

REPORT TO: East Lothian Council

MEETING DATE: 25 June 2024

BY: Executive Director for Council Resources

SUBJECT: Financial Review 2023/24

1 PURPOSE

- 1.1 To provide an update on the **DRAFT** financial position for the year ending 31 March 2024.

2 RECOMMENDATIONS

- 2.1 The Council is recommended to:
- Note the **DRAFT** revenue and capital out-turn positions, that these are provisional and remain subject to audit.
 - Agree to the creation of earmarked reserves for service concessions and Scottish Future Trust funds for the Wallyford Learning Campus.
 - Agree to provide a letter of guarantee to support the going concern assumption for East Lothian Leisure and Brunton Theatre Trust.
 - Agree to transfer £230,000 from the Wallyford Learning Campus capital budget underspend to support the delivery of pitches at North Berwick High School.
 - Agree to an additional contribution of £750,000 to the IJB to fund the Analogue to Digital capital project (£100,000 for costs incurred during 2023/24 and a commitment to fund the remaining implementation costs up to £750,000).
 - Agree to the updated budget mitigation measures set out in paragraph 3.30, noting that these will remain under review through the quarterly monitoring process.
 - Note that fiscal flexibilities for service concessions have now been applied in line with the decision by Council in February 2023.

3 BACKGROUND

- 3.1 During 2023/24 Council has considered financial reviews setting out the enhanced challenges of managing an increasingly complex and growing range of financial pressures and associated risks.
- 3.2 The significance of these pressures is reflected in the Corporate Risk Register where “Managing the Financial Environment” risk remains the highest ever scoring risk being managed by the Council and continues to represent the key corporate priority risk.
- 3.3 This report sets out the financial results for the 2023/24 financial year across all service areas. These results remain in draft and subject to change pending the finalisation of the 2023/24 audit.

Unaudited Accounts – 2023/24

- 3.4 The draft accounts covering the financial year 2023/24 are in the process of being finalised for publication. The timetable for considering the annual accounts is set out below:
- In accordance with requirements, the Chief Financial Officer will be responsible for ensuring the draft accounts are submitted for audit by the statutory deadline of 30 June 2024. The **DRAFT** accounts will be submitted formally to Members’ Library Service following submission to audit.
 - The audit will be undertaken between June and November 2024.
 - Aligned to statutory requirements, the draft accounts will be available for public inspection during the first three weeks of July 2024.
 - A briefing will be offered to Elected Members in August 2024 to support a wider understanding of the final accounts and key issues contained in them.
 - In August 2024, the **DRAFT** accounts will be presented to Council for consideration in order to support formal requirements to enable members to scrutinise the unaudited accounts by 31 August 2024.
 - Following an indication by external audit of their planned work schedule, the audited accounts are expected to be formally considered by Audit and Governance Committee at the end of November 2024.
- 3.5 The accounts and financial results will remain in **DRAFT** pending the completion of the audit. Members will be kept fully apprised of any material changes that may arise during the course of the audit.

General Services Revenue Summary – 31 March 2024

- 3.6 An analysis of the financial position across service groups is set out in **Appendix 1** with further details regarding the main variances in the paragraphs below.

- 3.7 Several budgets have changed to reflect necessary accounting adjustments to ensure that the surplus or deficit on service areas reflects only costs that are chargeable direct to the taxpayer. The most significant of these adjustments relates to IAS19 Pension requirements. No budget variances have arisen from these adjustments.
- 3.8 In summary, before applying use of reserves and other mitigations, there was an overspend of £12.273 million (4.1%). The total includes one-off costs to be funded from earmarked reserves of £2.233 million. The main reasons for the overspend are:
- Children's Services - £2 million. This is due to overspends in commissioned external placements.
 - IJB - £ 3.122 million
 - Asset Review Savings - £400,000 (which will be delivered in 2024/25)
 - Trading Accounts - £1 million
 - One-off Use of Reserves to fund recurring budget pressures - £9.7 million.
- 3.9 A number of one-off savings have resulted in non-recurring underspends which partly offset the financial pressure in-year. These include:
- Education - £3.964 million
 - Additional Funding for Pay & RSG - £1.4 million
 - Infrastructure - £264,000
 - Communities - £873,000
- 3.10 It is anticipated that the IJB overspend will be met from IJB reserves, subject to an additional capital contribution from the Council. This is detailed further in paragraphs 3.23 to 3.26 below.
- 3.11 The application of the IJB reserves reduces the overspend from £12.273 million to £9.151 million (3.0%). The overspend will be funded by reserves as set out in **Appendix 3**.

2023/24 Efficiencies

- 3.12 During 2023/24, Council approved £4.402 million of planned efficiencies, of which, £875,000 were not delivered in full. These include:
- Increased Rental Charges for Day Centres - £175,000. This saving was not delivered, resulting in a budget pressure in 2023/24.
 - Review of Council Assets - £400,000. This will be delivered in 2024/25 when the full saving from ending the rental agreement for Randall House is recognised. The target for asset review savings increased by £1 million within the agreed budget for 2024/25 and work to develop plans for achieving this is ongoing.

- Reducing Public Holidays by 2 days - £300,000. The budget agreed for 2024/25 assumes that this saving will be delivered in the current financial year. If this is not achievable, then it will be necessary to identify alternative measures to offset this.

3.13 Further detail is set out in **Appendix 2**.

Reserves

3.14 The impact of the 2023/24 revenue out-turn will be a net reduction in general reserves of £8.7 million (The £9.151 million overspend on the ledger adjusted by the increase in the affordable housing earmarked reserve). This comprises drawdowns for planned use of reserves and the in-year budget overspend, offset by contributions to earmarked reserves where funds will be required to fulfil a specific purpose in the future.

3.15 Two new earmarked reserves are proposed:

- **Scottish Futures Trust Earmarked Reserve - £1.292 million**, this funding is to support maintaining the new Wallyford Learning Campus at specific standards required to access ongoing SFT grant funding conditions. The funding profile does not match the likely maintenance and renewal programme on the building and this reserve would offset years when the costs of the work exceed the available funding in-year. This reserve, if topped up annually, would give the Council some security around its ability to meet future building costs.
- **Service Concessions Earmarked Reserve - £1.043 million**, this reserve will partially offset the future costs associated with the extended repayment period on PPP assets, which arises because of applying fiscal flexibilities in line with the decision made by Council in February 2023. The reserve, if topped up on an annual basis will mitigate future financial risks to the Council which may arise from extending the repayment period for these assets.

3.16 As noted above, Council agreed in February 2023 to apply permitted fiscal flexibilities for service concessions (PPP) assets. This has now been applied and the impact of the backdated accounting adjustment has increased opening reserves by £14.193 million, which will be used to support and enable change to deliver financial sustainability, as previously agreed by Council. This represents a non-cash adjustment to reserves, which means that it will be necessary to borrow to spend these. Taking this into account, the movement in the general reserves balance reported at 31 March 2023 is an overall increase of £14.193 million.

3.17 The Council's approved reserves strategy sets out the requirement to maintain a minimum unallocated balance on the general fund, which is currently set at £7.6 million, and this level has been maintained. The remaining increase to the reserves balance arising from the application of fiscal flexibilities has been allocated to the Transformation earmarked reserve, in line with the previous council decision.

- 3.18 An indicative summary of general reserves at 31 March 2024 is provided in **Appendix 3**.
- 3.19 The closing reserves balance at 31 March 2024 enables unallocated balances to be maintained above the minimum acceptable level set out within the financial strategy. However, as noted in the 2022/23 Annual Audit Report:
- The Council's level of uncommitted general reserves as a percentage of overall budget is below the Scottish average as at 31 March 2022 of 3.48% (based on the 2024/25 budget, the minimum unallocated balance would need to increase to £11.5 million in order to align with the 2022/23 Scottish average).
 - The Council should continue to review the level of earmarked and uncommitted reserves to ensure these provide sufficient contingency and continue to support financial sustainability over the short, medium and long term.
 - One of the key measures of the financial health of a body is the level of reserves held.
- 3.20 In addition, the risks around the low level of unallocated reserves relative to the level of risk facing the Council has continued to be raised within the Financial Strategy and wider Council finance reports. Given the extent of risk factors which the council continues to face, it is essential that action is taken to preserve the unallocated general fund balance over the coming year, in order to ensure that the council holds adequate contingency and would have the capacity to respond to any future unforeseen events.

Additional Scottish Government Funding

- 3.21 In 2023/24 there has been net additional funding totalling £1.4 million from the Scottish Government. **Appendix 4** sets out the full details of additional funding provided during 2023/24. The largest element of this was additional funding of just under £1 million as a part contribution to support the complex funding arrangements for the 2023/24 pay award.

Council Tax

- 3.22 Overall, Council Tax income was £290,000 higher than budget. In percentage terms this represents a small variance to the budget set and is mainly due to additional properties and lower than anticipated discounts.

Integrated Joint Board (IJB)

- 3.23 The IJB has delegated authority over the majority of the Health and Social Care budget along with a small number of other budgets within Community Housing, the Housing Revenue Account and Housing Capital. The management of these resources remains in line with the scheme of integration and wider overall IJB resources.

- 3.24 The IJB delivered an overspend of £3.122 million mainly due to the increasing demand for commissioned care services for clients including Care Home placements and Care at Home services.
- 3.25 This overspend has been funded as follows:
- IJB Ear-marked Reserves - £763,000
 - IJB Reserves - £2.359 million (see comments on analogue to digital costs below)
- 3.26 There is a proposed additional capital contribution from the Council to fund analogue to digital costs for IJB services. £128,000 was incurred in 2023/24 with a balance of £622,000 to come in future years. By doing this, it enables the reserve that was being held to cover these costs to be used as one of the levers to offset the overspend. It is recommended that this proposal is agreed.
- 3.27 The impact of the in-year overspend is a significant reduction to IJB reserves which will leave limited capacity to respond to future budget overspends in this way. This presents a risk to funding partners if any future budget overspends cannot be contained within IJB reserves. The IJB has therefore developed a recovery plan which seeks to ensure that budgets are delivered within available budgets in 2024/25 and this will continue to be closely monitored.

Council's Group Components

- 3.28 In previous years, a "letter of guarantee" was provided to both Enjoy and Brunton Theatre Trust in closing off their final accounts. The "guarantee", whilst not prescriptive in respect of quantum, gave both organisations positive assurance that the Council would work proactively with them to manage cash flow and fulfil their obligations should the need arise.
- 3.29 It is recommended that a similar "letter of guarantee" is supported for both Enjoy and Brunton Theatre Trust as part the 2023/24 accounts closedown.

Update on Mitigation Measures

- 3.30 In response to the projected in-year overspend, Council agreed to continue with a number of temporary budget mitigation measures. These measures have necessarily resulted in some disruption to service delivery alongside some improvements to the outturn position. The agreed measures were designed to be temporary, and it is appropriate that they are revisited at this time. Given the ongoing challenging financial position that the Council faces, along with the wide range of significant ongoing risk factors, it remains necessary to continue to operate enhanced controls to mitigate the risk and impact of further budget overspends. It is therefore proposed that the following ongoing control measures will apply from the date of this meeting:
- Recruitment – posts will only be filled if there would be an obvious detrimental impact on the three agreed short term Council Plan priorities from not doing so and sign-off has been given by CMT and

EMT. This may result in ongoing disruptions to service delivery and closure of Council facilities and bi-weekly recruitment will continue.

- All Council managers must operate within approved budget levels, preserving underspends where possible.
- Where a service is overspent or at risk of overspending, urgent financial recovery actions will be required in order to bring spending in line with approved budget levels.
- Use of agency staff should be kept to a minimum and should be kept under close review.
- Council officers will continue to work with partner bodies including the IJB to minimise the risk of overspends.
- In-year financial review papers will continue to be reported to Council rather than Cabinet.

3.31 These control measures will remain under review through the quarterly budget monitoring process. It is recommended that these measures are approved.

General Services Capital Summary – 31 March 2024

3.32 General Service's gross capital expenditure at the end of 2023/24 was £51.098 million against an updated budget of £108.101 million (Quarter 3 forecast of £52.9 million). The mitigation measures approved at Council in August 2023 to pause or delay any uncommitted expenditure is reflected in the outturn figure. A significant proportion of this underspend has already been re-profiled as part of the work on the 2024/25 capital plan and will be utilised in future years. Where appropriate, this is matched against anticipated income in line with individual project requirements.

3.33 Capital Income applied during 2023/24 was £28.496 million with the most significant element being other funding contributions, which relate to external funding sources, totalling £11.796 million. More details setting out the specific project spend relative to approved budgets is set out in **Appendix 5**.

3.34 Inflation and the challenging economic/market conditions continue to impact the delivery of the capital programme and remain a key element for monitoring, spend projections and overall capital plan affordability. A summary of the key movements since Period 9 are shown below:

- An acceleration of budgets for Blindwells, Craighall and Whitecraig new build primary schools show a spend profile greater than the projected outturn figure at quarter 3 by £3.9 million.
- Urgent harbour wall works at North Berwick were undertaken during March 2024 and were fully externally funded.
- The Markle Level Crossing Replacement (Roads Externally Funded) started onsite in March 2024 which increased the spend significantly

compared to projection at Q3 by £1.1 million. This is a fully externally funded project.

- There has been a saving in the region of £3 million for the project at Wallyford Learning Campus.

3.35 The borrowing requirement reduced from a projected figure of £23.9 million to £22.6 million. Other significant movements to income include:

- An increase in the use of developer contributions to £8.5 million, primarily for Blindwells and Craighall new schools.
- Post completion developer contributions have been removed as these have been transferred to a Capital Fund to support the Loans Fund repayments in future years.
- Other funding sources which include external grants have increased by £4.7 million compared to the projected figure at Quarter 3 to £11.8 million.

3.36 The current capital programme continues to be aligned to the Local Development Plan requirements and remains ambitious. A number of projects have moved from the design and planning stage to construction over the last 12 months.

3.37 Whilst recognising the extent of the plan, there remains significant external challenges as a result of wider inflationary pressures. These are collectively placing significant and increased financial risk to the deliverability and affordability of the current capital plan. The impact of this remains under close review, with further updates to be provided during this year.

Housing Revenue Account Summary – 31 March 2024

3.38 The HRA delivered a budget surplus of £1.342 million against a planned surplus of £1.250 million. The additional £92,000 surplus allowed for a slightly higher than budgeted CFCR. Voids remain high and work is continuing to remedy. **Appendix 6** sets out the revenue spend for the year.

3.39 The HRA General Reserve as at 31 March 2023 increased from £1.486 million to £1.535 million and this is in line with the planned opening budget for 2024/25 that was in the HRA budget that was approved in February 2024.

3.40 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 a minimum 5% rent strategy is essential in order to maintain the proposed capital investment in modernising properties and building new council houses.

3.41 Capital spend at year-end was slightly under £43 million in line with forecasts at Quarter 3. This position reflects the acceleration of a number of new build council house sites, the timing of which the Council is not

always in control of as developers determine the pace of house building. Further details are provided in **Appendix 7**.

- 3.42 There remain challenges in delivering the programme due to shortage of labour resources, uncertainty in the housing market due to the current economic situation and challenges in awarding and mobilising of contracts.

Conclusion

- 3.43 The Council continues to operate in a challenging, complex and ever-changing financial environment. Within General Services revenue there is an overspend of more than £12 million before applying mitigations, within which, there is a recurring pressure in excess of £10 million. There also remain significant challenges in ensuring that the capital programme remains affordable.

- 3.44 Many of these pressures will be recurring and the collective scale of financial risks and challenges facing the Council remains at an unprecedented level.

- 3.45 The Council will continue to take steps to ensure that it can sustain the delivery of vital services to the community and more effectively manage wider assets. The scale of the challenge will require difficult decisions in the years ahead to ensure ongoing financial sustainability.

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 – 13 December 2022 – Item 4 – Financial & Capital Strategy

- 7.2 Council – 28 February 2023 – Item 3 – Budget Development & 2023/24 Council Tax and Rent Levels
- 7.3 Council – 28 February 2023 – Item 4 – Rent Proposals 2023/24 to 2027/28
- 7.4 Council – 28 February 2023 – Item 5a – Budget Proposals on General Services (General Services Capital)
- 7.5 Council – 28 February 2023 – Item 5b – Budget Proposals on General Services (General Services Revenue)
- 7.6 Council – 28 February 2023 – Item 5c – General Fund Budget Projections 2023/24 to 2027/28
- 7.7 Council – 28 February 2023 – Item 6 – Treasury Management Strategy 2023/24 to 2027/28
- 7.8 Council – 29 August 2023 – Item 3 – Finance Update
- 7.9 Council – 31 October 2023 – Item 2 – Finance Update
- 7.10 Council – 12 December 2023 – Item 2 – Finance Update
- 7.11 Council – 20 February 2024 – Item 1 – Period 9 Financial Update

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Appendix 1
 East Lothian Council
 Budget Monitoring 2023/24 - Year-end

Service	Head of Service	Business Unit	Out-turn			2023/24 Budget Variance (Surplus) / Deficit £'000	2023/24 Budget Variance %
			2023/24 Actual	2023/24 Budget	2023/24 Budget Variance (Surplus) / Deficit £'000		
			£'000	£'000	£'000		
Education & Children's	Children's	Performance & Service Delivery	1,359	1,367	-8	-0.6%	
Education & Children's	Children's	Management	5,945	4,297	1,648	38.4%	
Education & Children's	Children's	Assessment HUB and Early Interventions	2,883	2,864	19	0.7%	
Education & Children's	Children's	Long Term Social Work Supervisory Groups	2,625	2,624	1	0.0%	
Education & Children's	Children's	TAC, Disability & Resources	7,865	7,691	174	2.3%	
Education & Children's	Children's	Disability Short Breaks	909	689	220	31.9%	
EDUCATION & CHILDREN'S	CHILDREN'S TOTAL		21,586	19,532	2,054	10.5%	
Education & Children's	Education	Additional Support for Learning	12,485	12,592	-107	-0.8%	
Education & Children's	Education	Pre-school Education & Childcare	15,456	16,678	-1,222	-7.3%	
Education & Children's	Education	Schools - Primary	52,827	53,520	-693	-1.3%	
Education & Children's	Education	Schools - Secondary	50,970	52,398	-1,428	-2.7%	
Education & Children's	Education	Schools - Support Services	4,362	4,633	-271	-5.8%	
Education & Children's	Education	East Lothian Works	1,469	1,712	-243	-14.2%	
EDUCATION & CHILDREN'S	EDUCATION TOTAL		137,569	141,533	-3,964	-2.8%	
EDUCATION & CHILDREN'S TOTAL			159,155	161,065	-1,910	-1.2%	
Council Resources	Finance	Financial Services	3,667	3,752	-85	-2.3%	
Council Resources	Finance	Revenues & Benefits	4,695	4,787	-92	-1.9%	
Council Resources	Finance	Procurement	994	791	203	25.7%	
COUNCIL RESOURCES	FINANCE TOTAL		9,356	9,330	26	0.3%	
Council Resources	Corporate	IT Services	3,644	3,377	267	7.9%	
Council Resources	Corporate	People & Council Support	4,071	3,680	391	10.6%	
Council Resources	Corporate	Governance	2,249	2,378	-129	-5.4%	
Council Resources	Corporate	Communications	438	455	-17	-3.7%	
COUNCIL RESOURCES	CORPORATE TOTAL		10,402	9,890	512	5.2%	
COUNCIL RESOURCES TOTAL			19,758	19,220	538	2.8%	
Health & Social Care Partnership	Head of Operations	Adult Social Work	29,247	28,044	1,203	4.3%	
Health & Social Care Partnership	Head of Operations	Acute & Ongoing Care	11,417	11,487	-70	-0.6%	
Health & Social Care Partnership	Head of Operations	Rehabilitation	2,242	2,211	31	1.4%	
Health & Social Care Partnership	Head of Operations	Learning Disability & MH Community Services	18,058	17,810	248	1.4%	
Health & Social Care Partnership	Head of Operations	Head of Operations	2,775	3,879	-1,104	-28.5%	
Health & Social Care Partnership	Head of Operations	Business & Performance IJB	4,791	5,099	-308	-6.0%	
HEALTH & SOCIAL CARE PARTNERSHIP	IJB TOTAL		68,530	68,530	0	0.0%	
Health & Social Care Partnership	Head of Operations	Business & Performance Non-IJB	872	540	332	61.5%	
HEALTH & SOCIAL CARE PARTNERSHIP	Non-IJB TOTAL		872	540	332	61.5%	
HEALTH & SOCIAL CARE PARTNERSHIP TOTAL			69,402	69,070	332	0.5%	
Place	Development	Planning	1,156	1,370	-214	-15.6%	
Place	Development	Economic Development	1,049	878	171	19.5%	
PLACE	DEVELOPMENT TOTAL		2,205	2,248	-43	-1.9%	
Place	Housing	Housing, Strategy & Development	420	252	168	66.7%	
Place	Housing	Property Maintenance Trading Account	-951	-951	0	0.0%	
Place	Housing	Community Housing	3,084	3,247	-163	-5.0%	
PLACE	HOUSING TOTAL		2,553	2,548	5	0.2%	
Place	Infrastructure	Facility Support Services	4,116	4,149	-33	-0.8%	
Place	Infrastructure	Facility Trading Activity	-53	-331	278	-84.0%	
Place	Infrastructure	Asset Maint & Engineering Services	3,349	3,494	-145	-4.1%	
Place	Infrastructure	Asset Management & Capital Planning	-1,367	-1,147	-220	19.2%	
Place	Infrastructure	Landscape & Countryside Management	6,228	6,178	50	0.8%	
Place	Infrastructure	Roads Network	4,964	5,209	-245	-4.7%	
Place	Infrastructure	Roads Trading Activity	54	-666	720	-108.1%	
Place	Infrastructure	Transportation	1,822	2,112	-290	-13.7%	
Place	Infrastructure	Waste Services	10,115	10,374	-259	-2.5%	
Place	Infrastructure	Active Business Unit	3,933	4,053	-120	-3.0%	
PLACE	INFRASTRUCTURE TOTAL		33,161	33,425	-264	-0.8%	
Place	Communities & Partnerships	Corporate Policy & Improvement	791	758	33	4.4%	
Place	Communities & Partnerships	Connected Communities	6,530	6,835	-305	-4.5%	
Place	Communities & Partnerships	Protective Services	1,902	2,139	-237	-11.1%	
Place	Communities & Partnerships	Customer Services Group	4,435	4,799	-364	-7.6%	
PLACE	COMMUNITIES & PARTNERSHIPS TOTAL		13,658	14,531	-873	-6.0%	
PLACE TOTAL			51,577	52,752	-1,175	0.0%	
SERVICE TOTAL			299,892	302,107	-2,215	-0.7%	
CORPORATE MANAGEMENT TOTAL			-290,741	-302,107	11,366	-3.8%	
TOTAL			9,151	0	9,151	3.0%	
Movement in Reserves							
General Services Overspend (incl. IJB)			12,273				
Less IJB Reserves applied			-3,122				
General Services Overspend			9,151				
General Services Overspend			9,151				
<i>Funded by:</i>							
Committed for Future Budgets			9,727				
Transformation Fund			1,042				
Ring Fenced Funds and Other balances			428				
Service Concession reserve			-1,043				
SFT Earmarked Reserve			-1,292				
Empty Homes Premium for Affordable Housing (excluding increase in 2023/24)			289				
Total Reserves Funding			9,151				
Reconciliation			0				
General Services Overspend			9,151				
Increase in transformation reserve from PPP Flexibility			-13,741				
Increase in Empty Homes Premium for Affordable Housing Reserve			-450				
Capital Funding to Support National Pay Funding			-2,315				
Increase in Contingency Reserve			-400				
Increase in Capital Grants Unapplied			-3,106				
Reduction in Capital Receipts			594				
HRA			-48				
Total Movement in Reserves			-10,315				
Usable Reserves							
Opening Usable Reserves			-45,192				
Movement in Reserves			-10,315				
Closing Usable Reserves			-55,507				

Appendix 2
East Lothian Council
2023/24 Budget Efficiencies - Year-end

Service	2023/24			
	Achieved	Amber	Unachievable	
	£'000	£'000	£'000	
Education	999	0	0	
Finance	107	0	0	
Corporate Services	95	0	0	
H&SCP	250	0	0	
Development	280	0	0	
Housing	78	0	0	
Communities	245	0	0	
Infrastructure	848	0	175	
Corporate Management	625	0	700	
Total	3,527	0	875	4,402
	80.12%	0.00%	19.88%	

Appendix 3
 East Lothian Council
 2023/24 Reserves

Description	Opening Balance	Adjustments	Revised Opening Balance	Transfer of Capital Grant to Fund Pay Award	Change	Total Change	Closing Balance 2023/24
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Reserve							
Earmarked							
Committed for Future Budgets	8,524	0	8,524	2,315	-9,727	-7,412	1,112
Transformation Fund	5,826	13,741	19,567	0	-1,042	12,699	18,525
DSM	1,148	0	1,148	0	0	0	1,148
Ring Fenced Funds and Other balances	2,253	0	2,253	0	-428	-428	1,825
Service Concession reserve	0	0	0	0	1,043	1,043	1,043
SFT Earmarked Reserve	0	0	0	0	1,292	1,292	1,292
Empty Homes Premium for Affordable Housing	1,463	0	1,463	0	161	161	1,624
Total Earmarked Reserves	19,214	13,741	32,955	2,315	-8,701	7,355	26,569
Contingency	7,200	452	7,652	0	-52	400	7,600
Total General Fund Reserves	26,414	14,193	40,607	2,315	-8,753	7,755	34,169
Other Reserves							
Insurance Fund	2,684	0	2,684	0	0	0	2,684
Capital Receipts Reserve	14,607	0	14,607	-2,315	1,721	-594	14,013
Capital Grants Unapplied Account	0	0	0	0	3,106	3,106	3,106
HRA	1,487	0	1,487	0	48	48	1,535
Total Other Reserves	18,778	0	18,778	-2,315	4,875	2,560	21,338
Total Reserves	45,192	14,193	59,385	0	-3,878	10,315	55,507

Appendix 4

East Lothian Council

Budget Monitoring 2023/24 - Additional Funding from the Scottish Government

	£million
2022/23 GRG (per Budget Amendment)	215.992
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Additional Funding - GRG	
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Teachers Pay Funding (Additional Funding confirmed through redetermination)	0.637
Teacher Induction Scheme (Additional Funding confirmed through redetermination)	0.128
Ukraine Refugee Resettlement Teams	0.050
Climate Intelligence Service	-0.007
Educational Psychologists	0.009
Change to SDS Funding in Redeterminations	-0.050
Local Government Pay - Confirmed share £2.976m	0.025
Local Government Pay Deal - Confirmed Share of £29m	0.998
Support for School Staff Training	0.019
DHP Adjustment	-0.339
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Total Additional Funding	1.470
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Revised GRG	217.462
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Appendix 5
East Lothian Council
General Services Capital Budget Monitoring Summary 2023-24
Year-end

Expenditure	Annual (In-Year)					
	Updated Budget 2023/24	Actual 2023/24	Updated Budget-Actual Variance 2023/24 (Surplus)/ Deficit	Previously reported Outturn to Council (P9/Q3)	P9/Q3 Projection - Actual Variance	Reprofiled during 2024/25 budget process
	£'000	£'000	£'000	£'000	£'000	£'000
Community Projects						
Community Intervention	375	91	(284)	93	(2)	-
Community Intervention Fund - Pump Tracks	500	35	(465)	25	10	-
Community Public Art	0	25	25	10	15	-
Bleachingfield Centre Remodelling Works	90	5	(85)	1	4	90
Dunbar Conservation Area Regeneration Scheme (CARS)	405	0	(405)	405	(405)	-
East Saltoun Community Hall	400	0	(400)	-	-	-
North Berwick Skatepark	0	152	152	165	(13)	-
Support for Business	229	353	124	323	30	-
CCTV	247	28	(219)	100	(72)	-
Town Centre Regeneration	1,345	737	(608)	1,205	(468)	-
Total Community Projects	3,591	1,424	(2,166)	2,327	(902)	90
Town Centre Regeneration (PBIP) Grant	(1,520)	(775)	745	(1,095)	319	-
Other Funding Sources	(694)	(272)	422	(664)	392	(90)
Total Income: Community Projects	(2,214)	(1,047)	1,167	(1,759)	712	(90)
Community Projects - General Capital Grant/Borrowing Requirement	1,377	377	(1,000)	568	(191)	0
ICT						
IT Programme & Digital Opportunities	2,200	1,889	(311)	2,200	(311)	-
Telecare System upgrade to Digital	0	185	185	-	185	-
Total ICT	2,200	2,074	(126)	2,200	(126)	-
Other Funding Sources	-	(55)	(55)	-	(55)	-
Total Income: ICT	-	(55)	(55)	-	(55)	-
ICT - General Capital Grant/Borrowing Requirement	2,200	2,019	(181)	2,200	(181)	0
Fleet						
Amenties - Machinery & Equipment - replacement	246	277	31	277	(1)	-
Vehicles	4,299	3,157	(1,142)	3,143	14	-
Total Fleet	4,545	3,434	(1,111)	3,420	14	-
Other Funding Sources	0	0	-	-	-	-
Total Income: Fleet	0	0	-	-	-	-
Fleet - General Capital Grant/Borrowing Requirement	4,545	3,434	(1,111)	3,420	14	0
Open Space						
Synthetic Pitch Replacement Programme	571	282	(289)	355	(73)	-
Cemeteries (Burial Grounds)	1,077	440	(637)	714	(274)	-
River Tyne / Haddington Flood Protection scheme	425	16	(409)	10	6	-
Coastal / Flood Protection schemes - Musselburgh	2,978	1,783	(1,195)	1,637	146	1,093
Coastal Car Park Toilets	64	29	(35)	35	(6)	-
Core Path Plan	50	0	(50)	-	-	-
Harbour Walls	0	500	500	-	500	-
Mains Farm Town Park & Pavilion	4	8	4	4	4	-
Nature Restoration	125	272	147	331	(59)	-
Replacement Play Equipment	317	184	(132)	192	(8)	-
Polson Park	20	0	(20)	-	-	-
Sports and Recreation LDP	3,068	744	(2,325)	900	(156)	-
Waste - New Bins	160	191	31	185	6	-
Waste - Machinery & Equipment - replacement	40	17	(23)	15	2	-
Total Open Space	8,899	4,466	(4,433)	4,378	88	1,093
Developer Contribution	(1,746)	(516)	1,230	(715)	199	-
Capital Receipts	-	(231)	231	(274)	42	(303)
Other Funding Sources	(1,450)	(1,090)	360	(538)	(552)	54
Total Income: Open Space	(3,196)	(1,837)	1,351	(1,526)	(310)	(249)
Open Space - General Capital Grant/Borrowing Requirement	5,703	2,629	(3,074)	2,851	(222)	844
Roads, Lighting and related assets						
Cycling Walking Safer Streets	582	1,127	545	1,046	81	-
East Linton Rail Stop / Infrastructure	27	0	(26)	0	0	-
Parking Improvements	274	129	(145)	280	(151)	-
Roads	6,865	5,867	(998)	6,205	(338)	-
Roads - externally funded projects	4,251	4,649	398	3,500	1,149	-
Total Roads, Lighting and related assets	11,999	11,772	(226)	11,031	741	-
Developer Contribution	(47)	-	47	(47)	47	-
Other Funding Sources	(4,786)	(6,103)	(1,318)	(4,499)	(1,605)	-
Total Income: Roads, Lighting and related assets	(4,833)	(6,103)	(1,271)	(4,546)	(1,557)	-
Roads etc. - General Capital Grant/Borrowing Requirement	7,166	5,669	(1,497)	6,485	(816)	0
Property - Education						
Aberlady Primary - extension	2,868	11	(2,857)	50	(39)	300

Blindwells Primary - new school	13,650	2,253	(11,397)	774	1,478	257
Craighall Primary - New School	13,451	2,888	(10,562)	778	2,110	222
East Linton Primary - new school	674	0	(674)	-	-	-
Free School Meals Expansion to P6-7	1,544	0	(1,544)	-	-	-
Gullane Primary - extension including Early Learning and 1140	0	1	1	-	1	-
Law Primary - extension including Early Learning and 1140	581	661	81	1,216	(555)	-
Letham Primary - New School	112	29	(83)	30	(1)	-
North Berwick High School - Extension	1,331	1,650	319	1,309	341	-
Ormiston Primary - extension	34	18	(16)	100	(82)	-
Pinkie St Peter's Primary - sports hall extension	846	500	(346)	551	(51)	296
Pinkie St Peter's Primary - extension including Early Learning and 1140	1,115	1,225	110	1,395	(171)	(280)
Preston Lodge High School - extension (phase 1)	1,200	0	(1,200)	-	-	1,200
Prestonpans Primary - upgrades	245	0	(245)	-	-	245
Ross High School - extension	219	884	665	644	240	-
School Estate - Curriculum Upgrades	1,083	0	(1,083)	38	(38)	12
St Gabriel's Primary - extension including Early Learning and 1140	122	34	(88)	42	(8)	-
Wallyford Primary - New School	108	0	(108)	-	-	108
Wallyford Learning Campus	9,371	5,405	(3,966)	8,898	(3,492)	-
West Barns Primary - extension including Early Learning and 1140	633	1,003	370	999	4	-
Whitecraig Primary - new school including Early Learning and 1140	8,436	1,062	(7,373)	759	303	741
Windygoul Primary - Early learning and 1140 extension	1,991	17	(1,975)	17	0	20
Total Property - Education	59,613	17,642	(41,972)	17,600	42	3,121

Developer Contribution	(11,484)	(8,004)	3,480	(5,185)	(2,819)	(1,173)
Developer Contribution (Post completion)	(427)	-	427	(251)	251	-
1140 Grant Income	(2,907)	(1,364)	1,544	(1,341)	(23)	(20)
Other Funding Sources	-	-37	(37)	-	(37)	-
Total Income: Property - Education	(14,818)	(9,404)	5,414	(6,776)	(2,628)	(1,193)
Property Education - General Capital Grant/Borrowing Requirement	44,795	8,237	(36,558)	10,824	(2,586)	1,928

Property - Other						
Accelerating Growth	6,614	3,676	(2,937)	4,509	(832)	-
- Cockenzie	612	85	(526)	593	(507)	-
- Levelling Up Project Cockenzie	0	440	440	300	140	-
- Blindwells	153	30	(124)	65	(35)	-
- Innovation Hub	2,748	0	(2,748)	450	(450)	-
- A1/QMU Junction	3,101	3,122	21	3,101	21	-
Brunton Hall - Improved Community Access	23	0	(23)	27	(27)	-
Court Accommodation	1,506	18	(1,488)	150	(132)	369
New ways of working Programme	1,637	1,077	(560)	1,637	(560)	-
Prestongrange Museum	1,840	193	(1,648)	340	(147)	-
Property Renewals	2,000	2,095	95	2,000	95	-
Replacement Childrens House	867	0	(867)	-	-	867
Sports Centres	240	270	30	240	30	-
Whitecraig Community Centre	49	0	(49)	49	(49)	-
Total Property - Other	14,775	7,329	(7,446)	8,951	(1,622)	1,236

Developer Contribution	(1,909)	-	(1,909)	(5,605)	5,605	-
Developer Contribution (Post completion)	(31)	(132)	102	(862)	729	-
Capital receipts	(2,283)	(3,703)	1,420	(887)	(2,816)	-
Other Funding Sources	-	-	-	-	-	-
Total Income: Property - Other	(4,223)	(3,836)	(387)	(7,354)	3,518	-
Property Other - General Capital Grant/Borrowing Requirement	10,553	3,494	(7,833)	1,597	1,897	1,236

Total Property Spend - Education and Other	74,389	24,971	(49,418)	26,551	(1,580)	4,356
Total Income: Property - Education and Other	(19,041)	(13,240)	5,026	(14,130)	891	(1,193)
Property-Education and Other - General Capital Grant/Borrowing Requirement	55,348	11,731	(44,391)	12,421	(690)	3,164

Capital Plan Fees	2,479	2,421	(58)	2,479	(58)	-
PPP Projects	-	536	536	497	39	-
Total Gross Expenditure	108,101	51,098	(57,003)	52,883	(1,784)	5,540

Other Funding Sources	-	(536)	(536)	(497)	(39)	-
Total Income:PPP Projects	-	(536)	(536)	(497)	(39)	-

Income						
Developer Contribution	(13,277)	(8,519)	4,758	(5,947)	(2,573)	(1,173)
Developer Contribution (Post completion)	(2,336)	-	2,336	(5,856)	5,856	-
1140 Grant Income	(2,907)	(1,364)	1,544	(1,341)	(23)	(20)
Town Centre Regeneration (PBIP) Grant	(1,520)	(775)	745	(1,095)	319	-
Capital receipts	(2,031)	(2,364)	(333)	(3,135)	772	(303)
Other Funding Sources	(9,212)	(11,796)	(2,584)	(7,085)	(4,711)	(36)
Scottish Government General Capital Grant	(5,626)	(3,678)	1,948	(4,524)	846	-
Total Income	(36,909)	(28,496)	8,413	(28,983)	486	(1,532)

Borrowing Requirement	71,192	22,602	(48,590)	23,900	(1,298)	4,008
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Actual as % of Approved Budget
Actual as % of Updated Budget
Actual as % of Projected Outturn

47%

97%

Appendix 6
East Lothian Council
Budget Monitoring HRA 2023/24 - Year-end

	2023/24 Budget	2023/24 Actual	2023/24 Budget Variance (Surplus) / Deficit
	£'000	£'000	£'000
Total Income	-37,483	-37,727	-244
Total Expenditure	36,233	36,385	152
(Surplus) / Deficit for Year	-1,250	-1,342	-92

	2022/23 Budget	2022/23 Actual
	£'000	£'000
Management of Balances		
Opening (Surplus) / Deficit	-1,486	-1,486
CFCR	1,200	1,293
(Surplus) / Deficit for Year	-1,249	-1,342
Closing (Surplus) / Deficit	-1,535	-1,535

Appendix 7
East Lothian Council
Budget Monitoring HRA Capital 2023/24 - Year-end

	2023/24 Budget	2023/24 Actual	2023/24 Budget Variance (Surplus) / Deficit
	£'000	£'000	£'000
Modernisation	13,209	13,197	-12
New Council Housing	19,037	27,862	8,825
Fees	1,438	1,561	123
Mortgage to Rent	280	230	-50
TOTAL	33,964	42,850	8,886

Funded By:

	2022/23 Budget	2022/23 Actual	2022/23 Budget Variance (Surplus) / Deficit
	£'000	£'000	£'000
Grants	-6,500	-10,214	-3,714
Grants MTR	-196	-126	70
CFCR	-1,200	-1,293	-93
S75 Funding	0	-154	-154
Borrowing	-26,068	-31,063	-4,995
TOTAL	-33,964	-42,850	-8,886