

REPORT TO: EAST LOTHIAN COUNCIL

MEETING DATE: 20 February 2024

BY: Executive Director for Council Resources

SUBJECT: Finance Update – Period 9

1 PURPOSE

- 1.1 To provide an update on the in year financial position at the end of December 2023 for the general services and HRA revenue and capital budgets.

2 RECOMMENDATIONS

2.1 The Council is recommended to:

- Note the outcome of the Period 9 review of financial performance against approved budgets and the significant underlying financial pressures faced by the council.
- Note the impact on the council reserves if the projected revenue overspend materialises, and risks to financial sustainability outlined within the report.
- Agree to transfer a further £0.1 million to the IJB to support the full costs of the 2023/24 pay award as detailed within paragraph 4.6.
- Note the performance against prudential indicators set out in Appendix 5.

3 BACKGROUND

- 3.1 This report sets out the in year financial position and projected outturn for the general services revenue, capital and housing revenue account budgets at the end of period 9 (December 2023). The financial environment has remained extremely challenging and the range of current and emerging risks represent the most severe threat to financial sustainability which the council has ever faced.

- 3.2 The Period 6 report to council noted a 2023/24 pressure of £20.2 million, and after the application of planned reserves the unplanned overspend was forecast to be £8.2 million.
- 3.3 In light of the significance of the forecast in-year overspend, and the extent of the risks which this presents to financial sustainability, Council has approved a series of mitigation measures seeking to manage the in-year financial pressures. This report provides an update on the position reported at period 6. The provisional (unaudited) outturn for the full year will be reported to Council in June.

General Services Revenue Summary – Period 9

- 3.4 At Period 9, before applying planned use of reserves there is a forecast overspend for the year of £19.3 million, which represents an improvement of £0.9 million since the Period 6 report. Key movements within the forecast outturn position are as follows:
- Education and Children’s Services – the forecast outturn position has improved compared to the position reported at period 6 by £1.2 million. The most significant reasons for this movement include reduced spending within early learning and childcare (£0.59 million), partly linked to lower take up of childcare places for 2-year-olds, and a reduction in the forecast spend on secondary staffing budgets (£0.443m) due to reduced recruitment alongside a reduction in the forecast expenditure pressure from RAAC.
 - Projected income has increased by £0.675 million due to General Revenue Grant redeterminations for pay which has remained subject to on-going discussions around how the funding envelope will operate locally, higher than anticipated income relating to teacher inductions, and a forecast increase in council tax income which is currently £0.3m above budgeted levels.
 - Revenues – the forecast outturn position has deteriorated by £0.25 million since the period 6 report due to budget pressures on the Scottish Welfare Fund and Discretionary Housing Payments income forecast.
 - Health and Social Care – the forecast overspend has increased by £0.574 million to £3.789m between period 6 and period 9 due to additional pressures on commissioned care, primarily support services for mental health and residential care for older people as well as increased staffing costs linked to the finalisation of the 2023/24 pay award. The increased costs were partially offset by reductions in direct payments for physical disabilities.
- 3.5 As highlighted in previous reports, the planned use of reserves for 2023/24 is £12 million, as set out below:
- Transformational Fund and other Ring-Fenced Funds - £1.6 million.

- Health & Social Care (IJB delegated Services), £695,000 – this figure has been agreed with the IJB Chief Financial Officer.
- Capital Funding for Pay Award relating to 2022/23 - £2.3 million (this becomes recurring revenue funding from 2024/25).
- General Fund reserve – £7.378 million.

3.6 The unplanned overspend, after applying planned use of reserves is currently forecast to be £7.3 million at the end of the year. While this represents an improvement of £0.9 million since the period 6 report, this level of overspend is unsustainable over the medium term, in the context of the council's low reserves position. If this level of overspend materialises it will present a significant risk to the council's financial sustainability and capacity to deliver on the commitments made through the Council Plan. A reduction in reserves of this level would also diminish our capacity to respond to unforeseen events in the future. It is therefore necessary and appropriate that the mitigation measures agreed by Council with a view to reducing the in-year overspend and preserving the minimum balance on the general fund remain in place. However, it is vital that longer term solutions to closing the funding gap are identified to achieve a sustainable position in the future.

3.7 An analysis of the financial position as at Period 9 across service groups is set out in **Appendix 1**. The main reasons for the pressure are:

- IJB Delegated Services - Projected Overspend, £3.8 million – as noted above, there are a growing range of pressures within the IJB, including commissioned care services, specifically external care homes and support services. The IJB is progressing a number of workstreams to mitigate the extent of this overspend, including, ongoing review of care packages and recruitment to support an enhanced internal care at home service which is aimed at ensuring that clients are able to stay safely in their own homes. The service is also actively attempting to identify and deliver further savings.

The IJB has delegated authority over most 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.

At this stage, it is assumed that this overspend will be contained within IJB reserves, however it should be noted that this may result in the IJB going into 2024/25 with significant budget pressures and extremely limited reserve balances. This presents a significant risk to the council as a funding partner given that any budget overspends which cannot be contained within IJB resources will need to be met by partners, in line with the scheme of integration.

- Children's Services Overspend, £2.1 million – mainly relating to external residential packages and the establishment of a complex

internal care package. There are also further pressures arising from a number of Unaccompanied Asylum-Seeking Children arriving in East Lothian aligned to the national settlement schemes. In addition, there is an estimated pressure of £0.2m arising from a shortfall in funding to support the new minimum rates for foster and kinship care allowances.

- Savings assessed as unachievable in 2023/24, £700,000 – **Appendix 2** provides more information on progress in delivering savings. Some of the savings will not be realised during the current financial year, but are expected to be delivered in full in future years.
- Council Contribution to Pay Funding Negotiations, £180,000 (estimated share of £10 million) – the 2023/24 pay offer for non-teaching staff which has now been agreed included an element of £10m to be funded by Scottish Councils, with East Lothian's estimated share of this at £180,000. The costs of the 2023/24 pay award are reflected within the projected outturn, however we are awaiting clarity on other elements of the funding package to support this pay award.

3.8 At this stage it is likely that many of these pressures will be recurring beyond 2023/24 and therefore contribute to the significant funding gap outlined within the budget development reports elsewhere on this agenda.

3.9 Council has previously agreed to transfer a proportionate share of the additional funding to meet the costs of the 2023/24 pay award to the IJB. In finalising the pay negotiations, a further package of funding totalling £94m was agreed and it is therefore recommended that an appropriate share of this should also be transferred to the IJB in order to support with meeting the costs of the pay award. This would increase the transfer of funding linked to the 2023/24 pay award from £0.4 million to £0.5 million and it is recommended that this element of the funding would be transferred on a recurring basis. If agreed, this would result in a reduction in the forecast IJB overspend of £0.1m but no net change to the overall position.

Update on mitigation measures

3.10 Given the severity of the financial position facing the Council, a number of mitigating actions that have been in place since November 2022. Further additional mitigation measures were approved by Council in August 2023 in response to the significant forecast budget overspend, along with the escalating significance of risks to financial resilience over the short to medium term.

- An update on the mitigation measures and impact on service delivery is set out below, and this position continues to be monitored closely.
- The enhanced controls around recruitment and vacancies remain in place. As highlighted previously, management of staffing in this way has resulted in the temporary reduction in opening hours and / or

closure of a number of facilities and service delivery impact resulting in further service business continuity plans being invoked.

- Work is ongoing with partners including the IJB to ensure appropriate recovery action to reduce the forecast overspend and address the ongoing financial challenges.
- Officers have continued to progress a review of operational assets, and a number of properties have now been mothballed, or declared surplus in line with the wider asset review. Any disposal of assets will be used to support the approved budget targets, and it is anticipated the target of £2 million will be achieved for 2023/24.
- In line with previous reports, a number of capital projects remain on hold and updates to the capital programme are reflected within the proposed capital budgets for 2024/25 onwards in a separate report on this agenda.
- As previously reported, work to review the schedule of rates for the property maintenance trading account in line with national guidance has now been completed and the impact of this work is reflected in the revised forecast above.

3.11 Officers will continue to implement and monitor progress against these actions, and members will continue to be updated during the course of this year. It is however recognised that in implementing these mitigation actions, they are placing council services in a very difficult position, requiring often short-notice changes to service provision, impacting both on our staff and communities we service. As highlighted in previous Council reports, these mitigations actions are not sustainable in isolation of necessary decisions aimed at reducing the recurring cost base on this Council. Nevertheless, they continue to remain a critical and necessary intervention given the severity of the Council's current financial position.

3.12 Further potential risks to the outturn position for this financial year arise from increasing demand for council services, driven by a range of external factors including population growth, the cost-of-living crisis along with UK and Scottish Government policy. This is already highlighted across a number of service areas, including homelessness / temporary accommodation, which may be exacerbated by the eviction ban ending, increasing demand for social care services and an increase in unaccompanied asylum-seeking children. These increased demands are creating unbudgeted cost pressures within the current financial year, but are likely to result in longer term recurring impacts to the financial strategy and increase the funding gap.

General Services Capital Summary – Period 9

3.13 Appendix 4 sets out the 2023/24 re-profiled budgeted expenditure to the end of December 2023, with a recorded spend of £31 million relative to the revised gross expenditure budget of £108 million. Borrowing obligation

is currently £24 million against a revised budgeted requirement of £71 million.

- 3.14 Latest projections indicate expenditure of around £53 million by the end of the financial year. This forecast reflects the decision by Council on 29 August 2023 to pause or delay uncommitted capital expenditure where possible to do so.
- 3.15 The following are the main points to note including the most significant changes from the previous report:
- Innovation Hub – work is progressing and forecasts have been matched to updated cash flow projections from the project and cost manager.
 - Whitecraig Primary School – tender has been awarded and works will begin this financial year.
 - Blindwells and Craighall Primary Schools – Hub South East have been appointed to deliver the two new schools with construction due to begin in February 2024.
- 3.16 Members are aware that there continues to remain a wide range of growing external pressures all of which are placing very significant pressure on wider affordability limits including:
- Recent levels of inflation along with disruption in the construction materials supply chain continues to impact on the Council and the wider economy. An increase in demand alongside limitations on supply has led to price increases, some material shortages and longer lead times.
 - The impact on tender prices for the Capital Programme continues to be assessed and built into forecasts as they are identified.

Treasury Management Update – Period 9

- 3.17 The latest version of the CIPFA Prudential Code, published in December 2021, requires from financial year 2023/24 onwards that quarterly monitoring of prudential indicators should be reported through to Council. To meet this obligation, quarters 2 and 4 will continue to be reported through our existing treasury management reports which are the Treasury Management Mid-Year Report and the Annual Treasury Management Review. Quarters 1 and 3, which were not previously reported, will now be included in this report and as such Appendix 5 provides an updated position on key treasury indicators as at the 31 December 2023.
- 3.18 £50 million of long term borrowing was taken out through the PWLB in the third quarter of the financial year, with the following short term investments placed during the same time period:

Investment with	Principal	Interest Rate	Investment Date	Term	Date Repayable/ Repaid
DMADF	£10m	5.170%	03/10/2023	28 Days	31/10/2023
DMADF	£3m	5.170%	03/10/2023	1 Day	04/10/2023
DMADF	£4m	5.170%	04/10/2023	1 Day	05/10/2023
DMADF	£6m	5.170%	05/10/2023	1 Day	06/10/2023
DMADF	£8m	5.170%	06/10/2023	3 Days	09/10/2023
DMADF	£6m	5.170%	09/10/2023	4 Days	13/10/2023
DMADF	£10m	5.170%	17/10/2023	3 Days	20/10/2023
DMADF	£5m	5.180%	26/10/2023	32 Day	27/11/2023
DMADF	£4m	5.180%	26/10/2023	18 Days	13/11/2023
DMADF	£9m	5.170%	02/11/2023	1 Day	03/11/2023
DMADF	£5m	5.170%	03/11/2023	10 Days	13/11/2023
DMADF	£4m	5.170%	03/11/2023	3 Days	06/11/2023
DMADF	£10m	5.190%	13/12/2023	5 days	18/12/2023
DMADF	£10m	5.190%	13/12/2023	8 days	21/12/2023
DMADF	£ 5m	5.195%	13/12/2023	43 days	25/01/2024
Cheltenham Council	£ 5m	5.450%	15/12/2023	31 days	15/01/2024
Lloyds Markets	£ 5m	5.380%	13/12/2023	28 days	10/01/2024

Table 1: Short term investments, Q3 2023/24

- 3.19 Whilst there are some movements in indicators aligned to capital programmes and anticipated spend, there are no concerns to highlight at this point in the year.

Housing Revenue Account Summary – Period 9

- 3.20 The HRA revenue account is expected to breakeven at this stage. Voids remain high and work is ongoing to remedy this. In addition, high interest rates continue to place pressure on budgets due to the increased costs of debt financing. Taking these factors into account, at this stage the HRA strategy remains viable. **Appendix 6** sets out the revenue spend for the year.
- 3.21 Capital spend at Period 9 was around £30.9 million with £43 million of spend forecast for the year, which remains above approved budget. 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. The additional capital expenditure forecast in the current year has been reprofiled from the later years of the programme and is offset by Scottish Government grants and earlier than anticipated rental income for the properties. Further detail is set out in **Appendix 7**.
- 3.22 There remain challenges in delivering the programme due to a shortage of labour, uncertainty in the housing market due to the current economic situation and challenges in awarding and mobilisation of contracts.

2022/23 Audit

- 3.23 Members are reminded that whilst the focus remains on managing the very severe financial position and future financial outlook, the audit for 2022/23 has still not been concluded and therefore the financial results and indeed reserves being held by the Council remain subject to change. These delays have been reported to Audit & Governance and are principally due to internal resource pressures within Audit Scotland making it impossible for them to conclude the audit in an earlier timeframe.
- 3.24 Audit work is now substantially complete and the audited accounts were approved by Audit and Governance Committee on 19 December subject to the resolution of a late issue identified within the asset valuations for operational property. Officers are working pragmatically with Audit Scotland to conclude this as early as possible and members will be kept informed of any changes to the accounts arising from this. The changes which may arise from this relate to the accounting treatment of asset valuations and would not impact on the budget outturn position or spending power of the council. However, the delays to finalising this process present a number of issues to forward planning along with significant resourcing challenges for the finance team.

Financial Sustainability

- 3.25 The council continues to face critical risks to financial sustainability, which represent the most significant threat ever faced by the council. As a consequence, there continues to remain a very real risk that this Council will not be able to deliver its on-going obligations in the short term if current projections continue.
- 3.26 The forecast in year position sets the context within which budgets for 2024/25 onwards have been developed.
- 3.27 Officers are continuing to do all that they can to ensure resources are allocated and prioritised in line with Council commitments and priorities, seeking all permissible flexibilities, maximising resources, and ensuring best value at all times.
- 3.28 Concerns regarding the financial position continue to be escalated to all levels of Government, at both officer and political level, and without significant additional funding and indeed flexibility in terms of funding streams and wider national policies it is becoming very difficult and perhaps inevitable that this Council will not be able to sustain existing service provision in the short to medium term given the scale of the risks and challenges now being faced.

Conclusion

- 3.29 The financial implications facing this Council are now at the most severe level we have ever experienced. In year, there is an overspend of £19.3 million in General Services revenue before applying reserves, along with

a number of recurring pressures. In addition, there remain significant concerns around the on-going affordability of the capital programme given the wider cost of construction and associated cost of borrowing.

- 3.30 It is critical that budget mitigation measures remain in place to manage and minimise the current financial risk, but this is not a sustainable solution. The Council must do all that it can to support its on-going sustainability and align service delivery commitments within available resource envelopes. As such, it remains critical that urgent permanent policy decisions which refocus service priorities and consequential service reductions in resource and asset outlays are taken by elected members in setting the future budgets.

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. However, in light of the acute financial challenges which the council is now facing, without significant additional funding it is unlikely that it will be possible for the council to deliver on all of the policy commitments within the Council Plan.

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

Author's Name	Sarah Fortune Ellie Dunnet David Henderson Ann-Marie Glancy
DESIGNATION	Executive Director for Council Resources (Chief Financial Officer)

	Head of Finance Service Manager – Service Accounting Service Manager - Corporate Accounting
CONTACT INFO	sfortune@eastlothian.gov.uk edunnet@eastlothian.gov.uk dhenderson2@eastlothian.gov.uk aglancy@eastlothian.gov.uk
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Appendix 1
East Lothian Council
Budget Monitoring 2023/24 - Period Nine

Service	Head of Service	Business Unit	2023/24 Budget £'000	Year to Date			2023/24 Budget Variance to Date %	Financial Risk Assessment
				2023/24 Actual to Date £'000	2023/24 Budget to Date £'000	2023/24 Budget Variance to Date £'000		
				Education & Children's	Children's	Performance & Service Delivery		
Education & Children's	Children's	Management	4,332	4,082	2,764	1,318	47.68%	
Education & Children's	Children's	Assessment HUB and Early Interventions	2,831	2,096	2,172	-76	-3.50%	
Education & Children's	Children's	Long Term Social Work Supervisory Groups	2,624	2,070	2,051	19	0.93%	
Education & Children's	Children's	TAC, Disability & Resources	7,691	6,035	5,849	186	3.18%	
Education & Children's	Children's	Disability Short Breaks	689	679	614	65	10.59%	
EDUCATION & CHILDREN'S	CHILDREN'S TOTAL		19,534	15,982	14,422	1,560	10.82%	
Education & Children's	Education	Inclusion & Wellbeing	12,583	10,138	10,020	118	1.18%	
Education & Children's	Education	Pre-School Education	16,678	13,869	14,796	-927	-6.27%	
Education & Children's	Education	Primary Schools	53,520	35,802	36,271	-469	-1.29%	
Education & Children's	Education	Secondary Schools	56,351	38,943	38,911	32	0.08%	
Education & Children's	Education	Schools' Support	4,184	3,237	3,264	-27	-0.83%	
Education & Children's	Education	East Lothian Works	1,712	1,282	1,310	-28	-2.14%	
EDUCATION & CHILDREN'S	EDUCATION TOTAL		145,028	103,271	104,572	-1,301	-1.24%	
EDUCATION & CHILDREN'S TOTAL			164,562	119,253	118,994	259	0.22%	
Council Resources	Finance	Financial Services	3,992	3,211	3,548	-337	-9.50%	
Council Resources	Finance	Revenues & Financial Support	4,787	3,493	3,530	-37	-1.05%	
Council Resources	Finance	Procurement	791	684	723	-39	-5.39%	
COUNCIL RESOURCES	FINANCE TOTAL		9,570	7,388	7,801	-413	-5.29%	
Council Resources	Corporate	IT Services	3,376	2,803	2,576	227	8.81%	
Council Resources	Corporate	People & Council Support	3,680	3,365	3,343	22	0.66%	
Council Resources	Corporate	Governance	2,371	1,348	1,370	-22	-1.61%	
Council Resources	Corporate	Communications	455	346	347	-1	-0.29%	
COUNCIL RESOURCES	CORPORATE TOTAL		9,882	7,862	7,636	226	2.96%	

COUNCIL RESOURCES TOTAL			19,452	15,250	15,437	-187	-1.21%	
Health & Social Care Partnership	Head of Operations	Adult Social Work	28,044	19,340	18,247	1,093	5.99%	
Health & Social Care Partnership	Head of Operations	Acute & Ongoing Care	11,619	7,672	7,819	-147	-1.88%	
Health & Social Care Partnership	Head of Operations	Rehabilitation	2,211	1,788	1,752	36	2.05%	
Health & Social Care Partnership	Head of Operations	Learning Disability & MH Community Services	17,809	12,435	11,701	734	6.27%	
Health & Social Care Partnership	Head of Operations	Head of Operations	3,302	4,231	2,890	1,341	46.40%	
Health & Social Care Partnership	Head of Operations	Business & Performance IJB	4,968	3,436	3,652	-216	-5.91%	
HEALTH & SOCIAL CARE PARTNERSHIP	IJB TOTAL		67,953	48,902	46,061	2,841	6.17%	
Health & Social Care Partnership	Head of Operations	Non-IJB	540	694	445	249	55.96%	
HEALTH & SOCIAL CARE PARTNERSHIP	Non-IJB TOTAL		540	694	445	249	55.96%	
HEALTH & SOCIAL CARE PARTNERSHIP TOTAL			68,493	49,596	46,506	3,090	6.64%	
Place	Development	Planning & Environmental Services	1,170	452	640	-188	-29.38%	
Place	Development	Economic Development	878	1,231	1,227	4	0.33%	
PLACE	DEVELOPMENT TOTAL		2,048	1,683	1,867	-184	-9.86%	
Place	Housing	Housing, Strategy & Development	243	358	438	-80	-18.26%	
Place	Housing	Property Maintenance Trading Account	-987	3,187	3,052	135	4.42%	
Place	Housing	Community Housing Group	3,197	643	762	-119	-15.62%	
PLACE	HOUSING TOTAL		2,453	4,188	4,252	-64	-1.51%	
Place	Infrastructure	Asset Maintenance & Engineering Services	3,755	3,823	3,853	-30	-0.78%	
Place	Infrastructure	Strategic Asset & Capital Plan Management	-1,753	483	536	-53	-9.89%	
Place	Infrastructure	Facility Trading Activity	-328	1,047	1,091	-44	-4.03%	
Place	Infrastructure	Facility Support Services	4,486	3,307	3,224	83	2.57%	
Place	Infrastructure	Landscape & Countryside Management	6,177	5,604	5,552	52	0.94%	
Place	Infrastructure	Active Business Unit	4,053	2,833	2,784	49	1.76%	
Place	Infrastructure	Roads Network	5,110	3,864	3,748	116	3.09%	
Place	Infrastructure	Roads Trading Activity	-666	-99	-253	154	-60.87%	
Place	Infrastructure	Transportation	1,992	1,668	1,794	-126	-7.02%	
Place	Infrastructure	Waste Services	10,371	6,683	6,811	-128	-1.88%	
PLACE	INFRASTRUCTURE TOTAL		33,197	29,213	29,140	73	0.25%	
Place	Communities & Partnerships	Corporate Policy & Improvement	758	599	614	-15	-2.44%	
Place	Communities & Partnerships	Connected Communities	6,843	4,732	4,865	-133	-2.73%	
Place	Communities & Partnerships	Protective Services	2,139	1,357	1,497	-140	-9.35%	
Place	Communities & Partnerships	Customer Services Group	4,799	3,240	3,481	-241	-6.92%	

PLACE	COMMUNITIES & PARTNERSHIPS TOTAL	14,539	9,928	10,457	-529	-5.06%	
PLACE TOTAL		52,237	45,012	45,716	-704	-1.54%	
SERVICE TOTAL		304,744	229,111	226,653	2,458	1.08%	
Funding & Non Service Expenditure Total		-304,744	-207,832	-210,608	2,776	1.32%	
TOTAL		0	21,279	16,045	5,234	-32.62%	

Appendix 2
East Lothian Council
2023/24 Budget Efficiencies - Period Nine

Service	2023/24			
	Achieved	Amber	achievable	
	£'000	£'000	£'000	
Education	189	810	0	
Finance	107	0	0	
Corporate Services	64	0	31	
H&SCP	250	0	0	
Development	30	250	0	
Housing	78	0	0	
Communities	148	97	0	
Infrastructure	0	433	590	
Corporate Management	0	625	700	
Total	866	2,215	1,321	4,402
	19.67%	50.32%	30.01%	

Savings Currently Unachievable - Red

Service	Proposal	Value	Comments
Corporate Services	1% IT Efficiency Target	31	Based on forecast costs for licenses and costs being reassessed from capital to revenue
Infrastructure	Increased Rental Charges (Day Centres)	175	Unlikely to be achieved in 2023/24

Infrastructure	Introduction of Commercial Van Bookings at Recycling	200	Unlikely to be achieved due to delays in implementation of booking system
Infrastructure	Increase Coastal Car Park Charges	50	Given usage to date it looks unlikely this will be met
Infrastructure	Brewery Park Campus - Decant Block a & C and Mothb	15	Savings from utilities at block outside JMH. Some teams still using the blocks

Infrastructure	Mothballing Buildings	150	Achievable if buildings mothballed before winter costs for utilities incurred, unlikely to achieve full savings
Corporate	Review of Council Assets	400	Full Randall House Saving won't be cashed until 2024/25 as the building will incur costs to October 2023.
Corporate	Reduce Public Holidays by 2 days	300	No agreement expected with Trade Unions in 2023/24
Total		1,321	

Appendix 3

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	
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
Total Additional Funding	0.792
Revised GRG	216.784

Appendix 4

East Lothian Council

Budget Monitoring 2023/24 - General Services Capital Period Nine

	Annual (
RAG	Approved Budget 2023/24	Updated Budget 2023/24	Actual 2023/24	Updated Budget-Actual Variance 2023/24
	£'000	£'000	£'000	£'000
Expenditure				

Community Projects					
Community Intervention	G	375	375	65	(310)
Community Intervention Fund - Pump Tracks	G	475	500	-	(500)
Community Public Art		-	-	9	9
Bleachingfield Centre Remodelling Works	G	90	90	1	(89)
Dunbar Conservation Area Regeneration Scheme (CARS)	G	327	405	-	(405)
East Saltoun Community Hall	G	400	400	-	(400)
North Berwick Skatepark	G	-	-	149	149
Support for Business	G	-	229	323	94

CCTV	G	128	247	8	(239)
Town Centre Regeneration	G	500	1,345	539	(806)
Total Community Projects		2,295	3,591	1,093	(2,497)

Town Centre Regeneration Grant		(500)	(1,520)		
Other Funding Sources		(616)	(694)		
Total Income: Community Projects		(1,116)	(2,214)		
Community Projects - General Capital Grant/Borrowing Requirement		1,179	1,377		

ICT					
IT Programme & Digital Opportunities	G	2,200	2,200	1,347	(853)
Total ICT		2,200	2,200	1,347	(853)

Other Funding Sources		-	-		
Total Income: ICT		-	-		
ICT - General Capital Grant/Borrowing Requirement		2,200	2,200		

Fleet					
Amenties - Machinery & Equipment - replacement	G	200	246	235	(11)
Vehicles	G	4,509	4,299	2,624	(1,675)
Total Fleet		4,709	4,545	2,859	(1,685)

Other Funding Sources		-	-		
Total Income: Fleet		-	-		
Fleet - General Capital Grant/Borrowing Requirement		4,709	4,545		

Open Space					
Synthetic Pitch Replacement Programme	G	571	571	255	(316)
Cemeteries (Burial Grounds)	G	818	1,077	127	(950)
River Tyne / Haddington Flood Protection scheme	G	400	425	7	(418)
Coastal / Flood Protection schemes - Musselburgh	G	2,883	2,978	839	(2,139)
Coastal Car Park Toilets	G	-	64	15	(49)
Core Path Plan	G	50	50	-	(50)
Mains Farm Town Park & Pavilion	G	-	4	4	(0)
Nature Restoration	G	24	125	193	68
Replacement Play Equipment	G	218	317	124	(193)
Polson Park	G	20	20	-	(20)
Sports and Recreation LDP	G	2,613	3,068	717	(2,352)
Waste - New Bins	G	160	160	141	(19)
Waste - Machinery & Equipment - replacement	G	40	40	15	(25)
Total Open Space		7,797	8,899	2,438	(6,461)

Developer Contribution		(1,445)	(1,746)		
Capital Receipts		-	-		
Other Funding Sources		(1,172)	(1,450)		
Total Income: Open Space		(2,617)	(3,196)		
Open Space - General Capital Grant/Borrowing Requirement		5,180	5,703		

Roads, Lighting and related assets					
Cycling Walking Safer Streets	G	478	582	564	(17)
East Linton Rail Stop / Infrastructure	G	1,500	27	0	(26)

Parking Improvements	G	252	274	114	(160)
Roads	G	6,735	6,865	3,801	(3,065)
Roads - externally funded projects	G	4,251	4,251	1,851	(2,400)
Total Roads, Lighting and related assets		13,216	11,999	6,331	(5,668)

Developer Contribution		(47)	(47)		
Other Funding Sources		(4,682)	(4,786)		
Total Income: Roads, Lighting and related assets		(4,729)	(4,833)		
Roads etc. - General Capital Grant/Borrowing Requirement		8,487	7,166		

Property - Education					
Aberlady Primary - extension	G	2,817	2,868	9	(2,860)
Blindwells Primary - new school	G	13,611	13,650	174	(13,476)
Craighall Primary - New School	G	13,411	13,451	181	(13,270)
East Linton Primary - new school	A	600	674	-	(674)
Free School Meals Expansion to P6-7	A	1,544	1,544	-	(1,544)
Gullane Primary - extension including Early Learning and 1140	G	-	-	(390)	(390)
Law Primary - extension including Early Learning and 1140	A	360	581	638	58
Letham Primary - New School	G	-	112	18	(93)
North Berwick High School - Extension	A	-	1,331	837	(493)
Ormiston Primary - extension	G	-	34	13	(21)
Pinkie St Peter's Primary - sports hall extension	G	774	846	515	(332)
Pinkie St Peter's Primary - extension including Early Learning and 1140	G	939	1,115	1,260	145
Preston Lodge High School - extension (phase 1)	G	1,153	1,200	-	(1,200)
Prestonpans Primary - upgrades	G	243	245	-	(245)
Ross High School - extension	A	172	219	494	275

School Estate - Curriculum Upgrades	G	1,083	1,083	-	(1,083)
St Gabriel's Primary - extension including Early Learning and 1140	G	-	122	42	(80)
Wallyford Primary - New School	G	59	108	-	(108)
Wallyford Learning Campus	G	8,130	9,371	5,137	(4,234)
West Barns Primary - extension including Early Learning and 1140	G	234	633	999	366
Whitecraig Primary - new school including Early Learning and 1140	G	8,436	8,436	73	(8,362)
Windygoul Primary - Early learning and 1140 extension	G	1,930	1,991	17	(1,975)
Total Property - Education		55,497	59,613	10,018	(49,596)

Developer Contribution		(9,475)	(11,484)		
Developer Contribution (Post completion)		(427)	(427)		
1140 Grant Income		(2,708)	(2,907)		
Other Funding Sources					
Total Income: Property - Education		(12,609)	(14,818)		
Property Education - General Capital Grant/Borrowing Requirement		42,888	44,795		

Property - Other					
Accelerating Growth		3,281	6,614	3,444	(3,170)
- Cockenzie	G	126	612	561	(51)
- Levelling Up Project Cockenzie	G	-	-	166	166
- Blindwells	G	40	153	11	(143)
- Innovation Hub	G	2,115	2,748	150	(2,598)
- A1/QMU Junction	G	1,000	3,101	2,556	(545)
Brunton Hall - Improved Community Access	G	-	23	-	(23)
Court Accommodation - incl. SPOC	G	1,506	1,506	14	(1,492)
New ways of working Programme	G	1,335	1,637	946	(691)

Prestongrange Museum	G	1,496	1,840	195	(1,645)
Property Renewals	G	2,000	2,000	1,759	(241)
Replacement Childrens House	G	867	867	-	(867)
Sports Centres	G	240	240	189	(51)
Whitecraig Community Centre	G	-	49	-	(49)
Total Property - Other		10,724	14,775	6,548	(8,228)

Developer Contribution					
Developer Contribution (Post completion)		(1,909)	(1,909)		
Capital receipts		(31)	(31)		
Other Funding Sources		(2,047)	(2,283)		
Total Income: Property - Other		(3,987)	(4,223)		
Property Other - General Capital Grant/Borrowing Requirement		6,737	10,553		

Total Property Spend - Education and Other		66,221	74,389	16,565	(57,824)
Total Income: Property - Education and Other		(16,597)	(19,041)	-	-
Property-Education and Other - General Capital Grant/Borrowing Requirement		49,624	55,348	16,565	(57,824)

Capital Plan Fees	G	2,479	2,479	-	(2,479)
PPP Projects	G	-	-	-	-
Total Gross Expenditure		98,916	108,101	30,634	(77,468)

Other Funding Sources		-	-		
Total Income:PPP Projects		-	-		

Income			
Developer Contribution	G	(10,967)	(13,277)
Developer Contribution (Post completion)	G	(2,336)	(2,336)
1140 Grant Income	G	(2,708)	(2,907)
Town Centre Regeneration Grant	G	(500)	(1,520)
Capital receipts	G	(2,031)	(2,031)
Other Funding Sources	G	(8,517)	(9,212)
Scottish Government General Capital Grant		(5,626)	(5,626)
Total Income		(32,685)	(36,909)
Borrowing Requirement			
		66,232	71,192

In-Year)			
Projected Outturn 2023/24	Updated Budget - Projection Variance 2023/24	Previously reported Outturn to Council (P6)	Outturn Variance
£'000	£'000	£'000	£'000

93	(282)	118	(25)
25	(475)	25	-
10	10	-	10
1	(89)	90	(89)
405	-	405	-
-	(400)	-	-
165	165	165	-
323	94	323	-

100	(147)	123	(23)
1,205	(140)	1,205	-
2,327	(1,264)	2,454	(128)
			(0)
(1,095)	425	(1,345)	250
(664)	30	(777)	113
(1,759)	455	(2,122)	363
568	(809)	332	236

2,200	-	2,200	-
2,200	-	2,200	-

-	-	-	-
2,200	0	2,200	0

277	31	246	31
3,143	(1,156)	3,143	-
3,420	(1,125)	3,388	31
			0

-	-	-	-
3,420	(1,125)	3,388	31

355	(216)	355	-
714	(363)	714	-
10	(415)	20	(10)
1,637	(1,341)	2,730	(1,093)
35	(29)	35	-
-	(50)	50	(50)
4	(0)	4	-
331	205	331	-
192	(125)	317	(125)
-	(20)	-	-
900	(2,169)	893	7
185	25	160	25
15	(25)	40	(25)
4,378	(4,521)	5,649	(1,271)

-

(715)	1,031	(708)	(7)
(274)	(274)	-	(274)
(538)	912	(1,061)	523
(1,526)	1,669	(1,769)	242
2,851	(2,852)	3,880	(1,029)

1,046	464	1,046	-
0	(26)	0	0

280	6	358	(78)
6,205	(660)	6,365	(160)
3,500	(751)	4,455	(955)
11,031	(968)	12,224	(1,193)

(0)

(47)	-	(47)	-
(4,499)	287	(5,453)	955
(4,546)	287	(5,500)	955
6,485	(681)	6,723	(238)

50	(2,818)	350	(300)
774	(12,876)	1,000	(226)
778	(12,673)	1,000	(222)
-	(674)	-	-
-	(1,544)	-	-
-	-	-	-
1,216	636	876	341
30	(82)	30	-
1,309	(21)	1,799	(489)
100	66	34	66
551	(296)	846	(296)
1,395	280	1,115	280
-	(1,200)	-	-
-	(245)	-	-
644	425	580	64

38	(1,045)	50	(12)
42	(80)	10	32
-	(108)	-	-
8,898	(473)	9,371	(473)
999	366	633	366
759	(7,676)	1,500	(741)
17	(1,975)	20	(3)
17,600	(42,013)	19,213	(1,613)

(0)

(5,185)	6,299	(5,929)	744
(251)	176	(427)	176
(1,341)	1,566	(1,361)	20
	-		-
(6,776)	8,041	(7,716)	940
10,824	(33,972)	11,497	(673)

4,509	(2,105)	5,468	(960)
593	(19)	593	-
300	300	626	(326)
65	(88)	65	-
450	(2,298)	1,084	(634)
3,101	-	3,101	-
27	4	23	4
150	(1,356)	519	(369)
1,637	-	1,637	-

340	(1,501)	340	(0)
2,000	-	2,000	-
-	(867)	-	-
240	-	240	-
49	-	49	-
8,951	(5,824)	10,276	(1,325)

-	-	-	-
(5,605)	(3,696)	(1,909)	(3,696)
(862)	(831)	(624)	(237)
(887)	1,396	(1,490)	603
(7,354)	(3,131)	(4,024)	(3,330)
1,597	(8,956)	6,252	(4,655)

26,551	(47,837)	29,489	(2,938)
(14,130)	4,910	(11,740)	(2,390)
12,421	(42,927)	17,749	(5,328)

2,479	-	2,479	-
497	497	497	-
52,883	(55,218)	58,381	(5,498)

(497)	(497)	(497)	-
(497)	(497)	(497)	-

(5,947)	7,331	(6,684)	737
(5,856)	(3,520)	(2,336)	(3,520)
(1,341)	1,566	(1,361)	20
(1,095)	425	(1,095)	(0)
(3,135)	(1,105)	(2,624)	(511)
(7,085)	2,127	(9,246)	2,161
(4,524)	1,102	(4,524)	-
(28,983)	7,926	(27,869)	(1,113)
23,900	(47,292)	30,511	(6,611)

Appendix 5

East Lothian Council

Budget Monitoring 2023/24 - Treasury Period Nine

1 PRUDENTIAL INDICATORS		2022-23	2023-24	2023-24
		Actual £'000	Budget £'000	Q3 Projection £'000
1.1	Capital Expenditure			
	General Services	87,955	98,916	52,883
	HRA	40,349	33,964	44,238
	TOTAL	128,304	132,880	97,121
1.2	Capital Financing Requirement (CFR) – General Services			
	brought forward 1 April	257,927	309,114	295,377
	carried forward 31 March	295,377	372,650	320,620
	In year borrowing requirement	37,450	63,536	25,243
1.3	Capital Financing Requirement (CFR) - HRA			
	brought forward 1 April	219,522	245,305	240,066
	carried forward 31 March	240,066	265,974	267,835
	In year borrowing requirement	20,544	20,669	27,769
1.4	Total CFR excluding PPP and leases			
	General Services	295,377	372,650	320,620
	HRA	240,066	265,974	267,835
	TOTAL	535,443	638,624	588,455
1.5	Annual Change in CFR			
	General Services	37,450	63,536	25,243
	HRA	20,544	20,669	27,769
	TOTAL	57,994	84,205	53,012

1.6 Ratio of financing costs to net revenue stream			
General Services	2.72%	4.37%	4.37%
HRA	30.10%	36.24%	34.32%
1.7 Impact of Capital Investment Decisions			
General Services – Debt per Band D equivalent	£4,943	£6,086	£5,236
HRA – Debt per dwelling	£26,254	£28,652	£28,852

2 TREASURY MANAGEMENT INDICATORS	2022-23	2023-24	2023-24
	Actual £'000	Budget £'000	Q3 Projection £'000
2.1 Authorised Limit for External Debt -			
Borrowing at 31 March	601,000	680,000	623,000
Other long term liabilities (PPP and Leases)	33,000	31,000	31,000
Total	634,000	711,000	654,000
2.2 Operational Boundary for External Debt -			
Borrowing at 31 March	535,442	638,623	588,454
Other long term liabilities (PPP and Leases)	32,214	30,686	30,687
Total	567,656	669,309	619,141
2.3 Actual External Debt			
Borrowing at 31 March	441,503	573,341	495,576
Other long term liabilities (PPP and Leases)	32,214	30,687	30,687
Total	473,717	604,028	526,263

3 LOANS FUND	2022-23	2023-24	2023-24
	Actual	Budget	Q3 Projection

	£'000	£'000	£'000
3.1 General Services			
Opening balance	257,927	309,114	295,376
Add advances	37,776	65,957	29,481
Less repayments	(326)	(2,420)	(4,237)
Closing balance	295,376	372,650	320,620
3.2 HRA			
Opening balance	219,522	245,305	240,065
Add advances	25,366	26,068	33,151
Less repayments	(4,822)	(5,399)	(5,382)
Closing balance	240,065	265,973	267,834
3.3 Total			
Opening balance	477,448	554,418	535,442
Add advances	63,142	92,024	62,632
Less repayments	(5,148)	(7,819)	(9,619)
Closing balance	535,442	638,624	588,455

Appendix 6
 East Lothian Council
 Budget Monitoring HRA 2023/24 - Period Nine

	2023/24 Budget	2023/24 Actual to Date	2023/24 Budget to Date	2023/24 Budget Variance to Date
	£'000	£'000	£'000	£'000
Total Income	-37,482	-27,966	-28,112	144
Total Expenditure	36,233	15,511	16,523	-1,012
(Surplus) / (Deficit)	-1,249	-12,455	-11,589	-868

	2023/24 Budget
	£'000
Management of Balances	
Opening (Surplus) / (Deficit)	-1,486
CFCR	1,200
(Surplus) / (Deficit)	-1,249
Closing (Surplus) / (Deficit)	-1,535

Appendix 7

East Lothian Council

Budget Monitoring HRA Capital 2023/24 - Period Nine

	2023/24 Budget	2023/24 Actual to Date	2023/24 Budget to Date	2023/24 Budget Variance to Date
	£'000	£'000	£'000	£'000
Modernisa	10,709	6,438	8,032	-1,594
Energy Effi	2,500	714	1,875	-1,161
New Counc	19,037	23,523	14,278	9,245
Fees	1,438	0	0	0
Mortgage t	280	230	0	230
TOTAL	33,964	30,905	24,185	6,720

Funded By:

	2023/24 Budget	2023/24 Actual to Date	2023/24 Budget to Date	2023/24 Budget Variance to Date
	£'000	£'000	£'000	£'000
Grants	-6,500	-9,209	-4,875	-4,334
Grants MT	-196	-166	0	-166
CFCR	-1,200	-1,200	-1,200	0
Borrowing	-26,068	-20,331	-18,110	-2,221
TOTAL	-33,964	-30,906	-24,185	-6,721