

REPORT TO: East Lothian Council

MEETING DATE: 23 August 2016

BY: Depute Chief Executive (Resources and People Services)

SUBJECT: 2015-16 Financial Review

1 PURPOSE

- 1.1 To inform Council of the unaudited financial position for the financial year 2015-16, and to finalise arrangements for the carry-forward of funds into 2016-17.

2 RECOMMENDATIONS

- 2.1 The Council is recommended to:
- Note the financial results for 2015-16 based on the Council's unaudited accounts, including the impact on reserves and the Council's Financial Strategy.
 - Approve the transfer of the additional surplus reserves over and above any contribution which will be used to support future budgets to the General Services Capital Fund, in line with the Council's agreed financial strategy.

3 BACKGROUND

Overall Summary

- 3.1 The draft accounts for 2015-16 were submitted for audit on 30 June 2016, which is within the statutory deadline set by the Accounts Commission. Audit work is well advanced and it is expected that KPMG will report the draft position to Audit and Governance Committee on 13 September 2016 prior to finalising their audit opinion and then reporting to all elected members at Council on 25 October 2016. The figures reported below and in the subsequent appendices are based on the unaudited accounts, and whilst we do not expect any material changes which will affect the reported position, the figures within this report should

still be considered within this context and may therefore be subject to change pending the outcome of the audit.

3.2 Prior to submission, an early draft set of accounts were presented to and discussed by the Audit and Governance Committee which was held on 14 June 2016. The final draft as submitted was lodged in the Members Library on 30 June 2016.

3.3 A summary of the key financial results from the 2015-16 closure of accounts are as follows;

- In total, useable Reserves have increased by £5.748 million. This figure comprises an increase in General Services of £5.126 million as well as an increase in HRA reserves of £0.622 million.
- Capital spending totalled £49.26 million (£27.24 million relating to General Services and £22.020 million relating to HRA capital).
- Taking into account capital income and repayment of debt during the year, external borrowing in the year has increased by £2.5M. This is in line with the Council's financial strategy to minimise any impact upon the Council's Loans Fund balance. The difference between capital spending and borrowing has been funded from capital grants, receipts and external contributions and from the councils own cash resources
- All of the Council's Trading Operations (Roads, Property Maintenance and Facility Services) have delivered an in-year surplus, and have met the statutory requirement to deliver a break even position over a rolling 3-year period.
- The Council's Pension liabilities are fully reviewed through triennial actuarial reviews and each year are subject to an annual assessment by the Pension Fund actuaries. In 2015-16, the Council's pension fund liabilities have decreased by £58 million to £114 million. We continue to work closely with the Pension Fund Managers and take reassurance from the actuarial assessment that supports continuation of the previously agreed stability mechanism. As a result of this mechanism, no change is required in respect of the employer's contribution rate.

3.4 The Council continues to operate in a very challenging financial environment and these results are therefore welcomed having both a positive impact upon the Council's reserves, and supporting delivery of the wider financial strategy. In broad terms, this outcome is a result of stringent monitoring and management of finance by all budget holders, a feature that will serve us well during a period financial austerity that is likely to continue for some time. Further detail in respect of the impact upon council reserves is set out below:

- As part of our in year monitoring and management of service budgets and as formally built into the 2016-17 budget

development process, an additional £3 million in reserves was anticipated from the 2015-16 year end position. The actual amount which was transferred to reserves based on the 2015-16 unaudited accounts was an increase of £5.126 million, of which £0.328 million has already been earmarked to increase the Council's Insurance Fund, in line with an updated assessment of the Council's ongoing insurance liability.

- The combined Housing Revenue Account Reserves has increased by £0.622 million to £7.252 million. Within this balance £2.589 million is in relation to a Housing Capital Fund which can only be used to support on-going Capital Programmes, having been established largely from capital receipts. More details setting out the main movements in reserves for both General Services and HRA are outlined later in the report.
- The Financial Strategy continues to serve the Council well, and remains on track to remove the future dependency upon reserves. Despite the improved in year performance, there remain significant financial challenges ahead as the wider financial austerity measures continue, directly impacting on the overall grant settlement. At the same time, the Council is hoping to be part of a City Deal for Edinburgh and South East Scotland and will face additional challenges in supporting infrastructure requirements associated with the new Local Development Plan. Developing future sustainable operating budgets within a reduced cost base remains critical in order to meet new and emerging cost and demand pressures within the service areas.

3.5 The Financial Strategy for the period covering 2016-19 which was agreed by Council at its meeting on 9 February 2016, recommends that any unplanned, additional reserves at the end of 2015-16 should be transferred to either the General Services Capital Fund or the Cost Reduction Fund, with any balance on the Capital Fund to be used in future years to directly fund capital expenditure or defray capital charges.

General Services Summary

3.6 The overall General Services position reflects a combination of factors including a number of favourable movements, some of which are one-off in nature and therefore non-recurring. Additionally, there have been a number of service specific variances during the year relative to approved budget.

3.7 Some of the more significant corporate variances are set out in more detail below:

- General Services Debt charges were £1.089 million less than budgeted although since the final quarter of 2015/16, this has been anticipated. As part of the 2016-19 budget development process, officers had undertaken a review of the management of

the Council's Loans Fund covering both the General Services and HRA that has led to an underspend on debt charges for 2015/16 in line with revised budget projections. The recurring benefit of this reassessment of the Loans Fund has already been realised through the 2016-19 budget process.

- Higher than budgeted Council Tax income of £0.172 million was generated during the year which reflects the increased number of new households within the county. This increase in Council Tax yield has been reflected within the 2016-18 budgets.
- The Council benefited from additional 'profit' of £0.821 million from the sale of General Services assets.
- The number of claimants to take up Council Tax Reduction Scheme benefit reduced in 2015-16, in part driven by the roll out of Universal Credit. This has delivered an in year underspend of £0.334 million.

3.8 With regard to General Services, most service revenue budgets (excluding HRA) performed in line with expectations recorded within the Q3 Financial Review reported to Cabinet on 8 March 2016, with movements in some of the service areas as set out below. A summary of the financial position across each of the Business Groups at the end of March 2016 is attached at **Appendix 1** of this report.

3.9 Excluding the HRA, the General Service delivered an underspend against budget of £3.470 million. Relative to approved budget, most service areas delivered an underspend, the exception being those areas which had previously been categorised as 'high risk' - Adult Wellbeing and Children's Wellbeing services. Key variances, measured by Council Directorates are set out below, with further detail provided in paragraphs 3.10 to 3.12 of this report.

- The **Resources and People Directorate** reported an underspend against budget of £0.749 million (0.7%).
- The **Health and Social Care Partnership** includes both Children's and Adult Services, and reported an overspend against budget of £1.28 million (1.8% of budget).
- The **Partnership and Services for Communities Directorate** reported an underspend of £3.3 million (5.6% budget).
- Around £2.24 million of the current underspend relates to **staff savings** across all services, and can in part be attributed to the continued application of a range of control measures applied under the Efficient Workforce Management Plan. Such control measures can often have an adverse impact of service delivery with many of these vacancies already filled and therefore any recurring impact in 2016-17 is minimal. In addition, services have had to manage the additional 0.5% pay cost over the current budget provision as a result of the nationally agreed pay award,

the cost of which has been reflected in the 2016-17 approved budget.

3.10 Resources and People Services:

- **The Education Group** covering: Pre-school, Additional Support for Learning, Primary, Secondary and School Support, have delivered an underspend of £0.471 million for the year ending March 2016. Across the group there remain a number of significant, often compensating movements, with the main variances highlighted below:
- **Pre-school.** As at 31 March 2016, the Pre-school budget recorded an underspend against budget of £0.546 million. This is largely due to the continued development of new models of service provision to meet the requirements of the Children and Young People's Act. This includes requirements relating to increased nursery provision for 3 and 4 year olds, as well as "Priority 2" children. Officer expectations are that these plans will be fully implemented during 2016/17, and therefore this level of variance is unlikely to be recurring.
- The **Primary School Group** reported a year end overspend against budget of £0.455 million (1.1%). Most of the overspend (£0.322 million) relates to pressures within the Primary 'client' budget and in particular; increased non-domestic rates charges; continued review of Janitorial services, increased gas and electricity charges and additional transportation charges. Some of these pressures have been mitigated by savings made in relation to the provision of school meals where uptake has been less than planned. In addition, the Extra Curricular Music budget was overspend by £0.029 million. Individual primary schools continue to operate within Devolved School Management budgets which include the ability to carry forward any underspends/overspends up to a maximum of 1.5%. Taking both the previous year carry forward and 2015-16 outturn position, most of the Primary Schools start 2016-17 with an overall surplus carry forward position of £0.135 million, with the exception of two schools that are in a small deficit position going into 2016-17. We will continue to work alongside the Head of Education to ensure that going forward both schools continue to operate within their available resources.
- The **Secondary School Group** has delivered an underspend against budget of £0.143 million. The internal management or 'client' budget was within budget, and the service delivered an underspend on PPP costs of £0.203 million, largely due to insurance related savings. Individual secondary schools however delivered a collective overspend of £0.116 million. Four of the six Secondary schools exceeded their in-year budget provision, drawing upon a mixture of accumulated DSM balances in 2015-16, as well as a wider management of Council balances. The

DSM secondary balance as at 31 March 2016 was £0.084 million, with two Secondary schools running small deficit balance of less than £2.5k. We will continue to work closely with Education Management and respective schools to ensure school services are delivered within balance.

- **School Support** delivered an underspend against planned budget of £0.074 million. Most of this relates to staff savings however the schools revenue technology budget was overspent by £0.026 million, with further recurrent pressures likely to extend into 2016-17. We will continue to work with Education Management to review the schools technology revenue commitments.
- **Council Resources** - Most business units under Council Resources are recharged out to other services as part of central support recharges through the statutory accounts. All business units were underspent at the year end - most of which was made possible through managing a combination of staff vacancies and planned efficiency savings.

3.11 Health and Adult Care Partnership:

- The Children's Wellbeing Service delivered an overspend of £0.072 million. This was an improvement upon the position reported at Q3, largely due to a reduction in the number of children placed in secure accommodation. Most of the pressures within the service continue to relate to External Residential Schools; External Fostering budgets, and secure accommodation, the full extent of these pressures was in part offset by staff savings; additional external foster care income; and an underspend on Foster Care payments due to reduced capacity within the East Lothian community.
- During 2015-16, the Adult Wellbeing Service continued to highlight significant cost and demand pressures with the position as at 31 March 2016 recording an overspend against planned budget of £1.207 million (2.1%), significantly greater than the £0.783 million expected at the time of reporting Q3. Most of the pressures relate to the purchasing of external care packages, particularly in relation to the Elderly Provision (£0.978 million overspend), Learning Disability packages (£0.940 million over) and Adults with Mental Health issues (£0.352 million over). In addition, there are financial pressures on the ELC Care Home budgets that show an overspend of £0.447 million. These pressures have in part been offset by a number of staff savings of £0.095 million across the wider Adult Wellbeing Service, as well as delivery of an enhanced package of efficiencies such as the review of high cost of care packages and processes and some non-recurring additional income. In addition, the Midlothian & East Lothian Drug and Alcohol Partnership (MELDAP) delivered an underspend of £0.092 million which will be transferred to the existing earmarked

reserve. Given the planned reduction in funding to the MELDAP service during 2016-17, it is likely that the service will draw from reserves during 2016-17.

- Throughout 2015-16, the service has been classified as Medium to High risk, and as such recovery action was implemented during the year in order to mitigate against the extent of the financial pressures.
- Taking into account the newly established and integrated operational management structures, we are actively working with Health and Social Care Management to review and enhance financial processes and procedures including a review of underlying assumptions made within the commitment system and how these are used to inform resource allocation and cost control measures. Despite this, there remain significant challenges for the service during 2016-17 in terms of the delivery of additional commitments including; Living Wage and National Care Home Contract, delivering an enhanced programme of efficiencies as well as meeting continuing demographic pressures across vulnerable client groups, and as such the service will be kept under close monitoring and review during 2016-17.

3.12 **The Partnerships & Services for Communities Directorate** (excluding the Housing Revenue Account) delivered an overall underspend of around £3.38 million. Much of this underspend relates to staffing underspends in service areas, with some of the main areas of movement across the Directorate set out below:

- **Non HRA Housing** delivered an in year underspend of £0.343 million, with most of this relating to lower than anticipated uptake on Private Sector Housing Grants for disabled adaptations. In addition, there remains a significant pressure on demand for temporary homeless accommodation, including associated increased B&B costs and an increased requirement for homeless accommodation provided through private sector leasing and HRA housing stock.
- Despite a minor overspend on **Customer Services** of £0.021 million a large proportion of this service is recharged out to service through central support allocation, which taking this into consideration the service delivered a small in year underspend position of around £0.054 million. There was, however, pressures within the Libraries Service relating to the roll out of a new Libraries Management Service; however this was mitigated in part by management of staff vacancies across the service area.
- The **Community Partnerships service** delivered an underspend position of £0.312 million, most of which relates directly to funding made available to the Area Partnerships where there has been implementation delays as the Partnership's begin to mature. In recognition of this it has been agreed that certain funds will be

carried forward and once fully established, it is unlikely that this level of underspend will be recurring.

- **Planning and Environmental Services** delivered an in year underspend against budget of £0.568 million. A large proportion of the variance relates to increased planning fee income of £0.184 million, as well as a number of staff vacancies pending the outcome of service reviews now taking place across both the Planning Service and the Environmental Health Service.
- **Asset Planning and Engineering** delivered an underspend against planned budget of £0.930 million. The main areas of underspend relate to: higher than anticipated Building Warrant Fee income of £0.568 million due to an increased number of applications coupled with a number of significant high value applications prior to change in legislation from October 2015. Staffing budgets underspent by £0.125 million pending full implementation of a number of service reviews.
- **Facilities services** delivered an underspend position of £0.401 million. The majority of this was due to a combination of efficient delivery of primary school meals alongside higher than anticipated income relating to school meals.
- **Landscape and Countryside Management** delivered an underspend of £0.460 million, most of which relate to staffing savings within Amenity Services and Grounds Maintenance. Most of these vacant posts have now been filled and therefore there is unlikely to be the same level of recurring saving from vacancy management going into 2016-17.
- **Roads, Transportation and Waste Services** were underspent by £0.198 million. Much of this underspend related to Waste Services, where the higher cost of food waste collection was offset by higher than anticipated Trade Waste income, coupled with a reduction in landfill tax payments.
- All of the Council's **Trading Operations** (Roads, Facilities and Property Maintenance) delivered their statutory requirement to break even over a cumulative three year period and delivered an in year surplus totalling £0.772 million.

Reserves

- 3.13 As highlighted in paragraph 3.3, the Council has delivered additional General Services useable reserves of £5.126 million, providing a closing balance as at 31 March 2016 of £23.174 million.

- 3.14 An analysis of the movement and the closing balances on each of the different reserves is shown at **Appendix 2**, and include the following:
- An Insurance Fund, the balance of which has increased in year to £1.723 million based upon an updated assessment of total outstanding liabilities against which the Council self insures.
 - Civil Emergency fund of £2 million.
 - Specific earmarked reserves of £0.950 million which includes; Devolved School Management; MELDAP, and other reserves including Youth Employment Initiative and support towards master planning of the former Cockenzie Power Station site.
 - Cost Reduction Fund which has a closing balance of £2.997 million;
 - General Services Capital Fund, which can be used to defray the cost of borrowing. After adjusting in accordance with the report recommendations, this fund has a closing balance of £11.619 million.
 - The Council agreed as part of the 2016-19 budget decisions to apply £3.885 million of reserves to balance 2016-17 and 2017-18
- 3.15 Within the Council's approved Financial Strategy for 2016-19, it is recommended that any additional reserves that accrue through the 2015/16 closure process be transferred to either the General Services Capital Fund or the Cost Reduction Fund. Both Funds provide the Council with valuable flexibility in respect of how it manages future liabilities whether in relation to the capital programme, supporting the wider business transformation agenda or continuing to managing down our cost base. An assessment of both funds and their associated future liabilities has been made and it is recommended that the additional available reserves be transferred to the Capital Fund.

Trading Activities

- 3.16 East Lothian Council currently operates three trading activities. Every trading operation has the statutory financial target of breaking even over a cumulative three year period. This is seen as an important indicator of whether Best Value has been achieved in these services.
- 3.17 The annual outturn and cumulative financial target for all three trading activities are set out in Table 1 below with all of the Trading Activities delivering both an in year surplus and cumulative position of delivering a break even position.

Table 1 – Trading Activities Revenue Budget Performance for 15-16

Trading Activity	(Surplus) / Deficit for the period £'000	Cumulative (Surplus) / Deficit over the past three years
Property Maintenance	(116)	(1,306)
Roads Services	(529)	(1,855)
Facility Services	(127)	(552)

- 3.18 It had been planned to undertake a full review of all trading activities during the year, to ensure that statutory requirements continue to be met. This review was not undertaken during the year however the commitment remains and it is hoped that this review will be undertaken during 2016-17.

Housing Revenue Account

- 3.19 Overall, the Housing Revenue Account delivered an operational underspend in year of £0.620million, with rental income broadly in line with expectations. The main areas of variance include: further staffing underspends of £0.295 million due to an ongoing service review within Community Housing; a minor overspend on day to day housing maintenance of £0.030 million; an overspend on void repairs of £0.062 million due to number of major work voids (e.g. structural works); plus increased numbers of properties being returned in a poor state requiring more repairs before letting; a collective underspend on various operational expenditure heads including supplies and services, materials and running costs; a reduction in the number of transfer incentive payments of £0.216 million due to a reduction in re-lets across the housing stock during 2015-16; and a reduction in debt charges of £0.449 million in line with the wider review of the Council's Loans Fund.

Housing Revenue Account Reserves

- 3.20 After taking into account year end accounting adjustments, the total Housing Revenue Account reserves balance increased by £0.622 million to £7.252 million, all of which relates to the Housing Revenue Account. As stated in paragraph 3.4 of this report, the total HRA reserves includes a balance of £2.589 million on the Housing Capital Fund which can be used flexibly to support the wider Housing Capital Programme by either financing capital expenditure or the redemption of debt.

Budget/Accounting Adjustments

- 3.21 As part of the year-end 'closedown' we are required by relevant statutory provisions to process a number of accounting adjustments in order that

the statements we submit are in approved format. The most significant adjustments are as follows;

- Central Support Reallocations – to ensure that we report the total cost of each service provision we are required to reallocate the costs and budgets for central support services such as Finance/ IT/Human Resources to ‘service’ accounts such as Adult Wellbeing and Education. This will impact on the overall position within both the Resources and People Directorate where most of the central support services are hosted, and individual services that receive a share of the central support charge.
- IAS19 Pension Adjustment / Credit – for the majority of staff the Council made under statutory arrangements an employer’s pension contribution representing 20.4% of salary plus an amount to fund the interest on the previous years’ deficit. In accounting terms, this charge must be adjusted to take into consideration the scheme liabilities expected to arise from employee service in the current period. Details of this are provided within the year end actuarial IAS19 report, and in 2015-16, this resulted in an additional budget and charge to service areas.
- Depreciation and impairment charges – in order that the Council follows generally accepted accounting practice we are also required to allow for depreciation and any impairment charges associated with our assets in our annual accounts preparation.

3.22 The requirement to carry out these adjustments results in the final year-end figures being reported on a different basis compared to budget reports issued to management during the year. To minimise any uncertainty that may arise from this, where possible, budgets are entered for depreciation and the majority of pension credits. We also adjust for central support costs and reserves transfers as appropriate.

Capital Investment and Borrowing

General Services Capital Programme

3.23 The General Services capital spend and financing is set out within **Appendix 3**. The net under spend against the 2015/16 capital programme is £4.8 million. This comprises a £3.8 million under spend against planned expenditure and an additional £1 million of income being received and applied in the year. The gross capital expenditure at the 31st March was £27.24M against the approved annual capital expenditure budget of £31.009M. The actual income received and applied in year is £18.1M against a budget of £17.1M.

3.24 At March 2016, there is an under spend relative to planned budget of £3.8M with the majority of this spend being slippage and therefore carried forward to 2016/17.

3.25 The main projects subject to slippage / timing issues and to be carried forward to 16/17 are:-

Project	Carry Forward £'000	Detail/Reasoning
Cemeteries	(867)	Delay in land purchase
Early Years Strategy	(1,000)	Strategy not yet implemented
Red School	(285)	Delay in commencement but preparatory work now underway
Pavilions	(282)	Delay in commencement - Project build likely 16/17
Parking Improvements	(542)	Delay in commencement
Construction Academy	(295)	Project due to open August 2016
Windygoul Primary	495	Project profile change - costs brought forward from 16/17 financial year

3.26 The main variances are:-

Project	Overspend / (under spend) £'000	Detail
Replacement vehicles	(352)	Reduction in estimated vehicle purchases this year
Roads	972	Off-set by additional unbudgeted income
Tennis Court Upgrade	364	Off-set by additional unbudgeted income
Amenity Service – machinery	(98)	Spend less than planned, budget reduced for future years
Support for Business – Land	(173)	No spend this year
Support for Business – Town Centre	(350)	Delay in project commencement
Community Intervention	(200)	No spend this year

- 3.27 There is a further £1M of additional income applied in the year. This comprises S75 income applied to roads projects, additional external street-lighting funding and additional specific project income received for various projects. This has resulted in a net under spend of £4.7M against the 15/16 capital programme.

Housing Revenue Account Capital Programme

- 3.28 The HRA capital spend and financing for the year is set out within **Appendix 4** of this report. In total the HRA capital programme delivered gross capital expenditure of £22.020 million, with an in-year underspend against budget of £3.4 million. Most of this underspend relates to slippage on the New Affordable Housing Programme, with a summary of the main areas within the HRA capital programme set out below:

- £11.099 million was spent on Affordable Homes projects such as Pinkie Mains in Musselburgh, Rotary Court in Dunbar, and the Hallhill development, which during 2015-16 delivered an additional 57 houses (including 9 buy-backs). Most of the in-year slippage relates to contractor delays experienced at both Hallhill and Pinkie developments.
- £10.796 million was spent during the year on the modernisation and upgrade programme, delivering a small overspend of £0.118 million against budget. A number of planned programmes had been re-profiled earlier in the year to address identified slippage on a number of individual projects. The main areas of expenditure continue to relate to kitchens, bathrooms, electrical rewiring and central heating upgrades, as well as a number of wider programmes to ensure increased compliance with Scottish Housing Quality Standards and energy efficiency requirements.
- Only one Mortgage to Rent property was acquired during the year, resulting in an underspend against the approved budget for the year of £0.553 million.

- 3.29 Overall for the Council, borrowing has increased in year by £2.5 million. This is in line with the Finance Strategy commitment to minimise borrowing requirements. The Council remains in an under borrowed position.

4 POLICY IMPLICATIONS

- 4.1 There are no direct policy implications associated with the recommendations contained in this report although the report does illustrate both the relevance of the Council's Financial Strategy covering the three year period to 2018-19 and the overall financial performance for 2015-16.

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
- 6.2 Personnel - none
- 6.3 Other - none

7 BACKGROUND PAPERS

- 7.1 Council 10 February 2015 – Item 1 – Council Financial Strategy 2015/18
- 7.2 Cabinet 8 September 2015 – Item 3 – Financial Review 2015/16 Quarter 1
- 7.3 Cabinet 8 December – Item 2 – Financial Review 2015/16 Quarter 2
- 7.4 Council 9 February 2016 – Item 1 – Council Financial Strategy 2016-19
- 7.5 Cabinet 8 March 2016 – Item 3 – Financial Review 2015/16 Quarter 3
- 7.6 Audit & Governance Committee – 14 June 2016 – All Papers

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Appendix 1

REVENUE BUDGET PERFORMANCE at 31 MARCH 2016

	<u>Budget for the year</u>	<u>Actual to 31/03/16</u>	<u>Budget for the period</u>	<u>(Surplus) / Deficit for period</u>	<u>(Surplus) / Deficit</u>	<u>Variance Explanation</u>
Resources & People Services						
Pre-school Education & Childcare	6,510	5,964	6,510	(546)	-8.4%	
Additional Support for Learning	7,983	7,831	7,983	(152)	-1.9%	
Schools - Primary	42,023	42,468	42,023	445	1.1%	
Schools - Secondary	41,607	41,464	41,607	(143)	-0.3%	
Schools Support Services	3,294	3,220	3,294	(74)	-2.3%	
Financial Services	-	-	-	-	0.0%	
Revenues & Benefits	2,004	1,982	2,004	(23)	-1.1%	
Human Resources & Payroll	-	-	-	-	0.0%	
IT Services	-	-	-	-	0.0%	
Legal & Procurement	-	-	-	-	0.0%	
Licensing, Admin and Democratic Services	2,758	2,503	2,758	(255)	-9.3%	
	106,179	105,431	106,179	(749)	-0.7%	
Health & Social Care Partnership						
Children's Wellbeing	13,918	13,990	13,918	72	0.5%	
Adult Wellbeing	56,936	58,144	56,936	1,207	2.1%	
	70,854	72,134	70,854	1,280	1.8%	
Partnerships & Services for Communities						
Community Housing	2,333	1,990	2,333	(343)	-14.7%	
Housing Revenue Account (HRA)	-	(620)	-	(620)	0.0%	
Customer Services, Libraries & Safer Communities	5,158	5,179	5,158	21	0.4%	
Community Partnerships	3,407	3,095	3,407	(312)	-9.2%	
Arts, Museums & Music	3,338	3,235	3,338	(103)	-3.1%	
Community Development	7,003	6,883	7,003	(120)	-1.7%	
Corporate Policy & Improvement	148	129	148	(18)	-12.5%	
Planning & Environmental Services	2,529	1,960	2,529	(568)	-22.5%	
Asset Planning & Engineering	2,892	1,962	2,892	(930)	-32.2%	

Economic Development & Strategic Services	3,679	3,704	3,679	25	0.7%
Facility Support Services	691	289	691	(401)	-58.1%
Landscape & Countryside Management	6,588	6,128	6,588	(460)	-7.0%
Healthy Living	4,880	4,855	4,880	(24)	-0.5%
Property Maintenance	(168)	(116)	(168)	52	-30.9%
Roads, Transportation & Waste Services	17,463	17,264	17,463	(198)	-1.1%
	59,940	55,939	59,940	(4,001)	-6.7%
Total of all departments	236,973	233,503	236,973	(3,470)	-1.5%
Corporate Management					
Revenue Support Grant (inc. NNDR)	(173,594)	(173,699)	(173,594)	(105)	-0.1%
Council Tax	(47,980)	(47,946)	(47,980)	34	-0.1%
Debt Charges/Asset Management / Other	(14,639)	(16,957)	(14,639)	(2,318)	15.8%
Joint Board Requisitions	669	669	669	0	0.0%
HRA Transfer	(995)	(995)	(995)	-	0.0%
Transfer to Reserves	(434)	(324)	(434)	111	-25.5%
	(236,973)	(239,251)	(236,973)	(2,278)	-1.0%
Total All Council	-	(5,747)	-	(5,747)	

General Services Reserves

Appendix 2
Balance
as at 31

	As at 1 April 2015 (£m)	Movements in year (£m)	March 2016 (£m)
General Services Reserves			
Required to support future budgets (2015/16 and 2016/17)	1.950	1.935	3.885
Civil Emergency	2.000		2.000
Cost Reduction Fund	3.082	-0.085	2.997
 Earmarked Reserves			
• DSM (Devolved School Management)	0.261	-0.041	0.220
• MELDAP/DAAT	0.363	0.092	0.455
• Other Reserves	0.331	-0.056	0.275
 Insurance Fund	1.395	0.328	1.723
 Gen Services Capital Fund	8.666	2.953	11.619
 Sub-total General Services Reserves	18.048	5.126	23.174

GENERAL SERVICES CAPITAL SPEND - AS AT 31 March 2016

Appendix 3

Name of Project	Budgeted Spend	Actual Spend	Over/(Under)
	£000	£000	£000
Crookston - New residential home and day centre	110	30	(80)
Haddington Town House - Steeple Work	13	-	(13)
Torness Strategic Coordination Centre	400	485	85
Property Renewals	1,018	931	(87)
John Gray Centre Haddington	79	70	(9)
North Berwick Museum - refurbishment	40	-	(40)
North Berwick Community Centre - Lift	9	3	(6)
Community Intervention	200	-	(200)
Pencaitland Footways	177	117	(60)
Red School Prestonpans	290	-	(290)
Support for Business - Mid Road Industrial Estate	1,269	1,267	(2)
Support for Business - Land Acquisition/Infrastructure/Broadband	173	-	(173)
Support for Business - Town Centre Regeneration	350	-	(350)
St Josephs acquisition	2,075	2,150	75
Dunbar Upper Primary - Lochend Campus	1,200	786	(414)
Sandersons Wynd PS - additional Classrooms	365	325	(40)
Secondary School Communication Provision	1,159	1,099	(60)
Dirleton Classroom Extension	4	18	14
Tennis Court Upgrade	-	364	364
Macmerry PS Extension	3	4	1
Pinkie St Peter's PS Extension	3,069	2,873	(196)
Law Primary School	105	248	143
Windygoul PS additional Classrooms	1,991	2,486	495
Wallyford PS - temp units	265	235	(30)
Wallyford Primary School	50	-	(50)
Replacement Vehicles	2,277	1,925	(352)
2G pitch replacement	500	477	(23)
Pavilions	282	-	(282)
East Lothian Legacy Project - Meadowmill Alterations	59	71	12

Sports Centres - refurbishment & Equipment	371	412	41
Expansion of 3G pitch provision	76	41	(35)
Schools IT	923	958	35
Corporate IT Program	500	522	22
Core Path Plan Implementation	100	67	(33)
Prestonpans Infant	-	10	10
Amenity Services Machinery & Equipment - replacement	149	51	(98)
Cemeteries - Extensions/Allotments	867	-	(867)
Coastal Car Parks/Toilets	510	506	(4)
Peppercraig Depot Haddington	31	7	(24)
Coastal Protection/Flood	100	3	(97)
Promenade Improvements - Fisherrow	44	21	(23)
Cycling Walking Safer Streets (Ring-fenced grant funded)	151	153	2
East Linton Rail Stop/Infrastructure	400	375	(25)
Roads/CWSS/Hotspot Safety Improvements	5,389	6,361	972
Parking Improvements	571	29	(542)
Purchase of New Bins/Food Waste Collection	314	263	(51)
Free School meals	200	59	(141)
Children and Young Persons Act	1,000	-	(1,000)
Construction Academy	300	5	(295)
sub-total before year end allocations	29,528	25,807	(3,721)
Property Fees/Internal Architect etc fees	1,370	1,433	63
Environment Fees	111	-	(111)
TOTAL EXPENDITURE	31,009	27,240	(3,769)
INCOME	(17,141)	(18,147)	(1,006)
NET UNDERSPEND			(4,775)

HOUSING CAPITAL SPEND & FINANCING AS AT 31 MARCH 2016

Appendix 4

	Budgeted (£000s)	Actual (£000s)	Over/(Under) (£000s)
Mortgage to Rent	678	125	(553)
Modernisation Spend (also see below)	10,678	10,796	118
Gross Affordable Homes spend	14,094	11,099	(2,995)
Gross Total Housing Capital Spend	25,450	22,020	(3,430)
Modernisation Programme - Detailed			
Disabled Adaptations	600	518	(82)
Central Heating	900	1,482	582
Electrical Re-wiring	1,680	1,778	98
Structural surveys	60	100	40
Fencing Programme	200	247	47
Energy Efficiency	300	370	70
Kitchen Replacement Prog.	1,790	1,568	(222)
Project Works	600	130	(470)
Roofing / Roughcasting / external fabric	600	278	(322)
Stair Improvement Programme	30	24	(6)
Groundcare Projects	100	133	33
Roads / Walkway pre-adoption works	100	132	32
Dispersed Alarms	110	88	(22)
Local Initiatives:Projects	200	65	(135)
Window & Door Replacement Prog.	120	287	167
Bathroom Replacement	1,800	2,188	388
Extensions	200	155	(45)
Lead Water Pipes	300	381	81
Asbestos Works	200	651	451
IT Projects	10	10	-
Open Market Acquisition Remedial Works	250	211	(39)
Internal Fees	528		Allocated across the Projects
Sub-total before year end allocations	10,678	10,796	118
Financed by:			
Grants	3,760		
Asset Sales	1,323		
Other	1,260		
Borrowing	15,677		
TOTAL	22,020		