

**REPORT TO:** East Lothian Council

**MEETING DATE:** 23 February 2021

**BY:** Executive Director for Council Resources

**SUBJECT:** 2020/21 Quarter 3 Financial Review

---

## **1 PURPOSE**

- 1.1 To provide an update on the in-year financial position at the end of December 2020.

## **2 RECOMMENDATIONS**

- 2.1 The report recommends that Council:
- Notes the in-year financial performance for the Council;
  - Notes that officers will continue to progress a range of mitigation measures in an attempt to manage the financial position during the remainder of 2020/21.
  - Approves that a proportionate allocation reflective to the share of national funding received from the loss of income scheme is transferred to group account partners in this financial year in order to support their ongoing financial sustainability.
  - In accordance with Section 3.17, approves that decisions on any further financial support to these group partner bodies in this financial year, be delegated to the Chief Executive and Chief Financial Officer, in consultation with the Leader/Depute Leader and Cabinet spokesperson.

## **3 BACKGROUND**

- 3.1 The Council received an update on the in-year financial performance and underlying challenges at its meeting in October 2020. This report provides an update on the 2020/21 financial position, the potential risks and

financial challenges going forward and sets out how the Council intends to manage these challenges through the year-end closedown.

- 3.2 Since the previous report, the Council continues to operate within an extremely challenging financial environment including the impact arising from COVID-19 with a second national lockdown currently in force. Whilst the full impact of these restrictions are reflected in the financial ledger figures presented, the report narrative highlights the potential risks of these challenges and the potential impact on the financial projections for the remainder of this financial year.

### **General Services Revenue Summary – Quarter 3**

- 3.3 The General Service Revenue financial position at the end of December 2020 is an overspend of £163,000 (0.7%). As highlighted previously, officers remain focused on the pursuit of a wide range of mitigation options with the anticipation that collectively these will bring the Council back into financial balance for this year subject to successful management of the risks identified in this report.
- 3.4 An analysis setting out the financial position across service groups, including a financial risk rating is set out in **Appendix 1**, with further detail setting out the key challenges and any risks included within the narrative below. There continues to be a higher than normal number of service areas that are categorised as High or Medium Risk, highlighting that services are struggling more than ever to deliver existing service levels within available resources.
- 3.5 The **Resources and People Directorate, (covering Education and Children’s Services Group alongside Council Resources)** is reporting a Period 9 underspend of £0.798 million (0.8%), an improvement of £1.278 million on the £481,000 overspend reported position in October 2020. This has largely been caused by increased staffing underspends and delays in the full implementation of the 1140 hours rollout due to restrictions imposed by the ongoing COVID-19 situation which in turn have created helpful flexibility in the use of earmarked funding. Education & Children’s Services is reporting a collective underspend of £0.276 million (0.3%) and the underspend in Council Resources is £0.521 million (6.4%). A summary of the key variables and risks are set out below:
- Children’s Services, £1.741 million over (14.6%) - the most significant pressure remains in External Residential Care, high tariff secure placements and external fostering. As highlighted within the October 2020 financial review, the service is likely to overspend in excess of approved budgets by around £2 million. This includes additional COVID-19 related expenditure in excess of £0.500 million largely relating to: loss of income, additional cover for staff absence, and additional external fostering placements due to pressures within local fostering capacity. Despite this, there is evidence that targeted interventions is having an impact in controlling additional demand for external placements with more packages of support that keep young people within East Lothian put in place at significantly lower cost. This

position remains volatile, and there remains a risk that demand for external services could increase before the year-end, which would affect the financial position. This position will remain under close review.

- Management remain focused on a range of options designed to minimise future spend commitments whilst ensuring that services provided to children are undertaken in a way that best supports and protects children. This includes the establishment of the vulnerable Children's Services Project, reviewing all services to children across the Council to ensure a whole-Council approach to reducing vulnerability and will include enhanced family support measures.
- Education, £2.018 million under (2.4%) – Pressures remain in ASL, primary and secondary school budgets, largely relating to external placement and transport costs, and significant additional COVID-19 related costs to support the safe reopening of schools, including PPE, cleaning and transport. As previously reported, flexibility in excess of £3 million has been applied in respect of Early Learning and Childcare funding in line with national guidance. Any additional costs associated with the planned reopening of schools following the current lockdown could have an impact on the financial position.
- Council Resources, £0.521 million under (6.4%) – There remains significant additional costs to support the IT capability of increased numbers of staff working from home; however, there will be an underspend in this service due to staffing vacancies across wider support services pending the full implementation of a number of significant service reviews.

3.6 The **Health & Social Care Directorate** includes the Adult Wellbeing service. The position recorded at 31 December 2020 is an overspend against budget of £0.358 million (0.9%). This is due to the level of demand for commissioned services such as care homes and care at home. As highlighted in the October 2020 report, the service is experiencing significant COVID-19 related costs, currently in excess of £3 million, and the potential this could increase further in light of the ongoing lockdown. This includes: loss of anticipated income, the purchase of spare care home beds, and on-going sustainability payments to external providers in line with national guidance. Distinct from other Council services, the position assumes that the additional government funding pledged to support health and social care will cover these costs. Members are reminded that the majority of this budget is delegated to the IJB, and therefore any overspends must be managed in accordance with the scheme of integration and wider overall IJB resources.

3.7 The **Partnership & Community Services Directorate** has an overspend of £0.151 million (0.4%). The main areas of pressure are within Infrastructure service areas.

- Development, £0.484 million under (8.0%) – Scottish Government guidance has allowed for the fixed costs relating to the Property Maintenance Trading Account to be recovered which has significantly improved the financial position from the previously reported overspend. There remains a risk that planning fee income will be under anticipated budget levels. Work is progressing to both monitor and minimise any impact should this risk materialise.
- Infrastructure, £1.176 million over (6.4%) – The main pressure areas are in Roads, Transportation and Waste, albeit most other infrastructure service areas are also facing significant COVID-19 related pressures. This includes: a significant reduction in planned income levels across a wide range of services as well as significant under-recovery of rechargeable works relating to Roads trading activity. Roads (Trading) and Waste remain categorised as high risk, and are unlikely to deliver within approved budget levels for this year. There continues to remain a risk relating to adverse winter weather, which may affect the final position at the end of March.
- Communities & Partnerships, £0.541m under (5.6%) – most service areas continue to support COVID-19 related activities. Despite this, it is anticipated that this underspend will continue for the remainder of the year, the majority of which relates to staffing underspends.

3.8 In addition to the service position and pressures set out above, the Council has incurred additional corporate costs in order to comply with national COVID-19 related guidance whilst in lockdown and/or imposed restrictions. This includes the additional payment of casual and supply teaching staff until the end of June amounting to £0.646 million alongside the on-going supply of PPE to support wider non-schools services, the cost of which is currently £0.374 million.

3.9 The Corporate Management budgets include most of the key resource streams and corporate commitments for the Council, the most notable of which include Scottish Government grant funding, Council Tax income. More detail relating to Scottish Government grant funding received during the year to support COVID-19 pressures and priorities are set out in paragraph 3.12 of this report. In addition, Council Tax budgets are currently showing an improving outturn relative to the reported October position, largely due to a combination of higher than previously forecast house completions offset by a lower number of Council Tax exemptions. In-year council tax collection levels are still marginally lower than anticipated, and enhanced efforts continue to be made in support of individuals who are facing economic hardship and it is hoped that ultimately managing this flexibly will help ensure that all Council Tax due is eventually collected.

3.10 **Appendix 2** sets out the detail of progress in delivering the planned efficiencies for 2020/21. In summary, management remain hopeful that the vast majority of the planned £3.2 million savings for 2020/21 will be deliverable in-year, with £129,000 of income-generated savings now

unlikely. Members are reminded that whilst £2 million corporate staffing savings will be delivered in-year due to vacant posts, not all will be recurring, meaning it will need to be managed on a year-by-year basis.

- 3.11 At the time of approving the budget, the Council faced significant financial challenges that required careful management in order to work within approved budget levels. Despite increased costs relating to COVID-19 currently sitting at over £16 million expenditure, officers remain hopeful the combined range of mitigation options including Scottish Government support and flexibilities currently being managed will allow expenditure commitments to be delivered within available budgetary limits.

### **Scottish Government Funding**

- 3.12 Previous financial update reports provided to both Council and prior to that through the Emergency Recess arrangements have provided an update on additional funding that we have received from the Scottish Government. Funding received to date to support COVID-19 have all been received on a non-recurring basis, with specific details set out in further detail in **Appendix 3**. A significant proportion of COVID-19 related funding has been directed through local authorities, but as previously reported, much of this has been ring-fenced to deliver new specific policy commitments or been used to support the payment of business grants. Across all Council services, COVID-19 has unquestionably created significant financial pressures, with additional funding falling significantly short of the projected £16 million pressure for this year.
- 3.13 Alongside this, the Council has applied flexibility in the use of use funding previously made available funds to support the expansion of Early Learning and Childcare to 1140 hours in line with national guidance.
- 3.14 Previous Council reports have highlighted that the Cabinet Secretary announced in early October a package of fiscal flexibilities for Scottish councils to support the mitigation of COVID-19 pressures. At the time of writing this report, the exact details of these flexibilities remain subject to discussion between COSLA and Scottish Government, and updated relevant statutory guidance has yet to be received. Although we remain committed to pursuit of full and proper national funding of all expenses incurred in our response to the national public health crisis, these additional flexibilities are likely to provide a potentially vital alternative means of absorbing the unfunded burden of COVID-19 response and supporting future recovery activity.

### **Council's Group Components**

- 3.15 From the outset of COVID-19, the Council has engaged constructively with its group account partners to consider the financial implications of each of the organisations during this pandemic. Despite positive and constructive discussions, no additional financial support has yet been provided to any partners during this year, but we have worked flexibly to support effective management of cash flows. In addition, and as previously notified in closing the 2019/20 accounts, a 'letter of guarantee' has been provided to

both Enjoy and Brunton Theatre Trust. This 'guarantee', whilst not prescriptive in respect of quantum, does provide both organisations with positive assurance that the Council will continue to work proactively with them to manage cash flow and fulfil their inescapable obligations should the need arise.

- 3.16 The financial implications arising from loss of income for both Enjoy and Brunton Theatre have been included within the national COSLA return used to support and inform both the quantum and distribution relating to national loss of income scheme. As previously reported to Council, the indicative allocation provided to East Lothian falls significantly short of actual income shortfall, and despite an indication that additional national funding will be provided, the revised total funding is less than half of that estimated through the national cost collection exercise.
- 3.17 Recognising the continued financial challenges being faced by our group partners, it is recommended that a proportionate allocation reflective of the share of the national funding received from the loss of income scheme is passed on to our ALEO partners in order to help maintain their ongoing financial viability. It is unlikely the overall quantum will be confirmed until the end of March and as such, there may be a more immediate need to consider earlier financial intervention to these partners in order to help ensure effective recovery and future service delivery. It is therefore recommended that any decision to provide further financial support to these partner bodies this financial year be delegated to the Chief Executive and Chief Financial Officer, in consultation with the Leader/Depute Leader and Cabinet spokesperson, ensuring that targeted support can be met without any significant adverse impact upon the Council's overall financial position.

### **General Services Conclusion**

- 3.18 The Council has continued to operate in recent years within a very challenging financial environment, and this has unquestionably increased through managing COVID-19. Whilst it now looks likely that, through successful application of the collective range of mitigation options, the Council will be in a position to achieve financial balance in 2020/21 albeit that much of this is through a range of one off interventions including additional non-recurring funding. As part of the Scottish Government's recent draft budget, it now looks likely that some COVID-19 funding will be provided to support 2021/22, albeit it remains significantly lower than the national quantum provided in 2020/21. With current in-year COVID-19 pressures amounting to over £16 million, and with many of these recurring, unless significant additional funding is forthcoming this will undoubtedly impact on future spending plans.

### **General Services Capital Summary – Quarter 3**

- 3.19 Despite an increase in spend from the previously reported position of £7.1 million, capital spend at the end of December 2020 remains lower than budgeted at just under £19 million (19%) against an updated budget of £98.1 million. More detail is set out in **Appendix 4**.

- 3.20 Current forecasts estimate spend for 2020/21 to be £42.5 million. Several expenditure and income budgets have had to be re-profiled in future years due to the continuing impact of COVID-19, and these have been reflected in the draft Administration budget proposals approved by Cabinet in January 2021 and may be further adjusted within final budget proposals to be considered by Council.
- 3.21 As has been reported previously, COVID-19 restrictions remain in place and updated working practices have had an impact on in-year capital plan delivery. Enhanced health and safety to comply with COVID-19 national guidance has directly affected the time that it takes to carry out works and projects are taking longer to complete. This is also a cost risk to future tender submissions which might require further adjustment to estimated project costs.
- 3.22 The Council is operating within a very uncertain financial and economic environment. Cost implications from Brexit and wider economic factors from the UK's departure from the European Union will need to be closely monitored and considered so that the Council can balance competing pressures in a sustainable way.
- 3.23 A summary of the key changes and main risks are shown below:
- Roads continue to be directly affected by the COVID-19 restrictions in place with less programmed work being undertaken than had been planned.
  - The delivery of the majority capital works associated with the Education estate, including the early years provision, have been delayed and re-profiled into future years.
  - Despite some delays due to both COVID-19 and ground conditions, the new Wallyford Learning Campus is at an advanced design stage with some works starting over the summer and with a target opening date for pupils of August 2023.
  - Vehicles that have been ordered and expected are now subject to delivery delays and may not be received in the current financial year.
  - IT budgets will be overspent in-year with additional IT devices required to ensure sufficient provision to support the current home-working requirements.

### **Housing Revenue Account Summary – Quarter 3**

- 3.24 At the end of December 2020 the Housing Revenue Account is reporting a significant underspend against current budget of £1.2 million. The most significantly affected area being our planned programme of repairs and maintenance that continues to be restricted due to COVID-19. Similar to circumstances reported within the General Fund, it is likely that there will be an underspend on budgeted debt charges, largely due to lower interest rates for lower levels of new borrowing incurred this year.

- 3.25 There are additional pressures upon void properties due to the COVID-19 restrictions, and there are lower than anticipated rent collection levels, with debt recovery work ongoing albeit with measures in place to support tenants experiencing economic hardship.
- 3.26 In accordance with the approved financial strategy whereby the Council should maximise any flexibility arising from revenue balances to minimise the future impact of debt charges, any additional surplus arising during 2020-21 will be applied in this manner.
- 3.27 Details of the Housing Revenue Account capital budgets and expenditure incurred to date is set out in **Appendix 5** of this report. The total capital budget approved for HRA was £33.540 million. As at end of December 2020, the actual spend was £14.664 million, almost entirely due to delays in planned work arising from COVID-19. Full year spend is expected to be just under £21 million.

#### **4 POLICY IMPLICATIONS**

- 4.1 There are no direct policy implications associated with this report, although, ongoing monitoring and reporting of the Council's financial performance is a key part of the approved Financial Strategy.

#### **5 INTEGRATED IMPACT ASSESSMENT**

- 5.1 The subject of this report has been considered and given there is no change in policy direction, there is no requirement to undertake any further impact assessment.

#### **6 RESOURCE IMPLICATIONS**

- 6.1 Financial – as described above and in the supporting appendices
- 6.2 Personnel - none
- 6.3 Other – none

#### **7 BACKGROUND PAPERS**

- 7.1 Council – 17 December 2019 – Item 4 Finance Strategy 2020-25
- 7.2 Council – 25 February 2020 – Item 4 – Budget Development including setting of rent levels 2020-25
- 7.3 Council – 3 March 2020 – Item 2 – General Service Budget Proposal - Administration



- 7.4 Members Library Service 31 May 2020 – 61/20 COVID 19 Financial Management Update
- 7.5 Members Library Service 31 July 2020 – 78/20 COVID 19 Financial Update
- 7.6 Council 25 August 2020 – Item 5 – 2020/21 Financial Review Quarter 1
- 7.7 Council 27 October 2020 – Item 5 – Financial Update

<b>AUTHOR'S NAME</b>	Sarah Fortune / David Henderson
<b>DESIGNATION</b>	Head of Finance / Finance Manager Service Accounting
<b>CONTACT INFO</b>	<a href="mailto:sfortune@eastlothian.gov.uk">sfortune@eastlothian.gov.uk</a> <a href="mailto:dhenderson2@eastlothian.gov.uk">dhenderson2@eastlothian.gov.uk</a>
<b>DATE</b>	12 February 2021

Appendix 1  
 East Lothian Council  
 Budget Monitoring 2020/21 General Fund - Period 9

Service	Head of Service	Business Unit	2020/21 Budget	Year to Date			2020/21 Budget Variance to Date	2020/21 Budget Variance to Date	Financial Risk Assessment
				2020/21 Actual to Date	2020/21 Budget to Date	2020/21 Budget to Date			
				£'000	£'000	£'000			
Resources & People	Education	Childrens	15,947	13,644	11,903	1,741	14.6%		
Resources & People	Education	Additional Support for Learning	9,286	8,081	7,247	834	11.5%		
Resources & People	Education	Pre-school Education & Childcare	16,503	9,988	13,521	-3,533	-26.1%		
Resources & People	Education	Schools - Primary	43,711	30,389	30,207	182	0.6%		
Resources & People	Education	Schools - Secondary	45,204	31,765	30,792	973	3.2%		
Resources & People	Education	Schools - Support Services	3,715	2,138	2,612	-474	-18.1%		
<b>RESOURCES &amp; PEOPLE</b>	<b>EDUCATION TOTAL</b>		<b>134,366</b>	<b>96,005</b>	<b>96,282</b>	<b>-277</b>			
Resources & People	Council Resources	Financial Services	1,468	254	381	-127	-33.3%		
Resources & People	Council Resources	Revenues & Benefits	2,093	1,405	1,659	-254	-15.3%		
Resources & People	Council Resources	IT Services	2,304	1,486	1,496	-10	-0.7%		
Resources & People	Council Resources	Legal	326	313	364	-51	-14.0%		
Resources & People	Council Resources	Procurement	250	242	246	-4	-1.6%		
Resources & People	Council Resources	People & Governance	4,910	3,880	3,955	-75	-1.9%		
<b>RESOURCES &amp; PEOPLE</b>	<b>COUNCIL RESOURCES TOTAL</b>		<b>11,351</b>	<b>7,580</b>	<b>8,101</b>	<b>-521</b>	<b>-6.4%</b>		
<b>RESOURCES &amp; PEOPLE TOTAL</b>			<b>145,717</b>	<b>103,585</b>	<b>104,383</b>	<b>-798</b>	<b>-0.8%</b>		
Health & Social Care Partnership	Adult Wellbeing	Adult SW	35,146	24,584	23,243	1,341	5.8%		
Health & Social Care Partnership	Adult Wellbeing	Acute & Ongoing Care	7,500	5,658	5,645	13	0.2%		
Health & Social Care Partnership	Adult Wellbeing	Rehabilitation	1,494	1,018	1,141	-123	-10.8%		
Health & Social Care Partnership	Adult Wellbeing	Adult Statutory Services	2,511	2,439	2,229	210	9.4%		
Health & Social Care Partnership	Adult Wellbeing	Statutory Services	1,185	652	745	-93	-12.5%		
Health & Social Care Partnership	Adult Wellbeing	Head of Operations	3,050	2,310	3,059	-749	-24.5%		
Health & Social Care Partnership	Adult Wellbeing	Business & Performance IJB	2,871	2,194	2,427	-233	-9.6%		
<b>HEALTH &amp; SOCIAL CARE PARTNERSHIP</b>	<b>IJB TOTAL</b>		<b>53,757</b>	<b>38,855</b>	<b>38,489</b>	<b>366</b>	<b>1.0%</b>		
Health & Social Care Partnership	Adult Wellbeing	Business & Performance Non-IJB	790	699	707	-8	-1.1%		
<b>HEALTH &amp; SOCIAL CARE PARTNERSHIP</b>	<b>Non-IJB TOTAL</b>		<b>790</b>	<b>699</b>	<b>707</b>	<b>-8</b>	<b>-1.1%</b>		
<b>HEALTH &amp; SOCIAL CARE PARTNERSHIP TOTAL</b>			<b>54,547</b>	<b>39,554</b>	<b>39,196</b>	<b>358</b>	<b>0.9%</b>		
Partnerships & Community Services	Development	Planning	1,043	928	884	44	5.0%		
Partnerships & Community Services	Development	Economic Development	868	1,031	1,185	-154	-13.0%		
Partnerships & Community Services	Development	Housing & Strategic Regeneration	687	528	660	-132	-20.0%		
Partnerships & Community Services	Development	Property Maintenance Trading Account	-863	2,553	2,311	242	10.5%		
Partnerships & Community Services	Development	Community Housing	2,439	528	1,012	-484	-47.8%		
<b>PARTNERSHIPS &amp; COMMUNITIES SERVICES</b>	<b>DEVELOPMENT TOTAL</b>		<b>4,174</b>	<b>5,568</b>	<b>6,052</b>	<b>-484</b>	<b>-8.0%</b>		
Partnerships & Community Services	Infrastructure	Facility Support Services	3,623	2,777	3,056	-279	-9.1%		
Partnerships & Community Services	Infrastructure	Facility Trading Activity	-276	-1,731	-1,626	-105	6.5%		
Partnerships & Community Services	Infrastructure	Asset Maintenance & Engineering Services	3,242	2,720	2,736	-16	-0.6%		
Partnerships & Community Services	Infrastructure	Asset Management & Capital Planning	-576	444	509	-65	-12.8%		
Partnerships & Community Services	Infrastructure	Landscape & Countryside Management	5,271	3,628	3,819	-191	-5.0%		
Partnerships & Community Services	Infrastructure	Roads Network	4,730	3,465	3,423	42	1.2%		
Partnerships & Community Services	Infrastructure	Roads Trading Activity	-688	158	-716	874	-122.1%		
Partnerships & Community Services	Infrastructure	Transportation	1,089	573	79	494	625.3%		
Partnerships & Community Services	Infrastructure	Waste Services	8,099	5,217	4,578	639	14.0%		
Partnerships & Community Services	Infrastructure	Active Business Unit	3,591	2,395	2,612	-217	-8.3%		
<b>PARTNERSHIPS &amp; COMMUNITIES SERVICES</b>	<b>INFRASTRUCTURE TOTAL</b>		<b>28,105</b>	<b>19,646</b>	<b>18,470</b>	<b>1,176</b>	<b>6.4%</b>		
Partnerships & Community Services	Communities & Partnerships	Corporate Policy & Improvement	1,200	751	896	-145	-16.2%		
Partnerships & Community Services	Communities & Partnerships	Connected Communities	6,185	3,744	3,908	-164	-4.2%		
Partnerships & Community Services	Communities & Partnerships	Protective Services	1,796	1,191	1,264	-73	-5.8%		
Partnerships & Community Services	Communities & Partnerships	Customer Services Group	3,617	3,355	3,514	-159	-4.5%		
<b>PARTNERSHIPS &amp; COMMUNITIES SERVICES</b>	<b>COMMUNITIES &amp; PARTNERSHIPS TOTAL</b>		<b>12,798</b>	<b>9,041</b>	<b>9,582</b>	<b>-541</b>	<b>-5.6%</b>		
<b>PARTNERSHIPS &amp; COMMUNITY SERVICES TOTAL</b>			<b>45,077</b>	<b>34,255</b>	<b>34,104</b>	<b>151</b>	<b>0.4%</b>		
COVID 19 PPE Costs			0	374	0	374	0.0%		
COVID 19 Job Retention Costs			0	646	0	646	0.0%		
<b>OTHER COSTS TO BE ALLOCATED TO SERVICES</b>			<b>0</b>	<b>1,020</b>	<b>0</b>	<b>1,020</b>	<b>0.0%</b>		
<b>SERVICE TOTAL</b>			<b>245,341</b>	<b>178,414</b>	<b>177,683</b>	<b>731</b>	<b>0.4%</b>		
<b>CORPORATE MANAGEMENT TOTAL</b>			<b>-245,341</b>	<b>-202,226</b>	<b>-201,658</b>	<b>-568</b>	<b>-0.3%</b>		
<b>TOTAL</b>			<b>0</b>	<b>-23,812</b>	<b>-23,975</b>	<b>163</b>	<b>0.7%</b>		
<b>TOTAL HRA</b>			<b>0</b>	<b>-16,072</b>	<b>-12,523</b>	<b>-3,549</b>	<b>-28.3%</b>		

**Appendix 2**  
**East Lothian Council**  
**2020/21 Budget Efficiencies - Period 9**

Service	2020/21			
	Achieved	Amber	High	
	£'000	£'000	£'000	
Education	47	0	0	
Council Resources	9	0	10	
H&SCP	0	0	0	
Communities	774	0	0	
Development	53	0	50	
Infrastructure	201	0	69	
Corporate	0	2,000	0	
<b>Total</b>	<b>1,084</b>	<b>2,000</b>	<b>129</b>	<b>3,213</b>
	33.74%	62.25%	4.01%	

**Savings Currently High - Red**

Service	Proposal	Value	Comments
IT	Expected revenue from sale of hardware due to refresh	10	Not anticipated to be achievable at this stage due to COVID 19
Property Maintenance Trading	Efficient workforce management to be met from service redesign, strict management of vacancies, agency costs and increased productivity.	30	Unlikely to be achievable due to loss of Property Maintenance trading income
Property Maintenance Trading	New opportunities for income maximisation	20	Unlikely to be achievable due to loss of Property Maintenance trading income
Facilities Trading	School Meal charges	16	Lower than planned School Meal income due to COVID-19
Facilities Trading	Grab and Go expansion	8	Lower than planned School Meal income due to COVID-19
Landscape &	Amenity Service - income generation target	20	Not anticipated to be achievable at this stage due to COVID 19
Roads Network	3% uplift on existing income	5	Not anticipated to be achievable at this stage due to COVID 19
Roads Trading	Explore new opportunities for income management	20	Not anticipated to be achievable at this stage due to COVID 19
<b>Total</b>		<b>129</b>	

**Savings Currently Medium - Amber**

Service	Proposal	Value	Comments
All	Efficient workforce management to be met from service redesign, strict management of vacancies, agency costs and	2,000	May not be able to be fully realisable in year due to additional pressure on staffing budgets.
<b>Total</b>		<b>2,000</b>	

**Appendix 3**  
**East Lothian Council**  
**Additional Scottish Government Funding for COVID**

Funding	ELC Share £m	Scotland Total £m	Comments
<b>GENERAL REVENUE GRANT</b>			
<b>PREVIOUSLY REPORTED</b>			
Associated with COVID 19	2.992	155.000	Being used to help fund overall council spending in 2020/21.
LA Hardship Fund	0.965	50.000	Additional Programmes and initiatives to support the community during the Pandemic.
Scottish Welfare Fund Top Up	0.334	22.000	Fully allocated to SWF budget. £23m to be allocated.
Food Fund	0.447	30.000	Providing food support to vulnerable families and individuals incl. free school meals.
Registrars of Death	0.012	0.600	
Council Tax Reduction Scheme	0.380	25.000	Further £25m to be distributed.
Additional UK Consequentials	0.946	49.000	Non ring-fenced funding
Education Recovery Funding	0.403	20.000	Applied to schools with a further £30m not yet allocated.
<b>FUNDING ANNOUNCED SINCE LAST UPDATE</b>			
Community Justice CPP Transitional funding Extra	0.012	0.600	Ring Fenced Funding
Environmental Health Officers	0.019	1.200	
Test & Protect Combined	0.048	2.872	
Winter Plan - RRTP	0.105	5.000	
Children & Young People's Mental Health	0.294	15.000	
Business Support Grant Admin	0.180	12.000	
Additional Education - Teachers	0.482	25.000	
Additional Education - Digital Inclusion	0.196	10.000	
Additional Education - Home Learning Support Fund	0.181	10.000	
Additional Education - Staffing	0.482	25.000	
Additional education - Teachers	0.508	26.667	
Winter hardship £100 Payments & Admin	0.169	16.000	£100 payment to eligible families in receipt of FSM.
January Free School Meal Provision	0.092	7.058	Allocated for FSM through direct payments.
<b>TOTAL REDETERMINATIONS</b>	<b>9.247</b>	<b>507.997</b>	
<b>COVID GRANTS</b>			
Business Grants	17.624	1,200.000	Cost neutral, however does incur additional administration work.
Extension of Business Support	TBC	120.000	Details not yet confirmed.
Newly Self-Employed Help Fund	0.228	34.000	Cost neutral, however does incur additional administration work.
Business Closure Fund	0.390		Cost neutral, however does incur additional administration work.
Discretionary Business Hardship Fund	0.090		Cost neutral, however does incur additional administration work.
Softplay	0.055		Cost neutral, however does incur additional administration work.
Furlough Support Fund	0.219		Cost neutral, however does incur additional administration work.
Self Isolation Support Grant	0.020		£500 self isolation payments
Strategic Framework Business Fund	6.730		
LA Discretionary Fund	0.428		
Taxi & Private Hire Driver & Support Fund	TBC	57.000	£52,500 of grants currently paid out.
<b>TOTAL COVID GRANTS</b>	<b>25.784</b>	<b>1,411.000</b>	
<b>OTHER FUNDING</b>			
<b>PREVIOUSLY REPORTED</b>			
Food Fund (2nd Tranche)	0.428	27.600	£178,000 for school meals, £250,000 for Shielding.
DHP (£5m nothing to date)			Details still to be confirmed.
Extension of Business Support £120m			
Additional Teaching	0.572	30.000	Funding to support additional teachers and support staff, additional £16.7m announced for 2021/22 with ELC set to receive £64,000 for Teachers and £32,000 for Non-Teachers
Additional Teaching Support	0.064	3.300	
Additional Teachers to Support COVID resilience	0.380	20.000	Additional £10m announced for 2021/22 with ELC set to receive £190,000.
Digital Inclusion (Revenue)	0.070	0.515	Revenue element of £30m package to support the purchase of additional digital devices for children.
<b>FUNDING ANNOUNCED SINCE LAST UPDATE</b>			

Children's Winter Money	0.362	23.500	Funding to support additional costs of supporting vulnerable young people.
Lost Income Scheme	0.750	90.000	Additional £110m to be allocated.
Spaces for People	1.400	30.000	Specific funding for Roads Services
October to December Free School Meals	0.094	10.000	Allocated for FSM through direct payments.
Financial Inclusion Fund	0.327	30.000	Support for individuals to access food and other essentials.
Discretionary Housing Payments Additional Funding	0.056	3.000	
<b>TOTAL OTHER FUNDING</b>	<b>1.877</b>	<b>73.000</b>	
<b>CAPITAL</b>			
<b>PREVIOUSLY REPORTED</b>			
Capital Town Centre Fund	0.462	18.000	Ring-fenced capital funding
Digital Inclusion (Capital)	0.401	29.485	Capital element of £30m package to support the purchase of additional digital devices for children.
<b>FUNDING ANNOUNCED SINCE LAST UPDATE</b>			
Capital School Transport	0.028	1.500	
<b>TOTAL COVID GRANTS</b>	<b>0.891</b>	<b>48.985</b>	
<b>TOTAL FUNDING</b>	<b>37.799</b>	<b>2,040.982</b>	

**Appendix 4**  
**East Lothian Council**  
**Budget Monitoring 2020/21 General Services Capital - Period 9**

	Annual (In-Year)		
	Approved Budget 2020/21	Updated Budget 2020/21	Actual 2020/21
	£'000	£'000	£'000
<b>Expenditure</b>			
<b>Community Projects</b>			
Assets in the Community - Investment	250	250	-
Community Intervention	600	600	77
Dunbar Conservation Area Regeneration Scheme (CARS)	430	430	-
Support for Business - Gateside West	2,021	2,021	24
CCTV	62	62	-
Town Centre Regeneration	-	1,146	24
<b>Total Community Projects</b>	<b>3,363</b>	<b>4,509</b>	<b>125</b>
<b>ICT</b>			
IT Programme	2,100	2,100	1,881
Replacement - CRM Project (Customer Services)	-	70	(2)
<b>Total ICT</b>	<b>2,100</b>	<b>2,170</b>	<b>1,879</b>
<b>Fleet</b>			
Amenties - Machinery & Equipment - replacement	237	237	236
Vehicles	1,990	2,621	1,297
<b>Total Fleet</b>	<b>2,227</b>	<b>2,857</b>	<b>1,533</b>
<b>Open Space</b>			
Cemeteries (Burial Grounds)	300	300	53
Coastal / Flood Protection schemes - East Beach, Dunbar	-	81	82
Coastal / Flood Protection schemes - Haddington	280	280	0
Coastal / Flood Protection schemes - Musselburgh	800	800	684
Coastal Car Park Toilets	443	443	155
Core Path Plan	50	50	-
Mains Farm Sports Pitch & Pavilion	540	572	335
Polson Park	138	138	-
Sports and Recreation LDP	279	279	-
Waste - New Bins	160	160	125
Waste - Machinery & Equipment - replacement	40	40	30
<b>Total Open Space</b>	<b>3,030</b>	<b>3,143</b>	<b>1,464</b>
<b>Roads, Lighting and related assets</b>			
Cycling Walking Safer Streets	174	466	-
Parking Improvements	250	250	30
Roads	7,500	7,500	3,031
Roads - externally funded projects	2,410	2,410	747
<b>Total Roads, Lighting and related assets</b>	<b>10,334</b>	<b>10,626</b>	<b>3,808</b>
<b>Property - Education</b>			
Aberlady Primary - extension	946	946	48
Blindwells Primary - new school	135	135	-
Cockenzie Primary - hosting Blindwells Primary	30	30	-
Craighall Primary - New School (Phase 1)	107	107	-
Dunbar Grammar - extension	-	-	164
Dunbar Primary - John Muir Campus - Early Learning and 1140	-	-	2
East Linton Primary - extension including Early Learning and 1140	10	10	-
Gullane Primary - extension including Early Learning and 1140	5,506	5,276	1,674
Law Primary - extension including Early Learning and 1140	2,048	2,041	10
Letham Primary - New School	4,796	4,353	3,527
Former Levenhall Nursery	-	-	1
Loretto Primary - 1140	-	-	2

**Appendix 4**  
**East Lothian Council**  
**Budget Monitoring 2020/21 General Services Capital - Period 9**

	<b>Annual (In-Year)</b>		
	<b>Approved Budget 2020/21</b>	<b>Updated Budget 2020/21</b>	<b>Actual 2020/21</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Expenditure</b>			
Musselburgh Grammar - upgrades	808	812	7
North Berwick High School - Extension	6,020	6,020	8
Ormiston Primary - extension	1,097	1,097	51
Pinkie St Peter's Primary - extension including Early Learning and 1140	2,218	2,218	127
School Estate - Curriculum Upgrades	330	330	5
Ross High School - extension	9,819	9,819	69
St Gabriel's Primary - extension including Early Learning and 1140	960	960	47
Wallyford Primary - New School	-	-	166
Wallyford Secondary - New School	14,116	14,116	1,066
West Barns Primary - extension including Early Learning and 1140	1,505	1,505	95
Whitecraig Primary - extension including Early Learning and 1140	2,231	2,231	-
Windygoul Primary - Early learning and 1140 extension	2,095	2,095	-
<b>Total Property - Education</b>	<b>54,777</b>	<b>54,101</b>	<b>7,070</b>
<b>Property - Other</b>			
Accelerating Growth	7,768	7,768	289
Brunton Hall - Improved Community Access	278	278	-
Court Accommodation - incl. SPOC	2,008	2,008	9
Haddington Corn Exchange - upgrades	476	511	706
Haddington Town House - Refurbishment and Rewire	147	147	0
Lighting Retrofit at Longniddry Community Centre/Library	12	12	-
Lighting Retrofit at Port Seton Community Centre	26	26	-
Meadowmill - New Depot	1,148	1,290	316
Meadowmill Sports Centre Car Park Resurfacing	260	260	-
New ways of working Programme	750	750	-
Port Seton - Community Centre Extension	607	603	554
Prestongrange Museum	1,268	1,368	1
Property Renewals	2,000	2,000	913
Replacement Of Movable Pool Floors To Sports Centres	580	580	326
Replacement Pathways Centre	1,504	1,504	-
Sports Centres	200	200	-
Water meter size reduction	14	14	-
Whitecraig Community Centre	-	99	1
<b>Total Property - Other</b>	<b>19,046</b>	<b>19,419</b>	<b>3,115</b>
<b>Total Property - Education and Other</b>	<b>73,824</b>	<b>73,520</b>	<b>10,185</b>
Capital Plan Fees	1,322	1,322	-
<b>Total Gross Expenditure</b>	<b>96,199</b>	<b>98,148</b>	<b>18,994</b>
<b>Total Income</b>	<b>(46,894)</b>	<b>(48,433)</b>	<b>-</b>
<b>Borrowing Requirement</b>	<b>49,305</b>	<b>49,715</b>	<b>18,994</b>

**Appendix 5**  
**East Lothian Council**  
**Budget Monitoring 2020/21 Housing Capital - Period 9**

<b>Capital Expenditure</b>	<b>2020/21 Budget</b>	<b>2020/21 Actual to Date</b>	<b>2020/21 Budget Variance to Date</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Modernisation Spend	15,652	4,935	(10,717)
New Council Housing	16,094	9,729	(6,365)
Mortgage to Rent	280	0	(280)
Fees	1,514	0	(1,514)
<b>Gross Total Housing Capital Spend</b>	<b>33,540</b>	<b>14,664</b>	<b>(18,876)</b>