

REPORT TO: East Lothian Council

MEETING DATE: 24 August 2021

BY: Executive Director for Council Resources

SUBJECT: Financial Review 2021/22: Quarter 1

1 PURPOSE

1.1 To inform Council of the financial position at the end of June 2021.

2 RECOMMENDATIONS

2.1 The Council is recommended to:

- Note the financial performance at the end of Quarter 1 in 2021/22 against the approved budgets.
- Note the additional funding received from the Scottish Government since approving the budget in March 2021.
- Note the significance of the COVID-19 pressure and the impact of non-recurring funding provided for 2021/22.
- Note the 'letter of support' provided to Council ALEOs and that discussions will continue with partner organisations to consider ongoing financial implications.
- Note the current commitments against the COVID-19 Fund and the alignment to the Recovery and Renewal Framework and agree that further updates will be provided through financial review reports.

3 BACKGROUND

3.1 Council approved the 2021/22 Financial Strategy and associated financial plans on and prior to 2 March 2021 amidst the background of the ongoing COVID-19 pandemic.

- 3.2 The 2020/21 draft out-turn position was reported to Council on 22 June 2021 and this report noted that £8.9 million was being carried forward to 2021/22 to deliver specific commitments directed by the Scottish Government and to support wider response and recovery interventions in relation to the COVID-19 pandemic.
- 3.3 There have been a number of new policy commitments along with some related additional funding announcements since the establishment of the new Scottish Government in May 2021. Work is ongoing to assess the delivery of the policy commitments within the resources made available.
- 3.4 There has also been additional, one-off, funding provided to support the ongoing response to the COVID-19 pandemic. Further work is ongoing with COSLA to identify the extent of pressures this financial year relating to the pandemic and this will inform further national discussions.
- 3.5 The impact of the COVID-19 outbreak and the Council's response continues to have a significant impact on the Council's financial plans, with new additional obligations placed on the Council to support the ongoing response and aid recovery. At the end of Quarter 1, it remains unlikely that all budgeted income streams will be fully realised during the year and the Council continues to face a wide range of financial uncertainties with additional cost and demand pressures emerging.
- 3.6 It is anticipated that the additional, one-off, COVID-19 funding in 2021/22 will mitigate some of these pressures but the recurring implications balanced against non-recurring funding streams remain a significant risk in future financial planning. This will have implications as the COVID-19 recovery phase progresses.
- 3.7 Within this context, the Finance Service will continue to work closely with service colleagues to best manage expenditure commitments in 2021/22 and the future implications going forward.

General Services Revenue Summary – Quarter 1

- 3.8 The approved General Services revenue budget for 2021/22 included the following:
- After providing for just under £14 million of corporate commitments, around £257 million has been made available to support service delivery;
 - A planned draw-down of £250,000 of General Reserves;
 - Service budgets include the requirement to deliver £930,000 of recurring, planned efficiencies, with a further £2 million of corporate efficiencies relating to management of staffing budgets also included.
- 3.9 At the end of June 2021, the Council is reporting a £215,000 overspend (0.4%) in the General Service revenue financial position. While this is an improved position on the £2.4 million overspend reported at this stage in June 2020, this position reflects where the Council is with managing the COVID-19 pandemic, and reflects some earlier clarity on additional

national funding to support the ongoing implications from COVID-19. Despite this, there remains a wide range of uncertainties and risks facing the Council and this will continue to require careful management of a complex financial environment during 2021/22.

3.10 The reported financial position at the end of June 2021 includes the following:

- In line with the approved budget, the position reflects an increase of 2% in staffing budgets relating to an anticipated pay increase from 1 April 2021. National pay negotiations are ongoing and there is a risk that the agreed pay award may exceed this level, with each additional 1% increase expected to cost around £1.6 million.
- Additional General Revenue Grant Funding of £10.426 million, of which £7.470 million is one-off funding to support the COVID-19 pandemic recovery. In addition, there has been further funding provided of £2.956 million to support non-COVID-19 costs, a large proportion of which is for new policy commitments within Education.
- The charging of applicable fixed costs from the Property Maintenance Trading Account to the Housing Revenue Account in line with Scottish Government guidance. This reflects the reduced productivity within the service during the pandemic.
- £1.35 million of grants paid to local businesses through the nationally directed business support schemes. As noted in the year-end financial review, the funding for this received in 2020/21 is earmarked in the COVID-19 fund to cover these costs.
- Projections at this stage estimate that the full-year impact of additional costs to support wider COVID-19 pressures and interventions will be in excess of £11 million largely supported by national non-recurring funding. There remain a wide range of uncertainties and this position remains subject to change as recovery progresses.

3.11 An analysis setting out the financial position across service groups is set out in **Appendix 1** with further detail setting out the key challenges and emerging risks set out within the narrative below along with a financial risk rating for each service. Projected COVID-19 costs by service are set out in **Appendix 2**.

3.12 The Quarter 1 overspend in the **Education and Children's Directorate** is £216,000 (0.7%) with an Education underspend of £33,000 (0.1%) and a Children's Services overspend of £249,000 (5.8%).

Children's Services, £249,000 over (5.8%)

- The main pressures remain in Residential, Secure and External Fostering, though this is beginning to reduce aided by the £1.5 million additional investment approved in the budget.

- This position assumes that demand for services will remain aligned to current projections, and there remains a risk that this position will not be sustainable as lockdown restrictions ease.
- Projections at this stage estimate that the full year impact of additional COVID-19 related costs for the service will be £537,000.
- The service remains classified as High Risk given the ongoing financial pressures, additional risks and the unpredictability of the impact of the COVID-19 pandemic on children and young people. As such, the service will remain subject to enhanced financial scrutiny throughout the year in order to manage and mitigate the financial pressures.
- A wider strategic review of services provided to children is ongoing in order to ensure that wider services provided to children across the Council adequately support and protect children whilst minimising future spend commitments.

Education Services, £33,000 under (0.1%)

- The additional investment of £1 million has largely offset the pressures within the ASL budget relating to transport and external residential and day services. Transportation routes for the 2021/22 academic year are still being finalised which may lead to an increase in costs.
- Within Primary and Secondary, there is significant additional national investment in teachers, pupil support workers and technology to support the COVID-19 recovery plan. Additional funding was received in 2020/21 and held in the COVID reserve, and will be used to support these wider commitments in 2021/22.
- There have been a number of new policy commitments, with the provision of associated funding streams, to support wider Education related policy interventions. These policies include the expansion of free school meals; increase in school clothing grant; removal of instrumental music tuition charges, and removal of core curriculum charges. Work remains on going to ensure delivery of these policy commitments within available funding streams with ongoing monitoring of the associated implications.
- The policy commitment to implement the expansion of early learning and childcare to 1140 hours in August 2021 has been achieved. Current projections indicate that the policy will be delivered within the available revenue funding in 2021/22 (which includes carry forward flexibility brought forward from 2020/21), but the continued implementation of the policy remains subject to post implementation review, and confirmation of national funding from 2022/23. In line with 2020/21, there remains significant pressures on available capital funding to deliver the infrastructure required to support this policy and, as such, this may require a flexible approach to the application of funding between revenue and capital.

- Projections at this stage estimate that the full year impact of additional COVID-19 related costs will be £2.688 million.

3.13 The Quarter 1 underspend in **Council Resources Directorate** is £127,000 (3.6%).

- **Finance, £58,000 under (6.1%)** – this mainly relates to staffing underspends, largely arising due to staffing posts held vacant pending the finalisation of a number of service reviews. The position includes COVID-19 related costs of £100,000.
- **Corporate Services, £69,000 under (2.7%)** – this mainly relates to staffing underspends, largely arising due to staffing posts held vacant pending the finalisation of a number of service reviews. The position includes COVID-19 related costs of £100,000.

3.14 The Quarter 1 overspend in the **Health & Social Care Directorate** is £417,000 (3.5%).

- The IJB has delegated authority for the majority of this budget along with a small number of other budgets within Community Housing, the Housing Revenue Account and Housing Capital. IJB budget management is in accordance with the scheme of integration and wider overall IJB resources.
- Pressures remain in external commissioning costs partly due to the payment of sustainability payments to support care providers during the COVID-19 pandemic in line with national guidance.
- Projections at this stage estimate that the full year impact of additional COVID-19 related costs will be £964,000 including the sustainability costs, loss of income and additional PPE costs. As in 2020/21, it is expected that additional COVID-19 related pressures will be met through national funding aligned to Local Mobilisation Plans.
- Work is ongoing to identify options to deliver the £250,000 integration savings agreed in the budget.
- There remains a wide number of risks including demand for services and the future sustainability of providers to deliver services within the current pandemic conditions. Work is ongoing with colleagues in the IJB and NHS to manage budgets within available resources.

3.15 The Quarter 1 overspend in the **Place Directorate** is £1.258 million (16.4%).

- **Development, £1.306 million over (208%)** – Largely due to £1.35 million of grants paid to local businesses through the nationally directed business support schemes. National funding was received in 2020/21 to support the payment of business grants and this funding is earmarked within the COVID-19 fund to meet these costs. There remains a risk that planning fee income will be under anticipated levels, and work is ongoing to monitor this. Projections at this stage estimate

that the full year impact of additional COVID-19 related costs will be £60,000.

- **Housing, £14,000 over (73.7%)** – While Scottish Government guidance allows the Property Maintenance Trading Account to charge HRA its fixed costs, it remains unlikely that the full income surplus will be delivered during the year due to less work being undertaken as a result of the COVID-19 construction industry restrictions. Projections at this stage estimate that the full year impact of additional COVID-19 related costs will be £2.963 million.
- **Infrastructure, £25,000 under (0.8%)** – There continues to remain a range of pressures across the Infrastructure group with most areas directly supporting ongoing response and recovery. The main financial pressure relates to Roads Trading due to an under recovery of rechargeable works due to COVID-19 restrictions. The service remains categorised as High Risk, and close monitoring will continue during the remainder of the year. It remains unlikely dividend income from Lothian Buses will be realised during 2021/22 given the ongoing impact from COVID-19, placing further pressure on the wider Transport budget. Pressures remain in many service areas within Facilities Management, particularly to support ongoing additional cleaning requirements, with significant pressures recruiting additional staff to support these obligations. Projections at this stage estimate that the full year impact of additional COVID-19 related costs will be £1.754 million.
- **Communities & Partnerships, £37,000 under (1.0%)** – While most service areas continue to support COVID-19 related activities the service has an underspend largely due to staffing vacancies. Projections at this stage estimate that the full year impact of additional COVID-19 costs will be £1.971 million. That includes the Community Asymptomatic Testing Service, which will cost £1.427 million with national funding provided to offset the costs.

3.16 The Quarter 1 underspend in the **Corporate Management Budgets** is £1.549 million (1.5%). This includes the following:

- Additional confirmed Scottish Government Grant funding to support ongoing COVID-19 response of £5.018 million to be used to offset the wide range of COVID-19 pressures within services.
- Overall Council Tax budgets remain in line with the approved budget. Enhanced efforts are continuing to support individuals who are facing economic hardship to ensure Council Tax collection is maximised.
- Previous Council reports have highlighted a wider package of permissible fiscal flexibilities for Scottish councils to support the mitigation of COVID-19 pressures. These flexibilities cover a range of areas, including: the application of capital receipts to finance COVID-19 revenue expenditure; flexibility to review the accounting treatment

for debt relating to credit arrangement charges; and a loans fund principal repayment holiday.

- The 2021/22 budget reflects a proportion of these relating to loans fund principal repayment holiday, around £7.2 million, which was permissible as part of the package of flexibilities for implementation in 2020/21 or 2021/22. In line with the national guidance, these wider 'fiscal flexibilities' whilst no substitute for additional funding, will provide a potentially vital alternative means of absorbing the unfunded burden of COVID-19 response and supporting future recovery activity, which is likely to continue during the remainder of 2021/22 and into future years.
 - Given the ongoing risks and uncertainties, many of these pressures remain unquantified, with further pressures and interventions likely to emerge as the Council moves further into recovery aligned to the multi-agency recovery and renewal framework and associated action plan. As such, the financial implications from COVID-19 are subject to change, with recovery likely to impact on the Council for many years to come. Nevertheless these interventions are likely to include:
 - Supporting the protection and recovery of the Council's main income streams.
 - Targeted financial support to mitigate the recurring impact on the Councils Trading activities and delivery of planned surpluses, specifically Roads Trading and Property Maintenance.
 - Increased demand for services arising from COVID-19 such as pressures on family support services and increased mental health and wellbeing implications for the workforce and resilience.
 - Ongoing costs associated with PPE and enhanced cleaning requirements in Council operated buildings including schools.
 - Taken collectively, these interventions and wider pressures are likely to be significantly in excess of the fiscal flexibilities implemented to date. Future funding of these ongoing pressures will be a key consideration for the Council aligned to wider COVID-19 recovery.
- 3.17 Aside from COVID-19, the Council already faced significant financial challenges across the three-year budget period from 2021/22 to 2023/24, many of these arising from increased service demand and population growth.
- 3.18 The Council approved budget includes the requirement to deliver £930,000 of recurring planned efficiencies. At the end of Quarter 1, £19,000 of savings will not be achieved (red), while a further £400,000 of savings remain classified as amber. More detail is set out in **Appendix 3**. In accordance with normal practice, management is currently considering alternative ways to deliver any planned savings with a risk of non-delivery. The Quarter 2 report will provide an update on progress.

- 3.19 There is a further £2 million of recurring corporate efficiencies relating to management of staffing budgets. There remains a number of vacancies in staffing budgets across the Council largely due to building closures and ongoing service reviews. Current projections indicate that this saving is likely to be achieved in-year but there remains risks as to the ability to deliver this level of saving on a recurring basis.

Scottish Government Funding

- 3.20 Since budget approval on 2 March 2021, there has been additional General Revenue Grant Funding of £10.426 million provided. £7.470 million relates to one-off funding targeted to support the COVID-19 pandemic recovery, with a further £2.956 million to support non-COVID-19 cost commitments including instrumental music and expansion of free school meals. A further £373,000 of government grant funding has supported the expansion of business support schemes. More details setting out the updated funding provided by Scottish Government in 2021/22 is set out in **Appendix 4**.

COVID-19 Action Plan

- 3.21 The End of Year Financial Report for 2020/21 noted the establishment of a COVID-19 fund of £8.9 million to support COVID-19 interventions and that it was largely committed.
- 3.22 A detailed COVID-19 action plan is under development to assist the effective management of the COVID-19 response and remains aligned to the Multi-agency Recovery and Renewal Framework. A wide range of earmarked commitments has already been set out against this fund, aligned to national funding directions. More details setting out the use of this fund and further targeted interventions are set out in **Appendix 5**.
- 3.23 Given the wide range of uncertainties facing the Council in managing and supporting ongoing recovery action, many of these interventions may be subject to change and therefore management of the fund will require flexibility aligned to future response and recovery from COVID-19. Many of the interventions may fall beyond this financial year, and therefore a cautious approach to managing fund commitments will be required. Specific application and fund draw-down will remain subject to the finalisation of the Council's overall financial position during the year, and remain aligned to the Council's reserves strategy.
- 3.24 The COVID-19 fund and associated action plan has been established to support the management of financial resources received during 2020/21 to support future COVID-19 recovery. As such, it does not cover the wide range of interventions that the Council continues to support to assist in the management of the pandemic. IJB recovery plans are capturing the wider interventions to support future recovery of Health and Social Care services and therefore alignment of both plans to support the multi-agency approach to recovery remains essential.

- 3.25 The Quarter 2 Financial Update in October 2021 will continue to provide an update on targeted interventions and the use of this fund.

Council's Group Components

- 3.26 The Council has continued to engage constructively with its group account partners to consider the financial implications of each of the organisations arising from COVID-19. In closing off the 2020/21 financial accounts for both organisations, similar to the support provided during 2019/20, 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.

General Services Revenue Conclusion

- 3.27 The Council is operating within an extremely challenging and complex financial environment. It continues to face a wide range of uncertainties and increasing and ongoing demand pressures placing further pressure on already challenged resources. The COVID-19 pandemic response and recovery work has further exacerbated this position.
- 3.28 The report notes that estimated full year additional costs relating to the COVID-19 pandemic in 2021/22 are over £11 million.
- 3.29 There remains a significant risk that many of these additional costs will continue after 2021/22. The 2021/22 approved budget is supported by significant non-recurring funding streams including: specific COVID-19 funding, £7 million of fiscal flexibilities and a planned use of General Reserves of £250,000. This will present significant challenges in balancing future budgets if funding commitments remain significantly in excess of available recurring resources.
- 3.30 Given the wide range of uncertainties facing the Council, careful management of the 2021/22 General Services financial position will be required. The Council Management Team will continue to provide strategic oversight to support the delivery of services, and prioritise financial commitments within available resources.
- 3.31 In addition, the Council will continue to engage in national discussions with COSLA and through professional networks including Directors of Finance and SOLACE, to ensure appropriate funding is available to local government to support the delivery of essential local services.

General Services Capital Summary – Quarter 1

- 3.32 In accordance with previous practice, the approved capital budgets reflect carry forward flexibility of £6 million from the closing position at the end of 2020/21, the outcome of which remains subject to the conclusion of the statutory audit. Collectively, these budgets over the 5-year period remain within the approved capital financial limits.

3.33 **Appendix 6** sets out the updated net budget of £54.983 million, with actual expenditure to the end of June 2021 reported to be £5.735 million. A controlled re-start to capital projects is underway and some of the larger projects due to start during last financial year are now on site. COVID-19 continues to have an impact on many areas of the capital programme with increased tender prices and ongoing construction and supply issues.

3.34 Despite the relatively low level of spend at Quarter 1, current projections indicate that the total net position for the year will remain within available budgets. This forecast continues to reflect a wide range of assumptions, which remain subject to change and therefore will have an impact on the actual position delivered during 2021/22. A summary of the main assumptions and position at the end of June 2021 is set out below:

- The Council continues to face a number of challenges relating to the supply of IT equipment and lead in times associated with the supply of vehicles. This has resulted in significant delays in receiving goods and this position is likely to continue during the remainder of 2021/22 and potentially beyond.
- A significant programme of works to support Education projects has been progressed during summer 2021. Many of the wider Education projects are now on site and the projects will continue during 2021/22 and beyond.
- There is a need to closely monitor and align expenditure commitments with associated funding streams, and in some cases, this will require re-profiling of budgets.
- Work at Prestongrange Museum has commenced with the initial phase profiled over 2021/22 and 2022/23.
- Income remains aligned to expenditure projections and re-profiled into future years where projects are experiencing delay. The Council continues to pursue all avenues to maximise available funding streams including national funding streams with some risks associated with ensuring these materialise in the timescales and to the level anticipated.
- In late May, the Council received confirmation of additional national ring-fenced funding of £0.823m to support capital investment in 2021/22 aligned to a 'place based' national programme. This grant funding is to support 'additional' capital investment, with a requirement for this funding to be 'committed' in 2021/22. Given these conditions, officers are currently exploring a range of interventions to support the national policy intent and delivery of this funding in the timescales set out. A more detailed update on the utilisation of this funding will be set out in future financial update reviews.

- 3.35 There remains ongoing risks around the timing and realisation of planned developer contributions that could put additional strain on borrowing requirements. Any delays to the wider development of planned sites for either General Services capital or Housing sites may have implications for both capital and revenue budgets.

Housing Revenue Account Summary - Quarter 1

- 3.36 At the end of June 2021 the Housing Revenue Account is reporting an overspend against current budget of £232,000 most of which is due to the recharge of fixed costs for HRA and HRA Capital from the Property Maintenance Trading Account in line with Scottish Government guidance. Further information is set out in **Appendix 7**.
- 3.37 Void Rents remain high due to the pandemic but work is ongoing to put in place a recovery plan to mitigate this issue.
- 3.38 Rent income is slightly under budget and enhanced debt recovery work is ongoing to support tenants who are experiencing difficulty in paying rent. This will remain under close review during the remainder of the year.
- 3.39 Alongside this, there are currently underspends in both operational and staffing budgets, with underspending likely to continue during the remainder of the year.
- 3.40 Any underspending on capital programmes will not affect debt charges in year, but may have implications for future years anticipated debt charges.
- 3.41 In line with the existing financial strategy, the Council will maximise any flexibility arising from revenue balances during 2021/22 to minimise the future impact of debt charges.
- 3.42 Details of the Housing Revenue Account capital budgets and expenditure incurred to date is set out in **Appendix 8** of this report. The total capital budget approved for HRA was £29.676 million. As at end of June 2021, actual spend was £4.313 million, considerably higher than the £639,000 at this stage in 2020/21 but still impacted by the pandemic. Current forecasts indicate spend may start to recover on both the Council House building and Modernisation programmes, however it will be challenging to achieve the full budget spend. Officers are continuing to explore options to maximise grant subsidy income where opportunities prevail. The Council continues to support and promote the Scottish Government's Mortgage to Rent Scheme but in the current year to date, there have been no eligible applications.

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 – 15 December 2020 – Item 4 Financial Update, including Financial and Capital Strategy 2021-26
- 7.2 Council – 23 February 2021 – Item 3 – Budget Development including setting of Rent Levels 2021-26
- 7.3 Council – 2 March 2021 – Item 2a – Budget Proposals on General Service – Amendment Submitted by the Administration

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Appendix 1
 East Lothian Council
 Budget Monitoring 2021/22 - Quarter 1

Service	Head of Service	Business Unit	2021/22 Budget	Year to Date			2021/22 Budget Variance to Date	2021/22 Budget Variance to Date %	Financial Risk Assessment
				2021/22 Actual to Date	2021/22 Budget to Date	2021/22 Budget Variance to Date			
				£'000	£'000	£'000			
Education & Children's	Children's	Performance & Service Delivery	1,106	221	229	-8	-3.6%		
Education & Children's	Children's	Management	4,620	1,180	919	261	28.3%		
Education & Children's	Children's	Assessment HUB and Early Interventions	1,957	599	600	-1	-0.1%		
Education & Children's	Children's	Long Term Social Work Supervisory Groups	3,326	815	825	-10	-1.2%		
Education & Children's	Children's	TAC, Disability & Resources	5,691	1,537	1,548	-11	-0.7%		
Education & Children's	Children's	Disability Short Breaks	689	193	175	19	10.6%		
EDUCATION & CHILDREN'S	CHILDREN'S TOTAL		17,389	4,545	4,296	249	5.8%		
Education & Children's	Education	Additional Support for Learning	10,543	6,227	6,232	-5	-0.1%		
Education & Children's	Education	Pre-school Education & Childcare	17,833	6,285	6,636	-351	-5.3%		
Education & Children's	Education	Schools - Primary	46,406	5,454	5,512	-58	-1.1%		
Education & Children's	Education	Schools - Secondary	46,279	7,648	7,429	219	2.9%		
Education & Children's	Education	Schools - Support Services	4,110	1,350	1,145	205	17.9%		
Education & Children's	Education	East Lothian Works	1,327	-525	-482	-43	8.9%		
EDUCATION & CHILDREN'S	EDUCATION TOTAL		126,498	26,439	26,472	-33	-0.1%		
EDUCATION & CHILDREN'S TOTAL			143,887	30,984	30,768	216	0.7%		
Council Resources	Finance	Financial Services	1,607	600	613	-13	-2.1%		
Council Resources	Finance	Revenues & Benefits	2,389	212	256	-44	-17.2%		
Council Resources	Finance	Procurement	259	77	78	-1	-1.3%		
COUNCIL RESOURCES	FINANCE TOTAL		4,255	889	947	-58	-6.1%		
Council Resources	Corporate	IT Services	2,544	592	598	-6	-1.0%		
Council Resources	Corporate	Legal	338	102	121	-19	-15.7%		
Council Resources	Corporate	People & Governance	5,054	1,665	1,701	-36	-2.1%		
Council Resources	Corporate	Communications	436	117	125	-8	-6.4%		
COUNCIL RESOURCES	CORPORATE TOTAL		8,372	2,476	2,545	-69	-2.7%		
COUNCIL RESOURCES TOTAL			12,627	3,365	3,492	-127	-3.6%		
Health & Social Care Partnership	Head of Operations	Adult SW	35,371	7,261	7,018	243	3.5%		
Health & Social Care Partnership	Head of Operations	Acute & Ongoing Care	7,931	1,930	1,930	0	0.0%		
Health & Social Care Partnership	Head of Operations	Rehabilitation	1,528	310	309	1	0.3%		
Health & Social Care Partnership	Head of Operations	Adult Statutory Services	2,521	826	827	-1	-0.1%		
Health & Social Care Partnership	Head of Operations	Statutory Services	1,529	435	435	0	0.0%		
Health & Social Care Partnership	Head of Operations	Head of Operations	3,873	606	606	0	0.0%		
Health & Social Care Partnership	Head of Operations	Business & Performance IJB	2,984	612	612	0	0.0%		
HEALTH & SOCIAL CARE PARTNERSHIP	IJB TOTAL		55,737	11,980	11,737	243	2.1%		
Health & Social Care Partnership	Head of Operations	Business & Performance Non-IJB	540	319	145	174	120.0%		
HEALTH & SOCIAL CARE PARTNERSHIP	Non-IJB TOTAL		540	319	145	174	120.0%		
HEALTH & SOCIAL CARE PARTNERSHIP TOTAL			56,277	12,299	11,882	417	3.5%		
Place	Development	Planning	1,164	359	382	-23	-6.0%		
Place	Development	Economic Development	1,486	1,575	246	1,329	540.2%		
PLACE	DEVELOPMENT TOTAL		2,650	1,934	628	1,306	208.0%		
Place	Housing	Housing & Strategic Regeneration	292	75	164	-89	-54.3%		
Place	Housing	Property Maintenance Trading Account	-863	-191	-287	96	-33.4%		
Place	Housing	Community Housing	2,359	111	104	7	6.7%		
PLACE	HOUSING TOTAL		1,788	-5	-19	14	-73.7%		
Place	Infrastructure	Facility Support Services	3,759	584	619	-35	-5.7%		
Place	Infrastructure	Facility Trading Activity	-276	-3,209	-3,184	-25	0.8%		
Place	Infrastructure	Asset Planning & Engineering - Paul Iannetta	3,308	837	859	-22	-2.6%		
Place	Infrastructure	Asset Planning & Engineering - Eddie Reid	-516	141	146	-5	-3.4%		
Place	Infrastructure	Landscape & Countryside Management	5,462	1,651	1,716	-65	-3.8%		
Place	Infrastructure	Roads Network	4,797	1,172	1,181	-9	-0.8%		
Place	Infrastructure	Roads Trading Activity	-562	-192	-313	121	-38.7%		
Place	Infrastructure	Transportation	1,227	147	96	51	53.1%		
Place	Infrastructure	Waste Services	9,356	1,537	1,537	0	0.0%		
Place	Infrastructure	Active Business Unit	3,630	572	608	-36	-5.9%		
PLACE	INFRASTRUCTURE TOTAL		30,185	3,240	3,265	-25	-0.8%		
Place	Communities & Partnerships	Corporate Policy & Improvement	822	164	192	-28	-14.6%		
Place	Communities & Partnerships	Connected Communities	6,292	2,379	2,333	46	2.0%		
Place	Communities & Partnerships	Protective Services	1,876	124	132	-8	-6.1%		
Place	Communities & Partnerships	Customer Services Group	3,726	1,082	1,129	-47	-4.2%		
PLACE	COMMUNITIES & PARTNERSHIPS TOTAL		12,716	3,749	3,786	-37	-1.0%		
PLACE TOTAL			47,339	8,918	7,660	1,258	16.4%		
SERVICE TOTAL			260,130	55,566	53,802	1,764	3.3%		
CORPORATE MANAGEMENT TOTAL			-260,130	-108,321	-106,772	-1,549	-1.5%		
TOTAL			0	-52,755	-52,970	215	0.41%		

Appendix 2
 East Lothian Council
 Budget Monitoring 2021/22 - COVID-19 Cost Breakdown

Direcotrate	Head of Service	COVID Forecast Costs P3 £'000
EDUCATION & CHILDREN'S	CHILDREN'S TOTAL	537
EDUCATION & CHILDREN'S	EDUCATION TOTAL	2,688
EDUCATION & CHILDREN'S TOTAL		3,225
COUNCIL RESOURCES	FINANCE TOTAL	100
COUNCIL RESOURCES	CORPORATE TOTAL	100
COUNCIL RESOURCES TOTAL		200
HEALTH & SOCIAL CARE PARTNERSHIP TOTAL		964
PLACE	DEVELOPMENT TOTAL	60
PLACE	HOUSING TOTAL	2,963
PLACE	INFRASTRUCTURE TOTAL	1,754
PLACE	COMMUNITIES & PARTNERSHIPS TOTAL	1,971
PLACE TOTAL		6,748
SERVICE TOTAL		11,137
CORPORATE MANAGEMENT TOTAL		150
TOTAL		11,287

Appendix 3

East Lothian Council

2021/22 Budget Efficiencies - Quarter 1

Service	2020/21			
	Achieved	Amber	High	
	£'000	£'000	£'000	
Education	28	0	0	
Finance	28	0	0	
Corporate Services	0	0	10	
H&SCP	0	250	0	
Housing	8	0	0	
Communities	40	0	3	
Infrastructure	407	150	6	
Total	511	400	19	930
	54.95%	43.01%	2.04%	

Savings Currently High - Red

Service	Proposal	Value	Comments
People & Governance	Uplift on existing income	10	Not anticipated to be achievable at this stage due to COVID 19
Roads Network	Uplift on existing income	6	Not anticipated to be achievable at this stage due to COVID 19
Customer	Uplift on existing income	3	Not anticipated to be achievable at this stage due to COVID 19
Total		19	

Appendix 4**East Lothian Council****Budget Monitoring 2021/22 - Additional Funding from the Scottish Government****£million**

2020/21 GRG (per Budget Amendment) **181.210**

Additional Funding - GRG

COVID

Non Recurring COVID Funding	5.018
Recovery of Overpayment of GRG in 2020/21 for FSM Dec/Jan £6.950m recovery	-0.098
Education Recovery Funding - £60m Distribution	1.169
Family Pandemic Payments	0.314
Family Pandemic Payments - Fixed Admin Contribution	0.011
Low Income Pandemic Payments	0.923
Low Income Pandemic Payments - Fixed Admin Contribution	0.055
Extension to Outbound Calling / Local Self isolation Services (£2.275m)	0.039
Extension of Local Self-Isolation Assistance Service (£2.275m)	0.039

TOTAL COVID **7.470**

OTHER

Expansion of Universal Free School Meals and Free School meal Holiday Support - Phase 1	0.294
Free School Meal Holiday Support - £21.75m distribution	
Expansion of Universal Free School Meals and Free School meal Holiday Support - Phase 2 and 3 Primary 4 & 5 - £28m distribution	0.654
Summer of Play: Activities for Children and Young People	0.277
Increase in School Clothing Grants (£5.8m)	0.218
Instrumental Music Funding (£6m 21/22, £3m 22/23)	0.071
Additional GRG £40m distribution	0.775
Real Living Wage Uplift £30.5m distribution	0.582
Removal of core curriculum charges (£7m 21/22, £3m 22/23)	0.085

TOTAL OTHER **2.956**

Total Additional Funding **10.426**

Revised GRG **191.636**

COVID GRANTS

Taxi and Private Hire Vehicle Driver and Operator Support Fund 2021/22	0.373
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Total COVID Grants **0.373**

Appendix 5
 East Lothian Council
 Budget Monitoring 2021/22 - COVID-19 Action Plan

£000

Balance as at 31 March 2021	8,900
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Specific Earmarked Commitments	
Business Grants	1,300
Education Funding	1,800
Hardship / Poverty / Financial Insecurity	1,100
Other specific funding commitments 20/21	300
Support to ALEO's / Loss of Income	1,000
TOTAL SPECIFIC EARMARKED COMMITMENTS	5,500

Remaining Balance	3,400
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Workstream Plans		Timescales	
Infrastructure	A wide range of interventions including costs to support enhanced cleaning and PPE across Council operational assets, including schools and wider Council public buildings.	1,000	2021/22 and beyond
Capital / Construction	Significant construction related pressures including price increases, supply and material shortages; contractual COVID implications which collectively is placing significant pressure on the delivery and financial limits set within the Council's capital programme.	1,000	2021/22 and beyond
Digital / Working Differently	A wide range of requirements designed to support new ways of working. This will include: new digital platforms, IT infrastructure, improvement to Council wifi networks and public IT provision, and associated resource required to deliver these requirements.	500	2021/22 and beyond
Economy & Employability	A wide range of enhanced interventions to support on-going economic recovery including expansion of employability offer aligned to the Council's workforce plan.	500	2021/22 and beyond
Other	To support a wide range of targeted interventions and on-going financial pressures being faced arising from COVID. These interventions will stem across all of the wider recovery and renewal workstreams including; Childrens and family support, environmental health and community resilience and capacity, wider targetted resource within specific Council resources services to support on-going interventions and aid recovery.	400	2021/22 and beyond
TOTAL WORKSTREAM PLANS		3,400	

REMAINING BALANCE	0
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Appendix 6
 East Lothian Council
 General Services Capital Budget Monitoring Summary 2021-22
 as at 30 June 2021

	Annual (In-Year) 2021-22		
	Approved Budget	Updated Budget	Actual
	£'000	£'000	£'000
Expenditure			
Community Projects			
Community Intervention	500	500	(37)
Bleachingfield Centre Remodelling Works	90	90	-
Dunbar Conservation Area Regeneration Scheme (CARS)	90	90	-
Support for Business	1,481	1,508	7
CCTV	230	230	-
Town Centre Regeneration	1,297	1,458	35
Total Community Projects	3,687	3,876	6
ICT			
IT Programme (including Education)	2,800	2,800	894
Replacement - CRM Project (Customer Services)	-	47	-
Total ICT	2,800	2,847	894
Fleet			
Amenties - Machinery & Equipment - replacement	213	213	16
Vehicles	2,325	3,028	313
Waste Collection Vehicles	3,000	3,000	-
Total Fleet	5,538	6,241	329
Open Space			
3G Pitch Carpet Replacement Programme			
Cemeteries (Burial Grounds)	912	939	3
Coastal / Flood Protection schemes - Haddington	250	325	-
Coastal / Flood Protection schemes - Musselburgh	844	1,031	43
Coastal Car Park Toilets	246	394	108
Core Path Plan	50	80	-
Mains Farm Town Park & Pavilion	100	70	80
Ormiston Pump Track	-	-	-
Replacement Play Equipment	100	100	-
Sports and Recreation LDP	1,227	1,235	-
Waste - New Bins	250	250	46
Waste - Machinery & Equipment - replacement	40	40	2
Total Open Space	4,020	4,464	281
Roads, Lighting and related assets			
Cycling Walking Safer Streets	469	544	175
East Linton Rail Stop / Infrastructure	1,520	1,520	-
Parking Improvements	230	230	8
Roads	6,854	6,929	284
Roads - externally funded projects	4,077	4,077	28
Total Roads, Lighting and related assets	13,150	13,300	495
Property - Education			
Aberlady Primary - extension	932	953	4
Cockenzie Primary - Internal Remodelling	31	31	-
Dunbar Primary - John Muir Campus - Early Learning and 1140	99	101	-
East Linton Primary - extension including Early Learning and 1140	200	200	-
Gullane Primary - extension including Early Learning and 1140	2,022	2,274	887
Haddington School (Infants & St. Mary)	25	25	-
Kingsmeadow Primary	25	25	-
Law Primary - extension including Early Learning and 1140	3,232	3,202	-
Letham Primary - New School	161	374	41
Musselburgh Grammar - upgrades	888	903	6
North Berwick High School - Extension	5,306	5,788	129
Ormiston Primary - extension	1,434	1,732	154
Pinkie St Peter's Primary - extension including Early Learning and 1140	3,312	3,469	-
Ross High School - extension	9,139	9,629	1,021
School Estate - Curriculum Upgrades	330	345	-
School Kitchens - 1140 Upgrades	319	317	11
St Gabriel's Primary - extension including Early Learning and 1140	940	1,178	-
Wallyford Learning Campus	11,310	11,700	867

Appendix 6
 East Lothian Council
 General Services Capital Budget Monitoring Summary 2021-22
 as at 30 June 2021

	Annual (In-Year) 2021-22		
	Approved Budget	Updated Budget	Actual
	£'000	£'000	£'000
Expenditure			
West Barns Primary - extension including Early Learning and 1140	1,997	2,149	27
Whitecraig Primary - new school including Early Learning and 1140	297	307	-
Windygoul Primary - Early learning and 1140 extension	900	929	2
Unallocated 1140 Hours	1,000	1,000	-
Total Property - Education	43,899	46,631	3,149
Property - Other			
Accelerating Growth	8,275	8,542	160
Brunton Hall - Improved Community Access	100	100	-
Court Accommodation - incl. SPOC	1,686	1,776	-
Haddington Town House - Refurbishment and Rewire	574	597	-
Meadowmill - New Depot	-	476	302
New ways of working Programme	773	1,523	-
Port Seton - Community Centre Extension	-	15	-
Prestongrange Museum	934	971	29
Property Renewals	3,000	3,000	206
Replacement Of Movable Pool Floors To Sports Centres	-	36	(116)
Replacement Childrens House	1,549	1,549	-
Sports Centres	200	360	-
Water meter size reduction	-	14	-
Whitecraig Community Centre	-	96	0
Total Property - Other	17,090	19,054	582
Total Property - Education and Other	60,989	65,685	3,730
Capital Plan Fees	1,322	1,322	-
Total Gross Expenditure	91,506	97,735	5,735
Income			
Developer Contribution	(12,102)	(13,237)	-
1140 Grant Income	(8,233)	(8,907)	-
Town Centre Regeneration Grant	(1,297)	(1,458)	-
Other Funding Sources	(10,972)	(11,166)	-
Scottish Government General Capital Grant	(7,983)	(7,983)	-
Total Income	(40,586)	(42,752)	-
Borrowing Requirement	50,920	54,983	5,735

Appendix 7
 East Lothian Council
 Budget Monitoring HRA 202/22 - Quarter 1

	2021/22 Budget £'000	2021/22 Actual to Date £'000	2021/22 Budget to Date £'000	2021/22 Budget Variance to Date £'000
Total Income	-34,641	-8,512	-8,556	44
Total Expenditure	32,402	3,876	3,688	188
(Surplus) / Deficit for Year	-2,239	-4,636	-4,868	232

	2021/22 Budget £'000
Management of Balances	
Opening (Surplus) / Deficit	-1,705
CFCR	2,500
(Surplus) / Deficit for Year	-2,239
Closing (Surplus) / Deficit	-1,444

Appendix 8
East Lothian Council
Budget Monitoring HRA Capital 2021/22 - Quarter 1

	2021/22 Budget	2021/22 Actual to Date	2021/22 Budget to Date	2021/22 Budget Variance to Date
	£'000	£'000	£'000	£'000
Modernisation	15,888	1,453	3,972	-2,519
New Council Housing	12,031	2,860	3,386	-526
Fees	1,477	0	0	0
Mortgage to Rent	280	0	0	0
TOTAL	29,676	4,313	7,358	-3,045

Funded By:

	2021/22 Budget	2021/22 Actual to Date	2021/22 Budget to Date	2021/22 Budget Variance to Date
	£'000	£'000	£'000	£'000
Grants	-4,500	-2,675	-1,125	-1,550
Grants MTR	-196	0	0	0
CFCR	-2,500	-2,500	-2,500	0
Borrowing	-22,480	0	0	0
TOTAL	-29,676	-5,175	-3,625	-1,550