

REPORT TO: Cabinet

MEETING DATE: 13 September 2022

BY: Executive Director for Council Resources

SUBJECT: Quarter 1 Financial Review 2022/23

1 PURPOSE

- 1.1 To provide an update on the in-year financial position at the end of June 2022.

2 RECOMMENDATIONS

- 2.1 The Council is recommended to:
- Note the financial performance at the end of Quarter 1 in 2022/23 against the approved budgets.
 - Note the impact of inflationary pressures, particularly gas and electricity and the uncertainty over the pay settlement.
 - Note the additional funding received from the Scottish Government to meet specific policy initiatives.
 - Note the range of intervention measures approved by the Council Management Team set out in paragraph 3.20.
 - Note that future financial review reports will go to Council for scrutiny until the financial position improves.

3 BACKGROUND

- 3.1 Council approved the 2022/23 Financial Strategy and associated financial plans on and prior to 1 March 2022. The approved plans included the requirement to use just under £9 million of reserves to balance the 2022/23 General Services budget.
- 3.2 The 2021/22 draft out-turn was reported to Council on 28 June 2022 and the report noted that £1.489 million was being carried forward to 2022/23

to deliver specific policy commitments directed by the Scottish Government including supporting wider COVID recovery.

- 3.3 A number of substantial pressures are emerging across budgets with the most significant relating to utility inflation, general inflation, availability of labour and materials as well as ongoing negotiations over pay, which is likely to see an agreement significantly in excess of the 2% assumed within the 2022/23 budget.
- 3.4 The Council continues to face a high number of significant financial and other risks, which may materialise over the remainder of this financial year.
- 3.5 Within this context, the Finance Service will continue to work with colleagues across services to manage expenditure commitments in 2022/23 and the future implications going forward.

General Services Revenue Summary – Quarter 1

- 3.6 The approved General Services revenue budget for 2022/23 included the following:
- Planned expenditure commitments of around £275 million to support service delivery.
 - A planned drawdown of £8.690 million from General Reserves.
 - Planned recurring service efficiencies of £393,000, a further £150,000 savings from the ongoing review of Council assets and the continued delivery of £2 million relating to the management of staffing budgets.
- 3.7 At the end of June 2022, the Council is reporting a £869,000 overspend (1.6%) in the General Services revenue financial position. This position reflects current increases in utility costs with electricity increasing by 25% and gas by 160% and includes a number of significant contract prices linked to inflation, which is running in excess of 10% and there is potential for this to increase further by the end of the year. This is likely to mean an additional pressure in excess of approved budgeted increases of over £1 million at the end of the financial year. There remains a growing range of uncertainties and financial risks facing the Council the scale of which may be difficult to manage within existing revenue constraints during 2022/23 and beyond.
- 3.8 The reported financial position at the end of June 2022 includes the following:
- The Council's approved budget reflected an increase of 2% in staffing budgets from 1 April 2022, which remained broadly aligned to the public sector pay policy in Scotland. Current projections reflect this position. Trade Unions have rejected this offer from employers, and national negotiations remain ongoing.
 - Additional Scottish Government funding of £140 million is being made available to Scottish Councils on a recurring basis to support all pay claims, including teachers. This funding would cover a pay award up to 3.5%. National discussions remain challenging, and whilst there is

a desire to increase the pay offer to employees, without additional funding from the Scottish Government each additional 1% of pay award across all employee groups costs an additional £1.6 million. The financial implications of pay negotiations will remain a key area of risk and focus for the Finance team during this year and beyond.

- Additional General Resource Grant Funding of £5.898 million to fund a number of Government priorities including, free school meals for Primaries four and five and across the summer holidays and the share of the additional £200 million for Health & Social Care which has been passed on to the IJB in its entirety in line with national direction.
- 3.9 Further information, including a financial risk rating for each service, is set out in **Appendix 1** with further details of the key challenges set out in the narrative below.
- 3.10 The Quarter 1 overspend in the **Education and Children's Directorate** is £748,000 (2.3%), with an Education overspend of £530,000 (1.8%) and a Children's Services overspend of £218,000 (5.6%).

Children's Services, £218,000 over (5.6%)

- The main pressure remains the demand for Residential and External Fostering placements. Currently, despite a recruitment process, there are no foster carers available, which may lead to further external placements being required.
- Despite this, there remains evidence that targeted interventions are having an impact on controlling demand for external placements with more packages of support to keep young people within East Lothian at significantly lower cost. This remains a volatile area and there is evidence that referrals to Social Work are increasing which will put further pressure on the service. As such, there is a risk that demand for services could increase before the year-end, which would affect the financial position.
- A wider strategic review of services provided to children is ongoing.

Education Services, £530,000 over (1.8%)

- Spend is over budget largely due to the significant increase in the cost of gas and electricity. Despite additional provision reflected within the approved budget to support projected increases in utility costs, current projections indicate that utility cost in schools will be over budget by more than £500,000 at the end of the financial year. With further increases predicted, this remains a significant risk to the Council.
- 1140 hours projections indicate that the cost of delivering the service will be within the available budget in 2022/23.
- There remain teacher costs being funded from the Recovery and Resilience fund and an element of spend in East Lothian Works is

being funded from money received in 2021/22, which, in line with guidance, was earmarked in reserves to be used for this purpose.

3.11 The Quarter 1 overspend in **Council Resources Directorate** is £157,000 (1.9%).

- **Finance, £156,000 over (2.6%)** – this mainly relates to additional spend to support applications from the Scottish Welfare Fund to offset the Cost of Living crisis, which will be funded from Reserves as planned.
- The **Corporate Services** position is in line with budget.

3.12 The Quarter 1 overspend in the **Health & Social Care Directorate** is £79,000 (0.6%).

- As noted earlier, an additional £3.841 million has been received as the share of the national £200 million since the budget was approved in March 2022 and this has been passed on in full to the IJB in line with national direction.
- Work is ongoing with colleagues in Health and Social Care to confirm spend commitments around the additional funding received in 2022/23.
- There remain significant pressures in the budget with a continuing growing demand for commissioned services, particularly residential and care at home. The Scottish Government has again extended Sustainability Payments to providers and there is additional funding for this.
- Labour shortages, in common with other areas of the Council, remain a challenge in ensuring that services are fully delivered.
- The majority of this budget is delegated to the IJB, 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.

3.13 The Quarter 1 underspend in the **Place Directorate** is £85,000 (0.8%).

- **Development, £119,000 over (43.1%)** – The overspend relates to the previously allocated Business Recovery Fund with £368,000 carried forward to 2022/23, which will be funded from reserves.
- **Housing, £171,000 under (6.7%)** – The underspend largely relates to timing delays relating to the recharges from Property Maintenance. There remains challenges within the service to manage the demands of the wider national resettlement schemes and local housing issues. This remains under close monitoring.
- **Infrastructure, £60,000 under (1.3%)** – While there is currently an underspend there remain a wide range of pressures to manage across

wider Infrastructure services, including recycling levels, completion of the Roads Capital programme, availability of labour and the pressures that severe winter weather would bring.

- **Communities & Partnerships, £27,000 over (0.8%)** – While the service is slightly over budget the service is likely to operate within budget limits.

3.14 The Quarter 1 underspend in the **Corporate Management Budgets** is £30,000 (0.0%).

- The recent increase in interest rates has had an impact in the interest repayment for the year with costs forecast to be £170,000 higher than budgeted. This potentially will have an impact on the affordability of the capital programme going forward and is an area that will continue to be monitored closely. There remains a significant risk that interest rates will continue to increase due to current wider economic circumstances.
- Current year Council Tax collection has remained high in quarter one with collection levels above target. Eligible households received Scottish Government cost of living payments during quarter one in line with national guidance. While this is a strong position, expectations are that many more households will face considerable financial challenges with the expected increase in the energy price cap and inflations running at over 10%, which could have an impact on collection rates.
- To support this the Financial Inclusion Team is supporting residents to maximise income and to identify any underlying entitlement to welfare benefits or other financial support schemes and grants. The launch of the new leaflet “Helping with the cost of living crisis” is being widely publicised by all Revenues Teams, other council services and multi-media outlets to make sure residents are aware of the help and support available to them. Officers are continuing to work with customers to set up flexible and affordable repayment arrangements where they are struggling to meet payments.
- A social media campaign will run from October 2022 to March 2023 to highlight how the Council can help anyone who is struggling over that period with the cost of living. This will include alerts to encourage customers to contact the Council before they reach crisis and a wider promotion of a benefits calculator.

3.15 The Council approved budget includes the requirement to deliver £393,000 of recurring planned efficiencies. Current projections indicate £254,000 of savings are at an amber status. More detail is set out in **Appendix 2**.

3.16 The current budget assumes the recurring delivery of £2 million of corporate efficiencies relating to management of staffing budgets. Current projections indicate that this saving is likely to be achieved in-year but

there remain risks as to the ability to deliver this level of saving on a recurring basis.

Scottish Government Funding

- 3.17 Since budget approval on 1 March 2022 there has been additional funding from the Scottish Government of £5.898 million with £3.841 million of that total passed directly to the IJB. There has been other funding provided to support specific policy initiatives including the expansion of free school meals and Scottish Child Bridging Payments. More detail setting out the updated funding provided by Scottish Government in 2022-23 is in **Appendix 3.**

General Services Revenue Conclusion

- 3.18 The Council is operating within an extremely challenging and complex financial environment and is continuing to face a wide range of uncertainties and ongoing demand pressures for services. There are significant challenges due to a number of factors including the Ukraine War, the UK leaving the European Union, inflation, particularly utilities, labour shortages, supply chain issues and uncertainty over pay settlements. In addition, there remains significant risks relating to the ongoing, Scottish Government led, Capital Accounting Review that is not due to complete until the end of 2023. Despite assurances that there are no pre-determined outcomes, the potential impact could be significant and in addition to the growing and unprecedented range of challenges being faced by the Council.
- 3.19 In recent years, significant amounts of additional funding has been allocated by the Scottish Government during the financial year to support the costs of the pandemic or new Scottish Government policy and which has provided in-year flexibility. It is unlikely that significant additional funding will materialise during 2022/23.
- 3.20 Given the wide range of uncertainties facing the Council and following discussion at CMT, further work is ongoing with services to identify options for reducing costs and an update on progress will be included in future financial update reports. Management have agreed a number of mitigation options and these will continue to be monitored going forward. These include:
- All Council managers are to ensure they deliver their service commitments within their approved budget levels. Any cost pressures will require to be offset with savings elsewhere within their budget where possible.
 - All Council managers are to avoid new and additional purchasing commitments where possible.

- All Council managers to continue to apply workforce management measures including careful monitoring of vacancies and minimising the use of overtime and agency staff where possible.
 - The CMT will continue to oversee the delivery of planned efficiencies and will continue to receive regular reports on the progress of implementing agreed savings plans. Where existing efficiency plans cannot be delivered, alternative efficiencies will need to be identified.
 - In line with the approved budget development framework, the Chief Executive and Chief Financial Officer will manage the use of the Cost Reduction Fund as a means of reducing the Council's cost base through the delivery of planned efficiency savings and therefore reducing budget overspending.
 - Maximising flexibility on all existing funding streams available within the Council.
 - Ensure Council operational assets are utilised in the most cost effective manner to mitigate the impact of rising utility costs.
- 3.21 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 and sustainable funding is available to Local Government to support the delivery of essential local services.

General Services Capital Summary – Quarter 1

- 3.22 The approved budget for 2022/23 has been updated to reflect carry forward flexibility of £16 million from the closing position at the end of 2021/22, the outcome of which remains subject to the conclusion of the statutory audit. Collectively, these budgets over the 5-year period currently remain within the approved capital financial limits. The ability to maintain this limit remains subject to on-going review given wider external risks including market uncertainties relating to project cost increases and changes to the timing of income projections.
- 3.23 **Appendix 4** shows the approved and updated 2022/23 budgets and expenditure to 30 June 2022, showing spend of £16.903 million relative to the updated gross expenditure budget of £111.310 million.
- 3.24 Latest projections indicate expenditure of around £106 million by the end of the financial year. This forecast reflects a range of assumptions that are subject to change and may therefore have an impact on the actual position achieved at the end of the financial year. Whilst recognising the significance of the capital programme, there remains a wide range of growing external pressures all of which are placing very significant pressure on wider affordability limits. The capital plan remains under close monitoring and review to assess the cumulative financial impact and to consider potential options for mitigation and more details will be included

in future reports. A summary of the key changes since the budget was approved along with some additional risks are set out below:

- External market conditions remain challenging with wider supply and cost pressures. This wider external focus is placing significant additional financial challenges on the current approved capital programme and borrowing levels. Rising material, labour and fuel costs are affecting tender prices. In addition, contracts already in place remain subject to further risk exposure and this remains challenging. Given these collective risks, the affordability of the Capital Programme will need to be reviewed given the current financial environment.
- The Town Centre Regeneration projection has been increased to reflect the additional funding from the 2022/23 Place Based Programme grant. This budget is being spent on a number of workstreams including the ongoing Preston Tower refurbishment.
- Nature Restoration and Replacement Play Equipment projections have increased to reflect additional grant funding from the Scottish Government. A number of Sports and Recreation projects have been re-profiled from future years, fully funded by developer contributions. Further additional funding has also been secured towards the 3G carpet replacements within this budget heading.
- The Cycling, Walking, Safer Streets projection has been updated as additional Scottish Government specific grant funding has been awarded, noting this allocation must be spent within the financial year.
- A number of projections for Education projects have been amended to reflect progress with projects and timing of construction start, primarily Aberlady, Pinkie St. Peters 1140 and Windygoul 1140 extensions. Extensions at North Berwick and Ross High Schools were almost complete at the end of Quarter 1. Several other Education related property projects are currently projected to complete during this financial year.
- Construction of the new A1/QMU junction is ongoing with an expected completion in 2022/23. The Cockenzie link road will not be completed in 2022/23 and the projection has been amended. Property Renewals projection has been increased to include Scottish Government grant for ventilation works.
- The projection for use of developer contributions, early learning 1140 grant and other funding sources are directly linked to the projections of the projects they support. There continues to be ongoing risks around the timing and realisation of planned developer contributions that may put additional strain on borrowing requirements and this position will continue to be closely monitored. The reduction in projected expenditure has also reduced the in-year borrowing requirement.

- 3.25 Despite relatively low levels of current spend in the year to 30 June, many projects are progressing, as reflected in the spend projections.

Housing Revenue Account Summary – Period 3

- 3.26 At the end of June 2021 the Housing Revenue Account is showing a surplus against current budget of £1.252 million, most of which is due a backlog in the recharging of repairs costs. It is expected that the service will be in a breakeven position when the backlog is cleared. Further information is set out in **Appendix 5**.
- 3.27 There remain some pressures with void properties, which is still recovering from the impact of COVID-19 on productivity levels and work is ongoing to rectify. Rent income is currently in line with the budget but will remain under review as the timing of new build completions may have an impact on this position. Rent arrears are at a lower level than at this stage in 2021/22, though the cost of living challenges may have an impact on this going forward. Enhanced debt recovery work is ongoing to support tenants who are experiencing difficulties in paying rents and as noted earlier in the report, a range of support is available to tenants suffering financial hardship.
- 3.28 In line with the existing financial strategy, the council will maximise any flexibility arising from revenue balances during 2022/23 to minimise the future impact of debt charges.
- 3.29 Details of the Housing Revenue Account capital budgets and expenditure incurred to date are set out in **Appendix 6** of this report. The total capital budget approved for HRA was £42.179 million. At the end of June 2022, actual spend was £6.958 million, considerably higher than the £4.313 million at this stage in 2021/22.
- 3.30 At this stage, the service expects to spend in excess of £40 million across the Housing Capital Programme. There are a number of risks to that being achieved including availability of labour, supplies and materials and the impact should there be an increase in COVID or similar over the Autumn / Winter period.

Conclusion

- 3.31 Given the significant financial challenges facing the Council, the Chief Executive, in conjunction with the Chief Financial Officer, has undertaken consultation across all political group leaders. Taking account of the Council's Scheme of Administration, the Chief Executive has agreed that all financial update reports going forward will go to Council for scrutiny until the financial position improves.

4 POLICY IMPLICATIONS

- 4.1 There are no direct policy implications associated with this report, although, ongoing monitoring and reporting of the Councils 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 – 16 November 2021 – Item Financial Update Report
- 7.2 Council – 1 March 2022 – Item 1 – Budget Development including setting of Council Tax and Council Rent for 2022/23
- 7.3 Council – 1 March 2022 – Item 2 – Budget Proposals on General Service – Amendment Submitted by the Labour Administration

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DATE	29 August 2022

Appendix 1
 East Lothian Council
 Budget Monitoring 2022/23 - Period 3

Service	Head of Service	Business Unit	2022/23 Budget	Year to Date			2021/22 Budget Variance to Date	Financial Risk Assessment
				2022/23 Actual to Date	2022/23 Budget to Date	2022/23 Budget Variance to Date		
				£'000	£'000	£'000		
Education & Children's	Children's	Performance & Service Delivery	1,209	278	299	-21	-7.0%	
Education & Children's	Children's	Management	4,570	893	559	334	59.7%	
Education & Children's	Children's	Assessment HUB and Early Interventions	2,538	607	608	-1	-0.2%	
Education & Children's	Children's	Long Term Social Work Supervisory Groups	2,402	540	582	-42	-7.2%	
Education & Children's	Children's	TAC, Disability & Resources	6,423	1,679	1,732	-53	-3.1%	
Education & Children's	Children's	Disability Short Breaks	707	135	134	1	0.7%	
EDUCATION & CHILDREN'S	CHILDREN'S TOTAL		17,849	4,132	3,914	218	5.6%	
Education & Children's	Education	Additional Support for Learning	11,083	6,148	6,179	-31	-0.5%	
Education & Children's	Education	Pre-school Education & Childcare	16,660	7,551	7,735	-184	-2.4%	
Education & Children's	Education	Schools - Primary	48,438	3,616	3,483	133	3.8%	
Education & Children's	Education	Schools - Secondary	49,487	9,529	9,424	105	1.1%	
Education & Children's	Education	Schools - Support Services	5,038	1,713	1,491	222	14.9%	
Education & Children's	Education	East Lothian Works	1,362	1,137	852	285	33.5%	
EDUCATION & CHILDREN'S	EDUCATION TOTAL		132,068	29,694	29,164	530	1.8%	
EDUCATION & CHILDREN'S TOTAL			149,917	33,826	33,078	748	2.3%	
Council Resources	Finance	Financial Services	1,827	748	765	-17	-2.2%	
Council Resources	Finance	Revenues & Benefits	6,600	5,330	5,172	158	3.1%	
Council Resources	Finance	Procurement	349	84	69	15	21.7%	
COUNCIL RESOURCES	FINANCE TOTAL		8,776	6,162	6,006	156	2.6%	
Council Resources	Corporate	IT Services	3,162	642	668	-26	-3.9%	
Council Resources	Corporate	Legal	394	106	118	-12	-10.2%	
Council Resources	Corporate	People & Governance	5,350	1,387	1,347	40	3.0%	
Council Resources	Corporate	Communications	434	127	128	-1	-0.8%	
COUNCIL RESOURCES	CORPORATE TOTAL		9,340	2,262	2,261	1	0.0%	
COUNCIL RESOURCES TOTAL			18,116	8,424	8,267	157	1.9%	
Health & Social Care Partnership	Head of Operations	Adult SW	36,603	7,645	9,109	-1,464	-16.1%	
Health & Social Care Partnership	Head of Operations	Acute & Ongoing Care	8,191	1,903	2,048	-145	-7.1%	
Health & Social Care Partnership	Head of Operations	Rehabilitation	1,697	486	419	67	16.0%	
Health & Social Care Partnership	Head of Operations	Adult Statutory Services	2,587	908	832	76	9.1%	
Health & Social Care Partnership	Head of Operations	Statutory Services	2,296	1,074	669	405	60.5%	
Health & Social Care Partnership	Head of Operations	Head of Operations	11,930	715	-355	1,070	301.4%	
Health & Social Care Partnership	Head of Operations	Business & Performance IJB	2,990	739	747	-8	-1.1%	
HEALTH & SOCIAL CARE PARTNERSHIP	IJB TOTAL		66,294	13,470	13,469	1	0.0%	
Health & Social Care Partnership	Head of Operations	Business & Performance Non-IJB	540	348	270	78	28.9%	
HEALTH & SOCIAL CARE PARTNERSHIP	Non-IJB TOTAL		540	348	270	78	28.9%	
HEALTH & SOCIAL CARE PARTNERSHIP TOTAL			66,834	13,818	13,739	79	0.6%	
Place	Development	Planning	1,263	270	246	24	9.8%	
Place	Development	Economic Development	1,654	125	30	95	316.7%	
PLACE	DEVELOPMENT TOTAL		2,917	395	276	119	43.1%	
Place	Housing	Housing, Strategy & Development	254	172	161	11	6.8%	
Place	Housing	Property Maintenance Trading Account	-863	1,960	2,218	-258	-11.6%	
Place	Housing	Community Housing	2,406	263	187	76	40.6%	
PLACE	HOUSING TOTAL		1,797	2,395	2,566	-171	-6.7%	
Place	Infrastructure	Facility Support Services	3,863	589	657	-68	-10.4%	
Place	Infrastructure	Facility Trading Activity	-276	-2,108	-2,070	-38	1.8%	
Place	Infrastructure	Asset Planning & Engineering - Paul ianetta	3,374	915	913	2	0.2%	
Place	Infrastructure	Asset Planning & Engineering - Eddie Reid	-475	-36	16	-52	-325.0%	
Place	Infrastructure	Landscape & Countryside Management	5,667	1,662	1,651	11	0.7%	
Place	Infrastructure	Roads Network	4,827	650	646	4	0.6%	
Place	Infrastructure	Roads Trading Activity	-562	-10	-72	62	86.1%	
Place	Infrastructure	Transportation	1,584	350	364	-14	-3.8%	
Place	Infrastructure	Waste Services	9,750	1,923	1,923	0	0.0%	
Place	Infrastructure	Active Business Unit	3,729	621	588	33	5.6%	
PLACE	INFRASTRUCTURE TOTAL		31,481	4,556	4,616	-60	-1.3%	
Place	Communities & Partnerships	Corporate Policy & Improvement	1,632	242	168	74	44.0%	
Place	Communities & Partnerships	Connected Communities	6,485	2,099	2,093	6	0.3%	
Place	Communities & Partnerships	Protective Services	1,915	139	154	-15	-9.7%	
Place	Communities & Partnerships	Customer Services Group	3,925	1,142	1,180	-38	-3.2%	
PLACE	COMMUNITIES & PARTNERSHIPS TOTAL		13,957	3,622	3,595	27	0.8%	
PLACE TOTAL			50,152	10,968	11,053	-85	-0.8%	
SERVICE TOTAL			285,019	67,036	66,137	899	1.4%	
CORPORATE MANAGEMENT TOTAL			-285,019	-121,967	-121,937	-30	0.0%	
TOTAL			0	-54,931	-55,800	869	1.6%	

Appendix 2

East Lothian Council

2022/23 Budget Efficiencies - Period 9

Service	2022/23		
	Achieved	Amber	High
	£'000	£'000	£'000
Education	0	0	0
Finance	0	0	0
Corporate Services	10	10	0
H&SCP	0	0	0
Housing	8	0	0
Communities	30	0	0
Infrastructure	91	94	0
Corporate Management	0	150	0
Total	139	254	0
	35.37%	64.63%	0.00%

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Appendix 3

East Lothian Council

Budget Monitoring 2022/23 - Additional Funding from the Scottish Government

	£million
2022/23 GRG (per Budget Amendment)	195.103
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Additional Funding - GRG	
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Universal Free School Meals (future years TBC)	0.947
Free School Meals School Holiday Support (future years TBC)	0.303
Additional Investment in H&SC (share of £200m)	3.841
Scottish Child Bridging Payments	0.646
Summer Holiday Provision for Primary School Children	0.161
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Total Additional Funding	5.898
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Revised GRG	201.001
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Appendix 4
 East Lothian Council
 General Services Capital Budget Monitoring Summary 2022-23
 as at 30 June 2022

	RAG	Annual (in-Year)							Projected Outturn - Funding					
		Approved Budget 2022/23	Carry Forward 2021/22	Updated Budget 2022/23	Actual 2022/23	Updated Budget-Actual Variance 2022/23	Projected Outturn 2022/23	Updated Budget - Projection Variance 2022/23	Developer Contribution	1140 Grant Income	Town Centre Regeneration Grant	Other Funding Sources	Projected Outturn 2022/23 - Funding	General Capital Grant / Council Borrowing
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure														
Community Projects														
Community Intervention	G	375		375	(82)	(457)	375	-						(375)
Community Intervention Fund - Pump Tracks	G	125		125	-	(125)	125	-						(125)
Bleachingfield Centre Remodelling Works	G	90		90	-	(90)	90	-				(90)	(90)	-
Dunbar Conservation Area Regeneration Scheme (CARS)	G	196	90	286	-	(286)	286	-				(146)	(146)	(140)
Support for Business	G	1,544	714	2,258	363	(1,895)	2,258	-						(2,258)
CCTV	G	150	228	378	-	(378)	378	-						(378)
Town Centre Regeneration	G	823	452	1,275	77	(1,198)	1,992	717			(1,992)		(1,992)	-
Total Community Projects		3,303	1,484	4,787	358	(4,429)	5,504	717			(1,992)		(2,228)	(3,275)
ICT														
IT Programme & Digital Opportunities	G	2,100		2,100	359	(1,741)	2,100	-						(2,100)
Total ICT		2,100		2,100	359	(1,741)	2,100							(2,100)
Fleet														
Amenities - Machinery & Equipment - replacement	G	230		230	32	(198)	230	-						(230)
Vehicles	A	5,041	512	5,554	1,832	(3,722)	4,527	(1,027)						(4,527)
Total Fleet		5,271	512	5,784	1,864	(3,919)	4,757	(1,027)						(4,757)
Open Space														
3G Pitch Carpet Replacement Programme	G	500		500	-	(500)	600	100				(211)	(211)	(389)
Cemeteries (Burial Grounds)	A	439	500	939	7	(932)	439	(500)						(439)
River Tyne / Haddington Flood Protection scheme	G	300	15	315	-	(315)	315	-						(315)
Coastal / Flood Protection schemes - Musselburgh	G	1,642	269	1,912	(136)	(2,047)	1,912	-						(1,912)
Coastal Car Park Toilets	G	14	68	81	38	(43)	112	30				(40)	(40)	(72)
Core Path Plan	G	50	9	59	-	(59)	59	-						(59)
Mains Farm Town Park & Pavilion	G	12	26	38	-	(38)	38	-						(38)
Nature Restoration	G	-	43	43	-	(43)	153	110						(153)
Replacement Play Equipment	G	100		100	-	(100)	208	108						(208)
Polson Park	G	160		160	-	(160)	160	-						(160)
Sports and Recreation LDP	G	1,361		1,361	3	(1,359)	1,985	624	(961)		(924)		(1,885)	(100)
Waste - New Bins	G	172		172	18	(154)	172	-						(172)
Waste - Machinery & Equipment - replacement	G	40		40	5	(35)	40	-						(40)
Total Open Space		4,791	930	5,720	(64)	(5,784)	6,193	472	(961)			(1,174)	(2,136)	(4,057)
Roads, Lighting and related assets														
Cycling Walking Safer Streets	G	472	30	502	4	(498)	721	219				(721)	(721)	-
East Linton Rail Stop / Infrastructure	G	1,520	1,518	3,038	-	(3,038)	3,038	-						(3,038)
Parking Improvements	G	110	120	230	46	(184)	230	-						(230)
Roads	G	6,700	293	6,993	468	(6,524)	6,993	-						(6,993)
Roads - externally funded projects	G	1,729		1,729	341	(1,387)	1,729	-	(69)			(1,660)	(1,729)	-
Drem - Gullane Path	G	30		30	-	(30)	30	-				(30)	(30)	-
Total Roads, Lighting and related assets		10,561	1,961	12,522	860	(11,662)	12,741	219	(69)			(2,411)	(2,480)	(10,261)
Property - Education														
Aberlady Primary - extension	A	1,698	716	2,413	1	(2,412)	1,200	(1,213)	(200)	(17)			(217)	(983)
Blindwells Primary - new school	G	3,227	(11)	3,216	-	(3,216)	3,216	-	(1,210)				(1,210)	(2,006)
Craighall Primary - New School	G	4,298	(6)	4,292	-	(4,292)	4,292	-	(3,149)				(3,149)	(1,143)
Dunbar Grammar - extension									(131)				(131)	131
Dunbar Primary - John Muir Campus - Early Learning and 1140	G	-	24	24	8	(15)	24	-		(24)			(24)	(0)
East Linton Primary - extension including Early Learning and 1140	A	324	-	324	-	(324)	300	(24)	(147)				(147)	(153)
Elphinstone Primary - extension	A	77	200	277	-	(277)	77	(200)						(77)
Gullane Primary - extension including Early Learning and 1140	G	-	702	702	-	(702)	702	-	(312)				(312)	(390)
Haddington School (Infants & St. Mary)	G	26	25	51	-	(51)	51	-	(51)				(51)	-
Kingsmeadow Primary	G	26	25	51	-	(51)	51	-	(51)				(51)	-
Law Primary - extension including Early Learning and 1140	A	2,890	524	3,415	601	(2,813)	3,415	-	(427)	(3,119)			(3,546)	131
Letham Primary - New School	G	-	120	120	-	(120)	120	-						(120)
Macmerry Primary - extension	G	157	(1)	156	1	(154)	156	-	(194)				(194)	38
Musselburgh Grammar - upgrades	G	284	128	412	249	(164)	412	-						(412)

East Lothian Council
General Services Capital Budget Monitoring Summary 2022-23
as at 30 June 2022

	RAG	Annual (In-Year)							Projected Outturn - Funding					
		Approved Budget 2022/23	Carry Forward 2021/22	Updated Budget 2022/23	Actual 2022/23	Updated Budget-Actual Variance 2022/23	Projected Outturn 2022/23	Updated Budget - Projection Variance 2022/23	Developer Contribution	1140 Grant Income	Town Centre Regeneration Grant	Other Funding Sources	Projected Outturn 2022/23 - Funding	General Capital Grant / Council Borrowing
Expenditure		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
North Berwick High School - Extension	A	1,445	1,638	3,083	429	(2,654)	3,083	-	(3,092)				(3,092)	9
Ormiston Primary - extension	A	374	638	1,012	361	(651)	1,012	-	2				2	(1,014)
Pinkie St Peter's Primary - sports hall extension	G	1,454	633	2,087	200	(1,887)	2,087	-	(871)				(871)	(1,216)
Pinkie St Peter's Primary - extension including Early Learning and 1140	A	2,970	625	3,596	488	(3,107)	2,596	(1,000)	(2,596)				(2,596)	-
Preston Lodge High School - extension (phase 1)	G	248		248	-	(248)	248	-	(334)				(334)	86
Prestonpans Primary - upgrades	G	3		3	-	(3)	3	-	(3)				(3)	-
Ross High School - extension	A	1,273	104	1,377	240	(1,136)	1,377	-	(1,271)				(1,271)	(105)
School Kitchens - 1140 Upgrades	G	-		-	5	5	5	5	(5)				(5)	-
St Gabriel's Primary - extension including Early Learning and 1140	G	648	94	742	196	(545)	742	-	(142)	(366)			(508)	(234)
Wallyford Primary - New School	G	-	59	59	-	(59)	59	-					-	(59)
Wallyford Learning Campus	G	18,545	1,256	19,801	6,175	(13,626)	19,801	-	(437)				(437)	(19,364)
West Barns Primary - extension including Early Learning and 1140	G	1,590	204	1,794	468	(1,326)	1,794	-	(422)	(931)			(1,353)	(441)
Whitecraig Primary - new school including Early Learning and 1140	G	185	123	309	24	(284)	309	-	(269)	(40)			(309)	-
Windygoul Primary - Early learning and 1140 extension	G	1,063	(53)	1,010	-	(1,010)	10	(1,000)		(10)			(10)	-
Windygoul Primary - extension	G	900		900	838	(62)	900	-					-	(900)
Total Property - Education		44,035	8,090	52,125	10,285	(41,840)	48,692	(3,433)	(12,711)	(7,106)	-	-	(19,817)	(28,875)
Property - Other														
Accelerating Growth		11,696	3,006	14,702	1,778	(10,924)	12,702	(2,000)				(4,746)	(4,746)	(7,956)
- Cockenzie	A	3,000		3,000	5	(2,995)	1,000	(2,000)				(1,000)	(1,000)	-
- Blindwells	G	91	183	273	(30)	(303)	273	-				(85)	(85)	(188)
- Innovation Hub	G	1,006	324	1,330	67	(1,263)	1,330	-				-	-	(1,330)
- A1/QMU Junction	G	7,599	2,499	10,098	1,736	(8,363)	10,098	-				(3,661)	(3,661)	(6,437)
Brunton Hall - Improved Community Access	G	200		200	-	(200)	200	-					-	(200)
Court Accommodation - incl. SPOC	G	1,749		1,749	-	(1,749)	1,749	-					-	(1,749)
Haddington Corn Exchange - upgrades	G	16		16	-	(16)	-	(16)					-	-
Haddington Town House - Refurbishment and Rewire	G	300	117	417	137	(280)	417	-					-	(417)
Meadowmill - New Depot	G	-	25	25	27	2	25	-					-	(25)
New ways of working Programme	G	1,995		1,995	6	(1,989)	1,995	-					-	(1,995)
Prestonrange Museum	G	2,279	205	2,484	-	(2,484)	2,484	-				(633)	(633)	(1,851)
Property Renewals	G	3,000		3,000	87	(2,913)	3,099	99				(99)	(99)	(3,000)
Replacement Childrens House	G	802		802	-	(802)	802	-					-	(802)
Sports Centres	G	200	172	372	207	(166)	372	-					-	(372)
Tynebank Resource Centre	G	-		-	-	-	13	13				(13)	(13)	-
Water meter size reduction	G	14		14	-	(14)	14	-					-	(14)
Whitecraig Community Centre	G	-	49	49	-	(49)	49	-					-	(49)
Total Property - Other		22,251	3,574	25,825	2,241	(23,585)	23,922	(1,904)	-	-	-	(5,492)	(5,492)	(18,430)
Total Property Spend - Education and Other		66,286	11,664	77,951	12,526	(65,424)	72,614	(5,336)	(12,711)	(7,106)	-	(5,492)	(25,309)	(47,306)
Capital Plan Fees	G	2,447		2,447	-	(2,447)	2,447	-					-	(2,447)
Total Gross Expenditure		94,759	16,551	111,310	15,903	(95,407)	106,355	(4,955)	(13,741)	(7,106)	(1,992)	(9,313)	(32,152)	(74,202)
Income														
Developer Contribution	A	(11,190)	(2,103)	(13,293)			(13,741)	(448)						
1140 Grant Income	G	(8,190)	(308)	(8,498)			(7,106)	1,392						
1140 CFCR from Revenue														
Town Centre Regeneration Grant	G	(823)	(452)	(1,275)			(1,992)	(717)						
Other Funding Sources	A	(9,401)	(1,426)	(10,827)			(9,313)	1,515						
Scottish Government General Capital Grant	G	(9,044)	-	(9,044)			(9,262)	(218)						(9,262)
Total Income		(38,648)	(4,289)	(42,938)			(41,414)	1,524						
Borrowing Requirement	A	56,110	12,262	68,372			64,940	(3,432)						64,940

RAG

RED (trouble) - Project is at risk to miss a scheduled completion date, may be over budget or out of scope. Immediate action required
 AMBER (danger) - Project may be at risk if issues are not addressed. Attention required. Notification of change in projection - delays, risks or known increases in costs, gross up for funding awards.
 GREEN (all good) - Project is on track to meet scheduled parameters

Funding

The Projected Outturn - Funding column shows the total external funding per budget line excluding General Capital Grant.

Appendix 5
 East Lothian Council
 Budget Monitoring HRA 2022/23 - Period 3

	2022/23 Budget £'000	2022/23 Actual to Date £'000	2022/23 Budget to Date £'000	2022/23 Budget Variance to Date £'000
Total Income	-34,711	-8,670	-8,666	-4
Total Expenditure	33,025	2,534	3,782	-1,248
(Surplus) / Deficit for Year	-1,686	-6,136	-4,884	-1,252

	2022/23 Budget £'000
Management of Balances	
Opening (Surplus) / Deficit	-1,748
CFCR	1,500
(Surplus) / Deficit for Year	-1,686
Closing (Surplus) / Deficit	-1,934

Appendix 6
East Lothian Council
Budget Monitoring HRA Capital 2022/23 - Period 3

	2022/23 Budget	2022/23 Actual to Date	2022/23 Budget to Date	2022/23 Budget Variance to Date
	£'000	£'000	£'000	£'000
Modernisation	14,421	1,275	3,605	-2,330
New Council Housing	26,068	5,683	6,517	-834
Fees	1,410	0	0	0
Mortgage to Rent	280	0	0	0
TOTAL	42,179	6,958	10,122	-3,164

Funded By:

	2022/23 Budget	2022/23 Actual to Date	2022/23 Budget to Date	2022/23 Budget Variance to Date
	£'000	£'000	£'000	£'000
Grants	-6,500	-2,396	-1,625	-771
Grants MTR	-196	0	0	0
CFCR	-1,500	0	0	0
Borrowing	-33,983	0	0	0
TOTAL	-42,179	-2,396	-1,625	-771

