected net under recovery of income of **£126,000** due, in the main, to reduced income from licencing and recharges to Capital.

CORPORATE BUDGETS

Health & Social care

- 2.32 Within the latest revenue monitoring statement for the Perth and Kinross Integration Joint Board (IJB), which is set out in Appendix 3, there is a projected net under spend of **£2.271 million**. It is anticipated that this projected under spend will be carried forward within the 2020/21 Annual Accounts of the IJB and therefore has no impact on the Council's final outturn for the current year.

Trading Operations Surplus

- 2.33 As has been previously reported, there is a projected reduction in the anticipated surplus that the Council could expect to receive from Tayside Contract of **£300,000**.

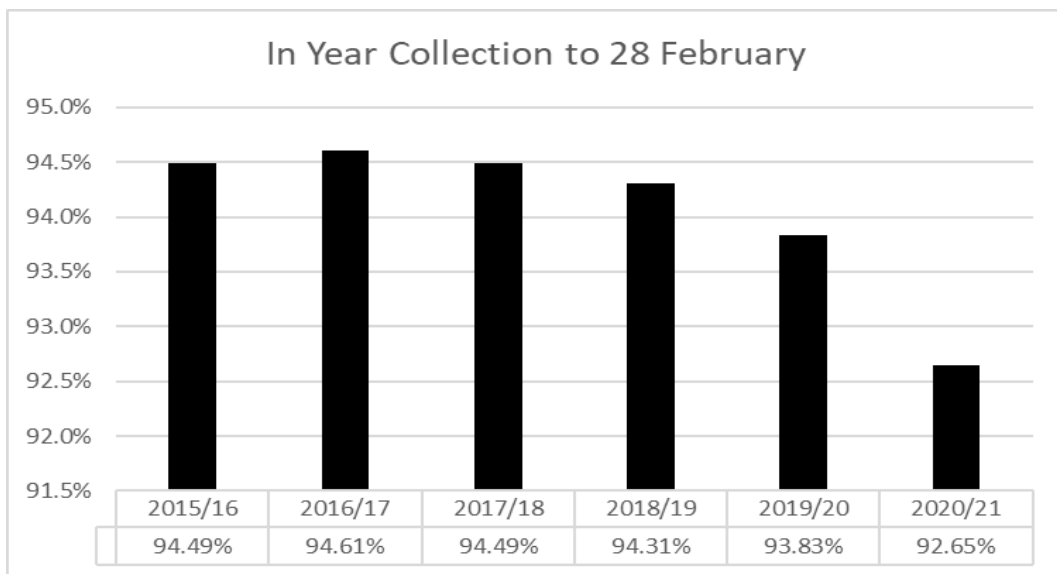
Additional Covid-19 Funding

- 2.34 As previously advised, the Council has received **£7 million** of additional Scottish Government grant funding in 2020/21 which it has the discretion to

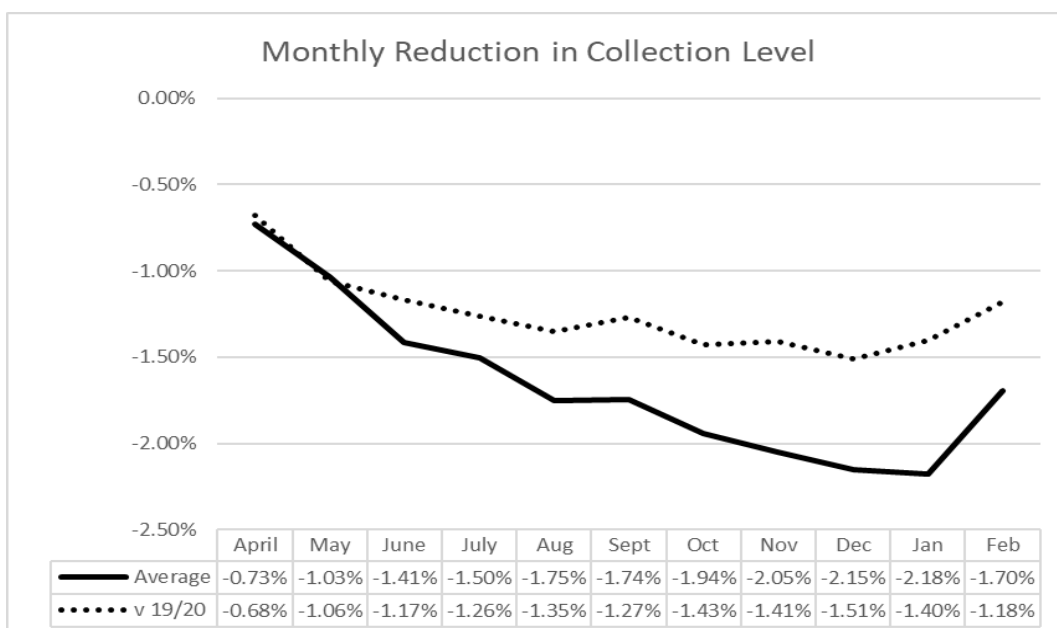
use in meeting the Covid-19 related over-spends identified throughout this report (Report No. 21/8 refers).

Council Tax

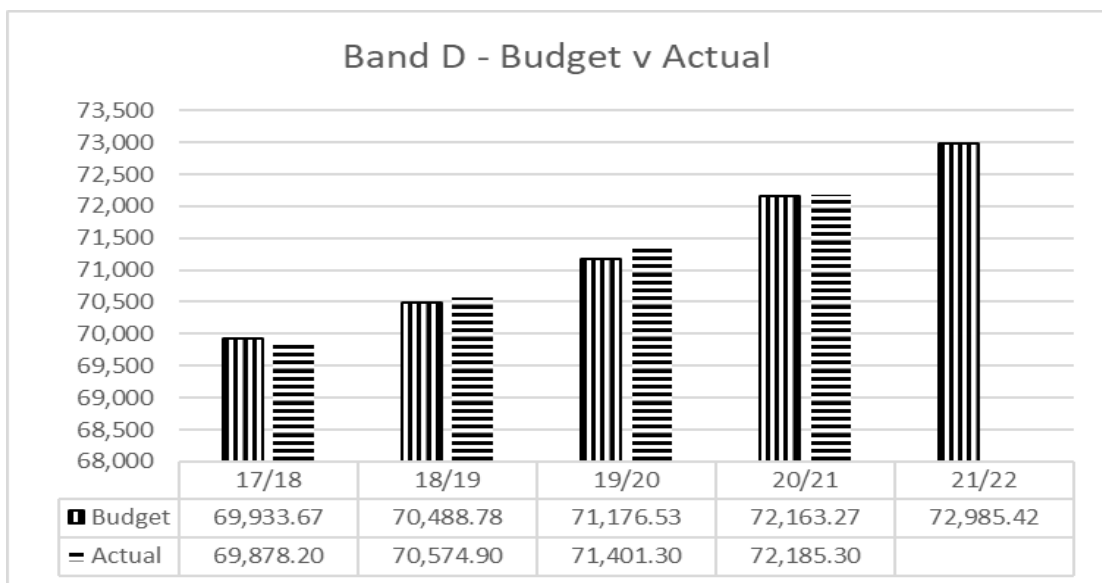
- 2.35 The amount of income the Council will generate from Council Tax is dependent on two main factors, firstly the collection levels and secondly, the number of Band D properties on the Valuation Roll.
- 2.36 Monitoring of Council Tax collection levels is carried out monthly. The following graph sets out collection performance to 28 February 2021 together with prior year comparative figures.

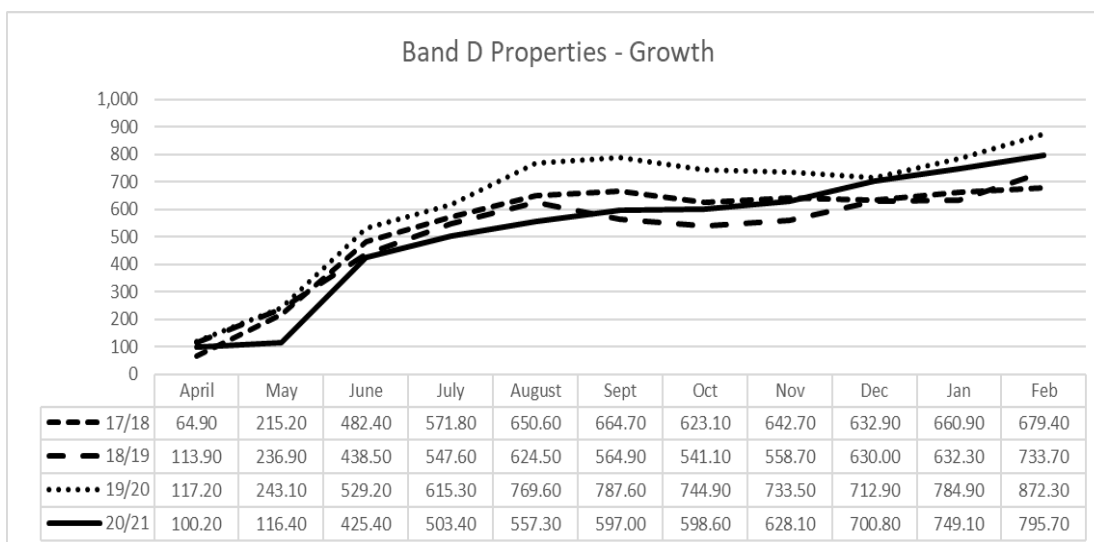


- 2.37 Collection levels have reduced compared to previous years. Between 2015/16 and 2019/20 the average collection figure by 28 February was 94.35%. The actual collection figure to 28 February 2021 was 92.65% which is a reduction of 1.70% compared to the historical average and 1.18% on the comparable position in 2020.



- 2.38 Although not monitored at an individual Council Tax payer level, it is assumed that the Job Retention Scheme supported Council Tax collection in 2020/21 and the extension of the scheme until September, together with the Council Tax freeze, is expected to have a positive impact on collection. Considering the latest update and experience to date, year-end Council Tax collection levels are now projected to be 2% lower than budgeted (previous assumptions were between 2% - 4% of a reduction in collection). This results in a projected reduction in income of **£1.9 million**. However, potential collection levels in future years remain uncertain and Council Tax collection will continue to be kept under review. The Council recognised this potential issue in setting the 2021/22 Revenue Budget by approving a revised Council Tax collection percentage of 96.5%.
- 2.39 Secondly, in setting the Council's Revenue Budget, assumptions are made on increases in the number of Band D equivalent properties. The two graphs set out below suggest that there is a risk that the level of growth will be less than budgeted assumptions. This potentially affects not only current year budgets, but also future years because of the impact on the base level of income. The other factor of note is that the growth in the current year had been flattening but appears to have improved towards the end of calendar year 2020.





- 2.40 It is now forecast that growth in the 2020/21 Council Tax base will be approximately 100 properties lower than budgeted. This adjustment will result in reduced income of approximately **£100,000**.

Non-Domestic Rates

- 2.41 The actual collection rate to 28 February 2021 was 94.24%, compared to 96.94% for the same period to 2019/20. The Council continues to provide the Scottish Government with monthly reporting on Non-Domestic Rates collection levels.

Impact on Arm's Length External Organisations (ALEOs)

- 2.42 Monthly service level agreement payments have been paid as normal to all three Arm's Length External Organisations (Live Active Leisure, Culture Perth & Kinross and Horsecross Arts Ltd.) to assist with their cashflow as they continue to forecast and monitor the ongoing impact of Covid-19 upon their financial position. The scheduled quarter 4 payment to Culture Perth and Kinross was, however, transferred to the Culture earmarked Reserve following the Trust's successful application to the Job Retention Scheme.
- 2.43 Live Active Leisure have updated their financial planning assumptions based on the latest information available. The two main factors impacting on their latest projections were confirmation that the Job Retention Scheme would remain available for the remainder of the financial year and the assumption that venues will not re-open this financial year. Confirmation of these factors has improved the financial outlook for Live Active Leisure in the current year and, as such, the previously identified potential contribution of £400,000 towards their operations can now be removed from the Council's financial planning.
- 2.44 With the latest refresh of the Live Active Leisure position, this means that the Council will have had no requirement to provide additional financial support to any of its ALEOs in the current financial year, over and above contractual service level agreement payments.

- 2.45 Council officers will continue to work with representatives of all three ALEOs into 2021/22 and beyond, to more fully understand the implications of Covid-19 on their operations. An update on all three ALEOs will be included in all future revenue monitoring updates to Council / Strategic Policy & Resources Committee.

GENERAL FUND SUMMARY

- 2.46 In summary, the net forecast position for the Council's General Fund is currently estimated to be a projected net under spend of **£393,000** (the previous forecast was a range of between a projected under spend of £1.6 million and projected over-spend of £600,000). There is still some uncertainty regarding the final outturn for 2020/21 and these figures will be updated in the 2021/22 Annual Accounts. This position is summarised in the following table.

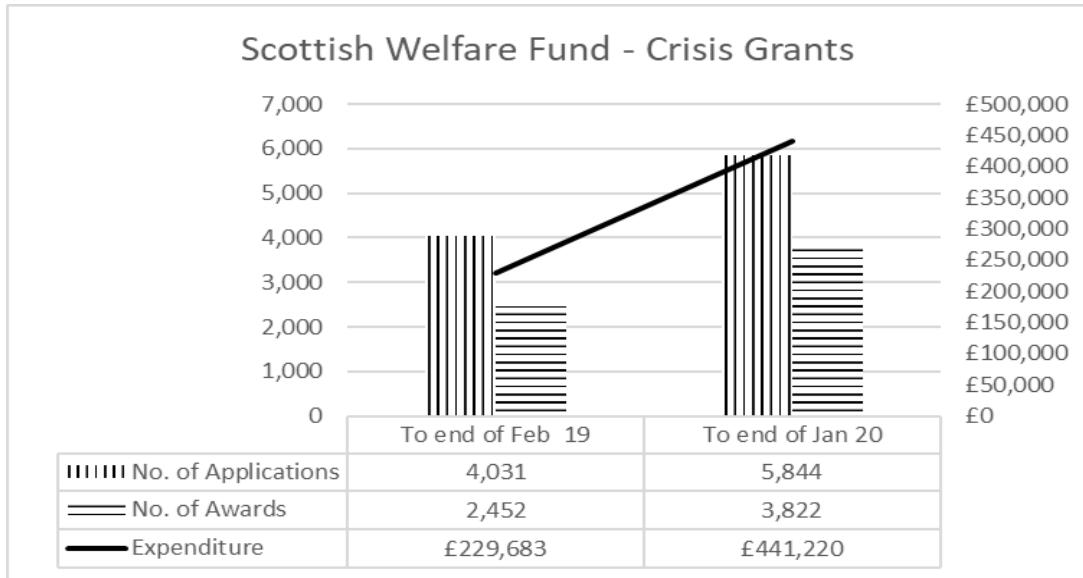
	<i>£m</i>
Service Budgets	4.307
Corporate Budgets	0.300
Additional Scottish Government Funding	(7.000)
Council Tax	2.000
PROJECTED UNDER SPEND	(393)

- 2.47 Based on the projected under spend set out above, £393,000 (or the final under spend) will be transferred to the Covid-19 earmarked Reserve as previously agreed by Council.

Other Financial Information

Crisis Grants

- 2.48 As at 28 February 2021, the Council had received 5,844 applications for Crisis Grant funding. Of those applications, 3,822 have been paid, with a total value of approximately £441,000.
- 2.49 This area of activity has seen a significant growth in demand which is set out in the following graph.



Covid-19 Business Support Grants

2.50 Since March 2020, the Council has provided advice and support to local businesses experiencing financial challenges because of restrictions and regulations introduced to control the spread of Covid-19. The Council has delivered financial support from a number of Scottish Government grant schemes. To date, almost £57 million has been distributed. A recurring feature of these grant schemes has been that they have evolved rapidly and have been delivered within very challenging timescales.

2.51 Activity to 19 March 2021 is summarised in the following table.

	£
Business Support Grants	37,092,500
Self Employed Hardship Fund	434,000
Bed & Breakfast	39,000
Business Hardship Fund	394,735
Strategic Framework Business Support (including top up)	21,428,000
Soft Play	60,000
Night Clubs	132,500
Taxi Drivers	445,500
Discretionary Fund	1,380,000
Contingency Fund Plus	145,000
TOTAL	61,551,235

Impact on Other Areas

Housing Revenue Account (HRA)

- 2.52 On 27 January 2021, the Council were advised of a projected over-spend of £490,000 on the Housing Revenue Account which would be funded by reducing the Capital from Current Revenue (CFCR) budget with a corresponding increase in borrowing (Report No. 21/8 refers).
- 2.53 On 10 March 2021, the Council were advised of a reduction in this projected under spend of approximately £1.4 million and approval was granted to earmark this sum as an HRA Covid-19 earmarked Reserve (Report No.21/33 refers).
- 2.54 The following narrative provides a further summary of the HRA projected outturn and more detail is set out in Appendix 4.
- Repairs & Improvement – projected net under spend of **£1.218 million** because of restrictions that have been in place throughout 2020/21 and their impact on external repairs & maintenance, external voids and the planned maintenance programme and the associated impact on stock purchases.

- Letham North & South – projected net over spend of **£241,000** due, in the main, to increased demand for the Tenancy Sustainment Fund, additional costs arising from the Covid-19 response and expenditure in relation to Rent Sense.
- Perth City & Specialist and Housing Management are projecting a net under spend of **£13,000**.
- Administration – projected net under spend of **£180,000** made up of projected under spends on loan charges, recharges and staff and non-staff costs. These are partially offset by increased void rent loss and Council Tax on void properties.
- Income – projected shortfall of **£317,000** due to slippage on the new build programme and reduced interest on revenue balances.
- Capital from Current Revenue – projected under spend of **£490,000**, which was approved in January 2021.

2.55 The net effect of the variances set out above is a contribution to the HRA Covid-19 earmarked Reserve of **£1.343 million** which will be utilised on a number of areas including maintenance delayed from 2021/22 as well as augmenting the Tenancy Support Fund and Estates Based Initiatives budget.

3. OTHER 2020/21 FINANCIAL MANAGEMENT ISSUES

3.1 In order to ensure that the 2020/21 Management Budgets continue to reflect the operational requirements of the Council, a number of adjustments are required. These are summarised below and set out in detail in Appendix 1.

Movements in Funding

Scottish Government – Revenue Support Grant

3.2 Since the 2020/21 Final Revenue Budget was updated by Perth & Kinross Council on 27 January 2021 (Report No. 21/8 refers), notification has been received in Finance Circular 5/2021, issued on 18 March 2021 of additional resources in the current financial year as set out below.

- Education Recovery - £3.194 million (Education & Children's Services - ECS)
- Free School Meals Provision January - £103,000 (ECS)
- Free School Meals Provision February - £85,000 (ECS)
- Teacher Induction Scheme – £27,000 (ECS)
- Educational Psychologists - £10,000 (ECS)
- Business Support Grant - £462,000 (Corporate & Democratic Services)
- Winter Hardship Children's £100 Payment - £187,000 (CDS)
- Financial Insecurity Fund - £412,000 (CDS)
- Discretionary Fund – £2.994 million (Communities)
- Test & Protect Combined - £70,000 (Communities)

- EU Brexit - £25,000 (Communities)
- Rapid Rehousing Transition Plans Winter - £135,000 (Communities)
- Environmental Health Officers £43,000 (Communities)

3.3 These resources have been allocated to Service Budgets as shown in Appendix 1 to the report. The Scottish Government has advised that the increase in Revenue Support Grant identified at 3.2 of **£7.747 million** will be made through a redetermination of the Council's Revenue Support Grant.

Scottish Government – Additional Revenue Support Grant

3.4 In Finance Circular 5/2021, issued on 18 March 2021, additional funding of **£11.173 million** was also notified which is set out below.

- Loss of Income Scheme - £3.326 million (share of £200 million)
- General Covid-19 Funding - £6.486 million (share of £275 million)
- Parent Employability Support Fund Boost - £124,000 (share of £5 million)
- Winter Hardship Balance - £33,000 (share of £1.937 million)
- Spring Hardship Payment - £255,000 (share of £17.2 million)
- Tackling Financial Insecurity (increase) - £74,000
- Flexible Fund to Support People Impacted by Restrictions - £826,000 (share of £30 million)
- Test & Protect Extension (£49,000)

3.5 The Scottish Government has advised that the increase in Revenue Support Grant identified at 3.4 above of **£11.173 million** will be made through a redetermination of the Council's Revenue Support Grant in 2020/21. The main components of this additional grant are the loss of income scheme and general Covid-19 funding. Elected members have previously been advised of the loss of income scheme funding with an initial estimate reflected in the Council's Reserves Strategy (Report 21/34 refers). In relation to the general Covid-19 funding, until receipt of the Finance Circular on 18 March 2021, the Council had no information on when this funding would be made available or the level.

Scottish Government: Revenue Support Grant Prepayments

3.6 Finance Circular 5/2021 also included notification of the prepayment of funding by the Scottish Government as follows:

- Prepayment of Free School Meals Provision Easter - £62,000 (Education & Children's Services - ECS)
- Prepayment of Ongoing Costs of Recruitment of Additional Staff - £602,000 (ECS)
- Prepayment of Ongoing Costs of Recruitment of Additional Teachers and Support Staff - £642,000 (ECS)

- 3.7 The Scottish Government has advised that a prepayment of **£1.306 million** will be made through a redetermination of the Council's Revenue Support Grant. This funding will be paid in 2020/21 but relates to financial year 2021/22 and will be carried forward and applied to Education & Children's Services in 2021/22.
- 3.8 It is therefore necessary to adjust the management budgets for 2020/21 and, in the case of prepayments for 2021/22, for Education & Children's Services, Corporate & Democratic Services, Communities, and Revenue Support Grant.
- 3.9 **ACTION:** The Council is asked to approve the adjustments set out at 3.2, 3.4 and 3.6 above. These adjustments are reflected in Appendix 1 (Column 3) to this report.

Other Funding

- 3.10 Other funding amounting to £563,251 will be paid outside the Revenue Support Grant mechanism as Other Grant income and is, therefore, cost neutral in terms of the budget summary. The detail of this other funding is set out in Appendix 4.
- 3.11 **ACTION:** The Council is asked to note the receipt of £563,251 of additional resources, with this funding being reflected within Communities and Education & Children's Services as additional grant income. The current projected outturn assumes that all these additional resources will be fully expended in 2020/21 or will be carried forward under the terms of the grant award.

Service Virements

- 3.12 In order to ensure that the 2020/21 Management Revenue Budget continues to reflect current Service needs and operational requirements the following virements is
- Communities to Capital Grant - £69,000 – to reflect a rephasing of expenditure on Tactran capital projects. This funding will be reinstated in 2021/22.
 - Education & Children's Services to Corporate & Democratic Services - £4.959 million to reflect that Tayside Contracts fixed costs were paid centrally during lockdown between April and August 2020.

Movements in Reserves

Culture

- 3.13 There is currently an under spend within Culture and Community Services. This is due to Culture Perth & Kinross receiving funding from the Job Retention Scheme (see paragraph 2.42) and the Council under spending on adult literacy and non-domestic rates. Approval is sought to transfer this under spend of £215,000 to the earmarked Reserve for Culture for future expenditure.

- 3.14 **ACTION:** The Council is asked to approve the transfer of £215,000 from Communities to earmarked Reserves. This adjustment is reflected in Appendix 1 (Column 5) to this report.

Transformation Projects

- 3.15 Due to a rephrasing of expenditure there is now a projected under spend on the following transformation projects:

- Low Carbon - £105,000
- Open Data - £169,000
- Review of Community Care Packages - £45,000
- Review of Older People Services - £54,000

- 3.16 Approval is sought to transfer £274,000 from Communities and £99,000 from Health and Social Care to earmarked Reserves to be drawn down in 2021/22.

- 3.17 **ACTION:** The Council is asked to approve the transfer of £373,000 to the Services listed above to earmarked Reserves. These adjustments are reflected in Appendix 1 (Column 5) to this report.

Local Action Partnerships

- 3.18 In the current year, the Local Action Partnerships have incurred £45,000 more expenditure than the approved budget. Approval is sought to transfer £45,000 from earmarked Reserves to Communities to meet this expenditure.

- 3.19 **ACTION:** The Council is asked to approve the transfer of £45,000 to Communities from earmarked Reserves. This adjustment is reflected in Appendix 1 (Column 5) to this report.

Early Learning & Childcare

- 3.20 Due to the most recent national lockdown and school closures from January 2021, there has been further slippage within the 1140 hours expansion programme for Early Learning and Childcare of £800,000. It is proposed that this ring-fenced funding is carried forward into 2021/22 to support the full rollout of the programme.

- 3.21 **ACTION:** The Council is asked to approve the transfer of £800,000 from Education & Children's Services to the Revenue Grants earmarked Reserve for utilisation on 2021/22. This adjustment is reflected in Appendix 1 (Column 5) to this report.

Local Government By-Election – Ward 9, Almond & Earn

- 3.22 Following the death of Councillor Henry Anderson, a local government by-election was held in Ward 9, Almond & Earn on Thursday 25 March 2021. The estimated cost is £60,000 which it is proposed to fund from Reserves in 2020/21.

- 3.23 **ACTION:** The Council is requested to approve the transfer of £60,000 from Reserves to Corporate & Democratic Services in 2020/21 to fund the Local Government By-Election in Ward 9, Almond & Earn. This adjustment is reflected in Appendix 1 (Column 5) to this report.

Additional Revenue Support Grant

- 3.24 Paragraph 3.4 above provides information on the receipt of additional funding of £11.173 million. Given that the 2020/21 financial year is almost at an end, approval is sought to transfer this additional funding to the Covid-19 earmarked Reserve. Proposals to utilise this funding will be brought before elected members through the revenue monitoring process in 2021/22 and beyond.
- 3.25 **ACTION:** The Council is requested to approve the transfer of £11.173 million to the Covid-19 earmarked Reserve. This adjustment is reflected in Appendix 1 (Column 5) to this report.
- 3.26 Finance Circular 5/2021 also includes the allocation of £259 million in relation to “Non-Recurring Covid Consequentials” in 2021/22 with the Council receiving **£7.220 million**. Proposals to utilise this funding will be included in revenue monitoring updates to elected members in 2021/22. A further £40 million of funding for local government, announced on 18 March 2021, as part of the Scottish Parliamentary debate on the Local Government Finance (Scotland) Order 2021-22, will be paid as a re-determination of the 2021/22 General Revenue Grant once the distribution has been discussed and agreed with COSLA.

Scottish Crannog Centre

- 3.27 In 2020, the Scottish Crannog Centre (SCC) completed a successful Community Asset Transfer application to the Forestry Commission which will enable further development of its heritage tourism offer and community engagement activities on a site opposite the current Centre, at Dalerb on the north shore of Loch Tay.
- 3.28 The current site is limited in terms of physical accessibility and ability to accommodate growing visitor numbers to the Centre. The SCC Board has commissioned feasibility work, funded by Museums Galleries Scotland, to create a masterplan for developing the Dalerb site which will be completed by end March 2021.
- 3.29 A £200,000 application to the National Lottery Heritage Fund (NLHF) is due to be submitted in April 2021 for the first phase of work. This will fund completion of a Full Business Case and development of a design scheme to RIBA Stage 4.
- 3.30 A high-level advisory panel has been established to oversee project development and delivery and will begin meeting in May 2021. The Council has been approached for £20,000 contribution to this work and local authority

support will be important for strengthening the NLHF application. The project has significant potential to enhance the cultural and wider tourism offer of Highland Perthshire and a £20,000 contribution from the Council's earmarked Reserve for Culture is proposed, subject to the NLHF application being successful.

- 3.31 **ACTION:** The Council is asked to approve the contribution of £20,000 to the Scottish Crannog Centre, subject to a successful bid to the National Lottery Heritage Fund.

4. CONCLUSION AND RECOMMENDATIONS

- 4.1. Covid-19 has resulted in the Council facing a significant financial challenge during 2020/21.
- 4.2. Through the pro-active management of the Council's Revenue budget, supported by elected member scrutiny, together with additional Scottish government funding, the latest revenue monitoring statement sets out a projected net under spend of £393,000 in 2020/21.
- 4.3. It is likely that the Council's financial position in 2021/22 will remain challenging and elected members will be updated as the position develops.
- 4.4. The Council is requested to:
- i) Note the current projected net outturn position for 2020/21 of an under spend of £393,000.
 - ii) Approve the adjustments to management budgets set out in section three of the report.

Author(s)

Name	Designation	Contact Details
Scott Walker	Chief Accountant	chxfinance@pkc.gov.uk

Approved

Name	Designation	Date
Stewart Mackenzie	Head of Finance	23 March 2021
Karen Donaldson	Chief Operating Officer	24 March 2021

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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 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 has to 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

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 – 2020/21 Management Budget
- Appendix 2 – 2020/21 General Fund Service Statements
- Appendix 3 – 2020/21 Health & Social Care
- Appendix 4 – 2020/21 Housing Revenue Account
- Appendix 5 – 2020/21 Other Funding