

**REPORT TO:** East Lothian Council

**MEETING DATE:** 28 February 2023

**BY:** Executive Director for Council Resources

**SUBJECT:** Finance Update

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## **1 PURPOSE**

- 1.1 To provide an update on the financial position at the end of December 2022, and a wider review of the financial outlook and current risks.

## **2 RECOMMENDATIONS**

- 2.1 The Council is recommended to:
- Note the outcome of the Quarter 3 financial performance.
  - Note that the additional funding from Scottish Government for the 2022/23 pay award will be retained in full by the council, with no proportionate transfer of this funding to the IJB.
  - Note the update on key developments since the Quarter 2 report.
  - Note that financial review reports will continue to be reported to Council for scrutiny until the financial position improves.
  - Note the update on the wider financial environment and current risks.

## **3 BACKGROUND**

- 3.1 Given the significant financial challenges facing the Council and following consultation with political group leaders, taking account of the Council's Scheme of Administration, the Cabinet agreed with the Chief Executive's recommendation that financial review reports should be presented to Council for scrutiny until the financial position improves.
- 3.2 The Council considered the Quarter 1 position as well as an update on the Period 5 financial position at its meeting on 25 October 2022. A special

meeting of the council was then held on 22 November 2022 and considered a report that provided an update on Quarter 2, identified the significant financial challenges being faced by the council and set out a number of urgent mitigation measures aimed at controlling expenditure. The scale of the challenge has resulted in managing the financial environment and on-going sustainability reported as the highest risk the Council has ever reported.

- 3.3 The Quarter 2 report noted a forecast overspend of £18m for the year, a large proportion of which would be recurring. The Council had planned to use reserves of £12.895 million leaving an unplanned use of reserves forecast of just over £5 million.
- 3.4 The main reasons for the unplanned pressure included unfunded pay pressures, utility and inflationary pressures and pressures within Children's and Adults Social Care.
- 3.5 This report seeks to update Council on a number of key issues highlighted in that report and significant developments since the report went to Council in November 2022.

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

- 3.6 At Quarter 3, before applying planned reserves there is a forecast overspend for the year of £16.8 million. Similar to Quarter 2, a large proportion of this overspend is likely to be recurring beyond the end of this financial year. The planned use of reserve is broadly in line with Quarter 2 at £12.882 million, £8.690 million of which is a recurring pressure, made up of:
  - Planned use of General Reserves - £8.690 million – note this one-off funding balanced the 2022/23 budget and is an ongoing recurring pressure.
  - Cost Reduction Fund - £862,000 (non-recurring)
  - Resilience and Recovery Fund - £1.638 million (non-recurring)
  - Other Planned Reserves - £1.692 million (this includes Employability, Business recovery and Rapid Rehousing Transition Plans – non-recurring)
- 3.7 This leaves an unplanned forecast overspend of £4 million. This is £1.3 million less than reported at Quarter 2, the main movements are due to:
  - Savings from Teachers Strike Action – (£500,000)
  - Review of Early Learning & Childcare service – (£340,000)
  - Savings from Utility mitigation measures – (£70,000)
  - Increased funding for the Teacher Induction Scheme with the costs associated with this assumed in the Quarter 2 position.– (£499,000)

- Increased pressure in B&B costs - £57,000

3.8 The main reasons for the £4 million unplanned use of reserves pressure is the unfunded pay pressure, utility costs and pressures in Children's Services for external residential care. The IJB budget is forecast to overspend by £728,000. In line with the IJB scheme of integration any overspend or underspend at the year-end will be met by the IJB. Given the financial position facing the Council, in consultation with the Council Leader and the wider cross party group, the Council will not pass any of the funding received for the 2022/23 pay award to the IJB. **Appendix 1** sets out the General Fund position at Quarter 3.

#### Potential Mitigations

3.9 The enhanced mitigations agreed in the paper to Council in December 2022 remain in place, and continue to be reviewed including:

- Carry forward requests will be limited to exceptional circumstances and on a case-by-case basis.
- Ongoing review of the General Services capital programme
- Continue to explore all available avenues relating to national flexibilities in pay aligned to the Deputy First Ministers letter in November 2022, recognising that in reality this is proving exceptionally challenging to identify recurring solutions without impacting on national policy.

3.10 In addition, a number of one-off mitigations have been identified that could be applied to the position, they are:

- 1140 hours carry forward (£1.750 million) – there is flexibility to fund a number of costs to give a one-year benefit in 2022/23. It is important to note the reduction in the 2023/24 budget allocation for 1140 hours by the Scottish Government and colleagues in Education are working on plans to ensure that the model of service delivery is affordable within the funding envelope available.
- Fiscal Flexibilities (£6.5 million) – At year-end consideration will be given to applying the loans fund repayment holiday in 2022/23.

#### 2022/23 Efficiencies

3.11 At this stage, £213,000 of the £393,000 of the agreed efficiencies in 2022/23 are achieved with the balance on target to be achieved by the year-end. **Appendix 2** notes progress in achieving the savings.

#### Council Tax

3.12 Overall, Council Tax income is expected to be £14,000 less than projected at Period 5, mainly due to an increase in the level of exemptions.

#### Additional Scottish Government Funding

- 3.13 Since Quarter 2 there has been additional funding totalling £8.630 million, from the Scottish Government, this is set out in further detail in **Appendix 3**.
- 3.14 The majority of these funding streams are to support existing commitments or specific policy objectives so they cannot help alleviate wider pressures on the council's financial position.
- 3.15 Increased funding of £499,000 aligned to Teacher Induction Scheme has been received, with costs associated with this funding had been included in the Quarter 2 position.

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

- 3.16 **Appendix 4** sets out the 2022/23 re-profiled budgeted expenditure to the end of December 2022, with a recorded spend of £58 million relative to the revised gross expenditure budget of £111 million. Borrowing requirement is currently £41 million against a revised budgeted requirement of £68 million. As previously reported, the approved budget has been updated with carry-forward figures from 2021/22, and currently remains within the approved capital financial limits over the 5-year period. This limit remains under review and more detail will be provided within the budget development update paper.
- 3.17 Latest projections indicate expenditure of around £90 million by the end of the financial year, and estimated borrowing of £41 million. As stated in the Finance Update report in November, 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. Continued risks arising from updated cost estimates, availability of labour and increased contractor claims for projects in construction are collectively continuing to have a significant impact on the capital plan. Given the significance and importance of the capital programme, this will continue to be closely monitored to ensure that projects are delivered effectively and as planned.
- 3.18 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 remains closely monitored. The reduction in projected expenditure has reduced the in-year borrowing requirement as well as an in-year increase in general capital grant, the majority being forward funding for Musselburgh Flood Protection.
- 3.19 The current levels of spend show an increase on the last two years at this point on the capital programme; many projects are progressing, with current projections indicating a significant proportion of planned budget will be achieved during 2022/23.

- 3.20 External market conditions remain very challenging, with wider supply chain issues, inflationary pressures and wider external risks including interest rate increases on borrowing. This wider external focus is placing significant additional financial challenges on the current approved capital programme and borrowing levels and the financial impact and risk on future capital projects will remain a key area of focus.

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

- 3.21 At this stage HRA revenue is forecast to be around breakeven at year-end, as reported at Quarter 2, voids remain high and work is ongoing to remedy. Rent arrears at December 2022 were £1.1 million (compared to £1.3 million the year before). **Appendix 5** sets out the revenue spend to date.
- 3.22 Looking ahead, in order to meet the two key tests in the financial strategy, a £1 million minimum HRA balance and a debt to income ratio below 40%, adhering to the 5% rent strategy is essential in order to maintain the proposed capital investment in modernising properties and building new council houses.
- 3.23 Capital spend at Quarter 3 was just under £20 million with around £40 million forecast at year-end. Further detail is provided in **Appendix 6**.
- 3.24 At Quarter 2, an overspend was forecast on New Build Council Housing due to Newcraighall Phase 2 starting earlier than planned. At Quarter 3, forecasts are that expenditure will be broadly in line with budget due to slippage across a number of sites caused by a shortage of labour resources and uncertainty in the housing market due to the current economic situation.
- 3.25 Similarly, the modernisation programme forecast is lower than at Quarter 2. This is mainly due to labour resource issues and challenges in awarding and mobilising of contracts. Appendix 6 sets out the HRA capital spend to date.

### **Pressures, Risks and Impact on Future Years Budgets**

#### Pay Award

- 3.26 Teachers pay negotiations are ongoing. The funding announced by the Scottish Government for Local Government Pay awards included funding for Teachers. In addition to the 2% uplift assumed in the approved 2022/23 budget, this funding would reflect pay awards up to 5%. Any settlement above 5% is unfunded in 2022/23 and would be a recurring pressure in future years without additional funding from the Scottish Government.
- 3.27 A number of Teachers strikes have taken place with further planned strikes announced. To date financial savings from strike action is over £500,000. Negotiations to agree a pay deal for teachers is ongoing.
- 3.28 In addition, Chief Officer Pay claims have not yet been finalised.

- 3.29 As noted in the Quarter 2 report, there is an underfunding of the non-Teachers Pay award of around £2 million, and as highlighted earlier, work remains ongoing to identify recurring options to mitigate this pressure.
- 3.30 The £2m gap in Non Teachers pay funding has been included in the pressures within the 2023/24 budget.

#### Utility Inflation

- 3.31 As previously reported, there have been significant increases in utility costs this year with gas up over 160% and electricity by 25%.
- 3.32 Mitigation measures are in place to control temperatures in buildings and at Quarter 3 this has helped reduced the forecast by around £70,000. Despite this, costs will be in excess of budget by over £1.1 million by year-end.
- 3.33 Costs increase projections for 2023/24 are in excess of £1m and taking account of the pressure this year the utility budget will increase by over £2m in the 2023/24 budget.
- 3.34 This remains a key risk and enhanced monitoring processes remain in place.

#### General Inflation

- 3.35 General inflation remains at over 10% and continues to have an impact on the prices paid by the Council for goods and services. The UK Government target is to half inflation in 2023.

#### Interest Rates

- 3.36 As noted in the Quarter 2 report, recent turbulence in the economy has given rise to increases in interest rates beyond previous expectations. Officers are continuing to update modelling to reflect changes in borrowing rates and to review the impact of this on revenue budgets and the affordability of the capital programme whilst developing options to mitigate the impact. The five year budget from 2023/24 is reflective of these increased debt charges.

#### **Conclusion**

- 3.37 The council continues to operate in a challenging, complex and ever changing financial environment. Within General Services revenue, there is a forecast overspend of £16.8 million, much of it because of unfunded pay settlements and inflationary pressures. The affordability of the capital programme is also uncertain as material and contract costs increase along with the cost of borrowing. To help manage the financial position, it is critical to maintain any areas of underspend, enhanced vacancy management continues and further flexibilities and mitigations are identified.

#### **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
- 7.4 Cabinet – 13 September 2022 (Meeting delayed until 27 September 2022) – Item 1 – Quarter 1 Financial Review 2022/23
- 7.5 Council – 25 October 2022 – Item 4 – Finance Update
- 7.6 Council – 22 November 2022 – Item 1- Finance Update
- 7.7 Council – 13 December 2022 – Item 4 – Financial and Capital Strategies

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<b>DATE</b>	14 February 2023



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

Service	Head of Service	Business Unit	2022/23 Budget	Year to Date			2021/22 Budget Variance to Date	Financial Risk Assessment	2022/23 Full Year Forecast Variance (After Applying Planned Use of Reserves)
				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	1,294	913	970	-57	-5.9%	-76	
Education & Children's	Children's	Management	5,076	4,130	3,481	649	18.6%	1,427	
Education & Children's	Children's	Assessment HUB and Early Interventions	2,601	1,782	1,853	-71	-3.8%	-73	
Education & Children's	Children's	Long Term Social Work Supervisory Groups	2,401	1,666	1,722	-56	-3.3%	-75	
Education & Children's	Children's	TAC, Disability & Resources	6,607	4,921	5,135	-214	-4.2%	-285	
Education & Children's	Children's	Disability Short Breaks	689	499	513	-14	-2.7%	-18	
<b>EDUCATION &amp; CHILDREN'S</b>	<b>CHILDREN'S TOTAL</b>		<b>18,668</b>	<b>13,911</b>	<b>13,674</b>	<b>237</b>	<b>1.7%</b>	<b>900</b>	
Education & Children's	Education	Additional Support for Learning	11,563	8,739	8,734	5	0.1%	7	
Education & Children's	Education	Pre-school Education & Childcare	17,001	11,456	12,291	-835	-6.8%	-1,112	
Education & Children's	Education	Schools - Primary	49,701	33,575	33,562	13	0.0%	17	
Education & Children's	Education	Schools - Secondary	50,191	33,505	33,697	-192	-0.6%	-256	
Education & Children's	Education	Schools - Support Services	4,773	5,277	4,827	450	9.3%	600	
Education & Children's	Education	East Lothian Works	1,362	2,379	2,514	-135	-5.4%	-180	
<b>EDUCATION &amp; CHILDREN'S</b>	<b>EDUCATION TOTAL</b>		<b>134,591</b>	<b>94,931</b>	<b>95,625</b>	<b>-694</b>	<b>-0.7%</b>	<b>-924</b>	
<b>EDUCATION &amp; CHILDREN'S TOTAL</b>			<b>153,259</b>	<b>108,842</b>	<b>109,299</b>	<b>-457</b>	<b>-0.4%</b>	<b>-24</b>	
Council Resources	Finance	Financial Services	2,293	3,031	3,259	-228	-7.0%	-931	
Council Resources	Finance	Revenues & Benefits	7,196	6,376	6,129	247	4.0%	-60	
Council Resources	Finance	Procurement	364	222	245	-23	-9.4%	-50	
<b>COUNCIL RESOURCES</b>	<b>FINANCE TOTAL</b>		<b>10,463</b>	<b>9,629</b>	<b>9,633</b>	<b>-4</b>	<b>0.0%</b>	<b>-1,041</b>	
Council Resources	Corporate	IT Services	3,079	1,784	1,793	-9	-0.5%	-12	
Council Resources	Corporate	People & Council Support	3,617	2,709	2,674	35	1.3%	-129	
Council Resources	Corporate	Governance	2,350	1,408	1,563	-155	-9.9%	-206	
Council Resources	Corporate	Communications	448	317	331	-14	-4.2%	-20	
<b>COUNCIL RESOURCES</b>	<b>CORPORATE TOTAL</b>		<b>9,494</b>	<b>6,218</b>	<b>6,361</b>	<b>-143</b>	<b>-2.2%</b>	<b>-367</b>	
<b>COUNCIL RESOURCES TOTAL</b>			<b>19,957</b>	<b>15,847</b>	<b>15,994</b>	<b>-147</b>	<b>-0.9%</b>	<b>-1,408</b>	
Health & Social Care Partnership	Head of Operations	Adult SW	36,603	27,265	22,762	4,503	19.8%	6,025	
Health & Social Care Partnership	Head of Operations	Acute & Ongoing Care	8,191	6,898	6,558	340	5.2%	509	
Health & Social Care Partnership	Head of Operations	Rehabilitation	1,697	1,423	1,523	-100	-6.6%	106	
Health & Social Care Partnership	Head of Operations	Adult Statutory Services	2,587	2,836	2,248	588	26.2%	427	
Health & Social Care Partnership	Head of Operations	Statutory Services	2,296	2,147	2,059	88	4.3%	68	
Health & Social Care Partnership	Head of Operations	Head of Operations	11,929	1,980	7,258	-5,278	-72.7%	-6,466	
Health & Social Care Partnership	Head of Operations	Business & Performance IJB	2,990	2,766	2,697	69	2.6%	59	
<b>HEALTH &amp; SOCIAL CARE PARTNERSHIP</b>	<b>IJB TOTAL</b>		<b>66,293</b>	<b>45,315</b>	<b>45,105</b>	<b>210</b>	<b>0.5%</b>	<b>728</b>	
Health & Social Care Partnership	Head of Operations	Business & Performance Non-IJB	540	853	540	313	58.0%	313	
<b>HEALTH &amp; SOCIAL CARE PARTNERSHIP</b>	<b>Non-IJB TOTAL</b>		<b>540</b>	<b>853</b>	<b>540</b>	<b>313</b>	<b>58.0%</b>	<b>313</b>	
<b>HEALTH &amp; SOCIAL CARE PARTNERSHIP TOTAL</b>			<b>66,833</b>	<b>46,168</b>	<b>45,645</b>	<b>523</b>	<b>1.1%</b>	<b>1,041</b>	
Place	Development	Planning	1,374	647	831	-184	-22.1%	-247	
Place	Development	Economic Development	1,697	1,674	1,483	191	12.9%	-78	
<b>PLACE</b>	<b>DEVELOPMENT TOTAL</b>		<b>3,071</b>	<b>2,321</b>	<b>2,314</b>	<b>7</b>	<b>0.3%</b>	<b>-325</b>	
Place	Housing	Housing, Strategy & Development	353	521	513	8	1.6%	9	
Place	Housing	Property Maintenance Trading Account	-863	3,699	3,316	383	11.6%	510	
Place	Housing	Community Housing	2,446	255	94	161	171.3%	214	
<b>PLACE</b>	<b>HOUSING TOTAL</b>		<b>1,936</b>	<b>4,475</b>	<b>3,923</b>	<b>552</b>	<b>14.1%</b>	<b>733</b>	
Place	Infrastructure	Facility Support Services	3,903	3,184	3,259	-75	-2.3%	-100	
Place	Infrastructure	Facility Trading Activity	-276	-230	-195	-35	17.9%	-48	
Place	Infrastructure	Asset Maint & Engineering Services	3,437	3,009	3,178	-169	-5.3%	-226	
Place	Infrastructure	Asset Management & Capital Planning	-413	814	912	-98	-10.7%	-131	
Place	Infrastructure	Landscape & Countryside Management	5,888	4,492	4,347	145	3.3%	192	
Place	Infrastructure	Roads Network	4,893	2,929	2,996	-67	-2.2%	-90	
Place	Infrastructure	Roads Trading Activity	-562	-138	-329	191	-58.1%	255	
Place	Infrastructure	Transportation	1,636	2,865	2,963	-98	-3.3%	-131	
Place	Infrastructure	Waste Services	9,816	6,136	6,126	10	0.2%	13	
Place	Infrastructure	Active Business Unit	3,781	2,825	2,819	6	0.2%	9	
<b>PLACE</b>	<b>INFRASTRUCTURE TOTAL</b>		<b>32,102</b>	<b>25,886</b>	<b>26,076</b>	<b>-190</b>	<b>-0.7%</b>	<b>-256</b>	
Place	Communities & Partnerships	Corporate Policy & Improvement	1,934	1,523	1,652	-129	-7.8%	-170	
Place	Communities & Partnerships	Connected Communities	6,585	4,961	5,063	-102	-2.0%	-135	
Place	Communities & Partnerships	Protective Services	1,983	1,324	1,439	-115	-8.0%	-152	
Place	Communities & Partnerships	Customer Services Group	4,308	3,008	3,089	-81	-2.6%	-113	
<b>PLACE</b>	<b>COMMUNITIES &amp; PARTNERSHIPS TOTAL</b>		<b>14,810</b>	<b>10,816</b>	<b>11,243</b>	<b>-427</b>	<b>-3.8%</b>	<b>-570</b>	
<b>PLACE TOTAL</b>			<b>51,919</b>	<b>43,498</b>	<b>43,556</b>	<b>-58</b>	<b>0.0%</b>	<b>-418</b>	
<b>SERVICE TOTAL</b>			<b>291,967</b>	<b>214,355</b>	<b>214,494</b>	<b>-139</b>	<b>-0.1%</b>	<b>-808</b>	
<b>CORPORATE MANAGEMENT TOTAL</b>			<b>-291,967</b>	<b>-199,752</b>	<b>-204,232</b>	<b>4,480</b>	<b>-2.2%</b>	<b>4,808</b>	
<b>TOTAL</b>			<b>0</b>	<b>14,603</b>	<b>10,262</b>	<b>4,341</b>	<b>42.3%</b>	<b>4,000</b>	

## Appendix 2

East Lothian Council

2022/23 Budget Efficiencies - Quarter 3

Service	2022/23		
	Achieved	Amber	High
	£'000	£'000	£'000
Education	0	0	0
Finance	0	0	0
Corporate Services	20	0	0
H&SCP	0	0	0
Housing	8	0	0
Communities	30	0	0
Infrastructure	155	30	0
Corporate Management	0	150	0
<b>Total</b>	<b>213</b>	<b>180</b>	<b>0</b>
	54.20%	45.80%	0.00%

**393**

### Appendix 3

#### East Lothian Council

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

	£million
<b>2022/23 GRG (per Budget Amendment)</b>	<b>195.103</b>
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<b>Additional Funding - GRG</b>	
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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
Whole Family Wellbeing Funding	0.579
Local Heat and Energy Efficiency Strategy	0.075
Balance of the 2021/22 Teachers Pay Award	0.627
£150 Cost of Living Support - 90% of allocation	4.339
Local Government Pay Offer	2.679
£150 Cost of Living Support - Final 10%	0.497
Green Growth Accelerator Funding	0.026
Scottish Child Bridging Payments	0.433
Adult Disability Payment	0.054
DHP Benefit Cap and Admin	0.053
Educational Psychologists	0.008
Council Tax Reduction	0.029
Additional Teacher Induction Scheme	0.499
Self Isolation Assistance Service	0.013
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<b>Total Additional Funding</b>	<b>15.809</b>
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<b>Revised GRG</b>	<b>210.912</b>
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## Appendix 4

## East Lothian Council

## General Services Capital Budget Monitoring Summary 2022-23

## Quarter 3

		Annual (In-Year)									
RAG	Approved Budget 2022/23	Updated Budget 2022/23	Actual 2022/23	Updated Budget - Actual Variance 2022/23	Projected Outturn 2022/23	Updated Budget - Projection Variance 2022/23	Previously reported Outturn to Council (P6/Q2)	Outturn Variance	Projected Outturn 2022/23 - Funding	General Capital Grant / Council Borrowing	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Expenditure</b>											
<b>Community Projects</b>											
	G	375	375	(69)	(444)	260	(115)	275	(15)	-	(260)
	G	125	125	1	(124)	25	(100)	25	-	(13)	(13)
	G	90	90	-	(90)	-	(90)	90	(90)	-	-
	G	196	286	-	(286)	15	(271)	286	(271)	(15)	-
	G	1,544	2,258	1,671	(587)	2,258	-	2,258	-	-	(2,258)
	G	150	378	51	(326)	200	(178)	200	-	-	(200)
	G	823	1,275	807	(469)	1,500	225	1,992	(492)	(1,500)	-
		<b>3,303</b>	<b>4,787</b>	<b>2,460</b>	<b>(2,326)</b>	<b>4,258</b>	<b>(529)</b>	<b>5,126</b>	<b>(868)</b>	<b>(1,528)</b>	<b>(2,730)</b>
		(823)	(1,275)	-	1,500	(1,500)	(225)	(1,992)	492	-	-
		(236)	(236)	-	28	(28)	208	(248)	221	-	-
		<b>(1,059)</b>	<b>(1,511)</b>	<b>-</b>	<b>1,528</b>	<b>(1,528)</b>	<b>(16)</b>	<b>(2,241)</b>	<b>713</b>	<b>-</b>	<b>-</b>
<b>ICT</b>											
	A	2,100	2,100	1,247	(853)	1,720	(380)	2,220	(500)	(120)	(1,600)
		<b>2,100</b>	<b>2,100</b>	<b>1,247</b>	<b>(853)</b>	<b>1,720</b>	<b>(380)</b>	<b>2,220</b>	<b>(500)</b>	<b>(120)</b>	<b>(1,600)</b>
		-	-	-	120	(120)	(120)	(120)	-	-	-
		<b>-</b>	<b>-</b>	<b>-</b>	<b>120</b>	<b>(120)</b>	<b>(120)</b>	<b>(120)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fleet</b>											
	G	230	230	147	(83)	230	(0)	230	-	-	(230)
	A	5,041	5,554	2,294	(3,260)	3,594	(1,960)	3,000	594	-	(3,594)
		<b>5,271</b>	<b>5,784</b>	<b>2,441</b>	<b>(3,343)</b>	<b>3,823</b>	<b>(1,961)</b>	<b>3,230</b>	<b>594</b>	<b>-</b>	<b>(3,823)</b>
		-	-	-	-	-	-	-	-	-	-
		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Open Space</b>											
	G	500	500	358	(142)	500	-	529	(29)	(140)	(360)
	G	439	939	28	(911)	100	(839)	439	(339)	(100)	-
	G	300	315	-	(315)	10	(305)	25	(15)	-	(10)
	G	1,642	1,912	224	(1,688)	750	(1,162)	829	(79)	-	(750)
	G	14	81	42	(40)	112	30	112	-	(40)	(72)
	G	50	59	-	(59)	50	(9)	50	-	-	(50)
	G	12	38	14	(24)	38	-	38	-	-	(38)
	G	-	43	31	(12)	50	7	153	(103)	-	(50)
	G	100	100	146	46	108	8	108	-	-	(108)
	G	160	160	-	(160)	-	(160)	-	-	-	-
	G	1,361	1,361	37	(1,325)	703	(658)	1,505	(802)	(652)	(51)
	G	172	172	111	(61)	168	(4)	172	(4)	-	(168)
	G	40	40	26	(14)	44	4	40	4	-	(44)
		<b>4,791</b>	<b>5,720</b>	<b>1,015</b>	<b>(4,705)</b>	<b>2,633</b>	<b>(3,088)</b>	<b>4,000</b>	<b>(1,367)</b>	<b>(931)</b>	<b>(1,702)</b>
		(361)	(361)	-	361	(125)	237	(557)	432	-	-
		(1,011)	(1,020)	-	1,020	(806)	214	(1,176)	370	-	-
		<b>(1,372)</b>	<b>(1,382)</b>	<b>-</b>	<b>1,382</b>	<b>(931)</b>	<b>451</b>	<b>(1,733)</b>	<b>802</b>	<b>-</b>	<b>-</b>
<b>Roads, Lighting and related assets</b>											
	G	472	502	100	(402)	721	219	721	-	(721)	-
	G	1,520	3,038	0	(3,038)	1,520	(1,518)	3,038	(1,518)	-	(1,520)
	G	110	230	88	(142)	134	(96)	230	(96)	-	(134)
	G	6,700	6,993	3,690	(3,302)	6,637	(356)	6,735	(98)	-	(6,637)
	G	1,729	1,729	1,332	(397)	1,729	-	1,729	-	(1,729)	-
	G	30	30	13	(17)	30	-	30	-	(30)	-
		<b>10,561</b>	<b>12,522</b>	<b>5,224</b>	<b>(7,297)</b>	<b>10,770</b>	<b>(1,751)</b>	<b>12,483</b>	<b>(1,712)</b>	<b>(2,480)</b>	<b>(8,291)</b>
		(69)	(69)	-	69	(69)	-	(69)	-	-	-
		(2,162)	(2,192)	-	2,411	(2,411)	(219)	(2,411)	-	-	-
		<b>(2,231)</b>	<b>(2,261)</b>	<b>-</b>	<b>2,480</b>	<b>(2,480)</b>	<b>(219)</b>	<b>(2,480)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Property - Education</b>											
	G	1,698	2,413	31	(2,382)	70	(2,343)	300	(230)	(70)	-
	A	3,227	3,216	542	(2,674)	744	(2,472)	1,000	(256)	(744)	-
	A	4,298	4,292	529	(3,762)	727	(3,564)	1,000	(273)	(727)	-
	G	-	-	-	-	-	-	-	-	(131)	131
	G	-	24	19	(5)	24	-	24	-	(24)	-
	G	324	524	-	(524)	-	(524)	200	(200)	-	-
	G	77	77	-	(77)	-	(77)	77	(77)	-	-
	G	-	702	4	(698)	450	(252)	500	(50)	(312)	(138)
	G	26	51	-	(51)	-	(51)	51	(51)	-	-
	G	26	51	-	(51)	-	(51)	51	(51)	-	-
	A	2,890	3,415	2,248	(1,167)	3,415	-	3,085	330	(3,415)	-
	G	-	120	8	(112)	10	(110)	120	(110)	-	(10)
	G	157	156	31	(125)	35	(121)	20	15	(35)	-
	G	284	412	282	(130)	300	(112)	412	(112)	-	(300)
	A	1,445	3,083	2,073	(1,010)	3,467	385	3,083	385	(3,337)	(131)
	A	374	1,012	1,271	258	1,353	341	1,353	-	-	(1,353)
	G	1,454	2,087	793	(1,293)	2,087	-	2,087	-	(871)	(1,216)
	G	2,970	3,596	1,948	(1,648)	2,596	(1,000)	2,596	-	(2,596)	-
	G	248	248	-	(248)	30	(218)	100	(70)	(30)	-
	G	3	3	-	(3)	-	(3)	3	(3)	-	-
	A	1,273	1,377	1,658	282	1,873	496	1,377	496	(1,873)	-
	G	330	653	-	(653)	-	(653)	30	(30)	-	-
	G	-	-	18	18	2	2	5	(2)	(3)	-
	G	648	742	805	63	959	218	742	218	(823)	(136)
	G	-	59	10	(49)	10	(49)	59	(49)	-	(10)
	G	18,545	19,801	17,520	(2,281)	22,800	2,999	19,801	2,999	(451)	(22,349)
	G	1,590	1,794	1,621	(173)	2,315	521	1,794	521	(1,789)	(526)
	G	185	309	128	(181)	309	-	309	-	(309)	-
	G	1,063	1,010	3	(1,008)	10	(1,000)	10	-	(10)	-
	G	900	900	840	(60)	840	(60)	900	(60)	-	(840)
		<b>44,035</b>	<b>52,125</b>	<b>32,382</b>	<b>(19,743)</b>	<b>44,426</b>	<b>(7,699)</b>	<b>41,086</b>	<b>3,339</b>	<b>(17,548)</b>	<b>(26,878)</b>
		(10,760)	(12,863)	-	9,660	(9,660)	3,203	(9,585)	(75)	-	-
		(8,190)	(8,498)	-	7,888	(7,888)	610	(6,645)	(1,244)	-	-

Appendix 4  
 East Lothian Council  
 General Services Capital Budget Monitoring Summary 2022-23  
 Quarter 3

RAG	Annual (In-Year)									
	Approved Budget 2022/23	Updated Budget 2022/23	Actual 2022/23	Updated Budget - Actual Variance 2022/23	Projected Outturn 2022/23	Updated Budget - Projection Variance 2022/23	Previously reported Outturn to Council (P6/Q2)	Outturn Variance	Projected Outturn 2022/23 - Funding	General Capital Grant / Council Borrowing
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>										
Other Funding Sources										
<b>Total Income: Property - Education</b>										
	(18,950)	(21,361)	-	17,548	(17,548)	3,813	(16,230)	(1,319)		(0)
<b>Property - Other</b>										
Accelerating Growth:	11,696	14,702	9,545	(5,156)	14,438	(263)	12,088	2,350	(7,921)	(6,518)
- Cockenzie	3,000	3,000	657	(2,343)	980	(2,020)	1,000	(20)	(980)	-
- Blindwells	91	273	56	(218)	158	(115)	110	48	(50)	(108)
- Innovation Hub	1,006	1,330	603	(727)	800	(530)	1,330	(530)	-	(800)
- A1/QMU Junction	7,599	10,098	8,229	(1,869)	12,500	2,402	9,648	2,852	(6,890)	(5,610)
Brunton Hall - Improved Community Access	200	200	-	(200)	50	(150)	200	(150)	-	(50)
Court Accommodation - incl. SPOC	1,749	1,749	-	(1,749)	-	(1,749)	249	(249)	-	-
Haddington Corn Exchange - upgrades	16	16	-	(16)	-	(16)	-	-	-	-
Haddington Town House - Refurbishment and Rewire	300	417	459	42	417	-	417	-	-	(417)
Meadowmill - New Depot	-	25	27	2	27	2	25	2	-	(27)
New ways of working Programme	1,995	1,995	540	(1,455)	973	(1,022)	973	-	-	(973)
Prestonrange Museum	2,279	2,484	550	(1,934)	1,004	(1,480)	2,484	(1,480)	(633)	(370)
Property Renewals	3,000	3,000	1,549	(1,451)	3,099	99	3,099	-	(99)	(3,000)
Replacement Childrens House	802	802	-	(802)	-	(802)	802	(802)	-	-
Sports Centres	200	372	340	(32)	372	-	372	-	-	(372)
Tynebank Resource Centre	-	-	8	8	8	8	8	-	(8)	-
Water meter size reduction	14	14	-	(14)	-	(14)	14	(14)	-	-
Whitecraig Community Centre	-	49	0	(49)	49	-	49	-	-	(49)
<b>Total Property - Other</b>	<b>22,251</b>	<b>25,825</b>	<b>13,019</b>	<b>(12,806)</b>	<b>20,437</b>	<b>(5,388)</b>	<b>20,781</b>	<b>(343)</b>	<b>(8,660)</b>	<b>(11,777)</b>
(0)										
Developer Contribution										
Other Funding Sources										
<b>Total Income: Property - Other</b>										
	(5,993)	(7,379)	-	8,660	(8,660)	(1,281)	(5,486)	(3,175)		-
	(5,993)	(7,379)	-	8,660	(8,660)	(1,281)	(5,486)	(3,175)		-
<b>Total Property Spend - Education and Other</b>										
	66,286	77,950	45,402	(32,549)	64,863	(13,087)	61,867	2,996		
<b>Total Income: Property - Education and Other</b>	<b>(24,943)</b>	<b>(28,740)</b>		<b>26,209</b>	<b>(26,209)</b>	<b>2,531</b>	<b>(21,716)</b>	<b>0</b>	<b>(26,209)</b>	<b>(38,655)</b>
Capital Plan Fees	2,447	2,447	-	(2,447)	2,447	-	2,447	-	-	(2,447)
<b>Total Gross Expenditure</b>	<b>94,759</b>	<b>111,310</b>	<b>57,790</b>	<b>(53,520)</b>	<b>90,514</b>	<b>(20,796)</b>	<b>91,372</b>	<b>(858)</b>	<b>(31,267)</b>	<b>(59,248)</b>
<b>Income</b>										
Developer Contribution	(11,190)	(13,293)			(9,853)	3,440	(10,211)	357		
1140 Grant Income	(8,190)	(8,498)			(7,888)	610	(6,645)	(1,244)		
1140 CFR from Revenue										
Town Centre Regeneration Grant	(823)	(1,275)			(1,500)	(225)	(1,992)	492		
Other Funding Sources	(9,401)	(10,827)			(12,025)	(1,198)	(9,441)	(2,584)		
Scottish Government General Capital Grant	(9,044)	(9,422)			(18,158)	(8,736)	(9,422)	(8,736)		18,158
<b>Total Income</b>	<b>(38,648)</b>	<b>(43,316)</b>			<b>(49,425)</b>	<b>(6,109)</b>	<b>(37,711)</b>	<b>(11,714)</b>		
<b>Borrowing Requirement</b>										
	56,110	67,994			41,089	(26,905)	53,660	(12,571)		(41,089)
Actual as % of Approved Budget	61%									
Actual as % of Updated Budget		52%								
Actual as % of Projected Outturn					64%					

Appendix 5  
 East Lothian Council  
 Budget Monitoring HRA 2022/23 - Quarter 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	-26,146	-25,646	-500
Total Expenditure	33,025	12,901	12,434	467
<b>(Surplus) / Deficit for Year</b>	<b>-1,686</b>	<b>-13,245</b>	<b>-13,212</b>	<b>-33</b>

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

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

	<b>2022/23 Budget</b>	<b>2022/23 Actual to Date</b>	<b>2022/23 Budget to Date</b>	<b>2022/23 Budget Variance to Date</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Modernisation	14,421	6,373	7,290	-917
New Council Housing	26,068	13,158	19,551	-6,393
Fees	1,410	0	0	0
Mortgage to Rent	280	0	0	0
<b>TOTAL</b>	<b>42,179</b>	<b>19,531</b>	<b>26,841</b>	<b>-7,310</b>

Funded By:

	<b>2022/23 Budget</b>	<b>2022/23 Actual to Date</b>	<b>2022/23 Budget to Date</b>	<b>2022/23 Budget Variance to Date</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Grants	-6,500	-5,964	-4,875	-1,089
Grants MTR	-196	0	0	0
CFCR	-1,500	0	0	0
Borrowing	-33,983	0	0	0
<b>TOTAL</b>	<b>-42,179</b>	<b>-5,964</b>	<b>-4,875</b>	<b>-1,089</b>

