

REPORT TO: East Lothian Council

MEETING DATE: 24 June 2025

BY: Executive Director for Council Resources

SUBJECT: Year-end Financial Review 2024/25

1 PURPOSE

- 1.1 To provide an update on the **DRAFT** financial position for the year ending 31 March 2025.

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.
 - Following the decision of the IJB to allocate its remaining unallocated reserves to meet NHS delegated pressures and in line with section 9.14 of the Scheme of Integration, agree to an additional contribution of £2.803 million to the IJB to fund the overspend in Council Services.
 - Agree to provide a letter of guarantee to support the going concern assumption for Enjoy Leisure and Brunton Theatre Trust.
 - Agree to the updated budget mitigation measures noting the change to recruitment measures and that they will remain under review through the quarterly monitoring process.
 - Agree to increase the unallocated reserves balance to £8.506 million.

3 BACKGROUND

- 3.1 During 2024/25, the Council has considered financial reviews setting out the challenges of managing the financial position of the Council. The Council continues to face increasing demand and cost pressures which

present ongoing challenges to financial sustainability. The most significant of these pressures arises from demand led service areas particularly within Health & Social Care Services delegated to the IJB, Children's Services and Homelessness. In addition, there remain in-year pressures arising from the timing and delivery of planned financial savings.

- 3.2 The Council continues to face several significant financial and other risks, both this year and in future years, and these will continue to be closely monitored.
- 3.3 In response to these risks, and with a view to managing the in-year financial pressures, Council approved a series of control measures at the June 2024 meeting which the Council Management Team (CMT) is responsible for applying.
- 3.4 The significance of these pressures continues to be reflected in the Corporate Risk Register where "Managing the Financial Environment" remains a high risk and consequently addressing this is a key corporate priority.
- 3.5 This report sets out the financial results for the 2024/25 financial year across all service areas. These results will remain in draft and subject to change pending the finalisation of the 2024/25 audit.

Unaudited Accounts – 2024/25

- 3.6 The draft accounts covering the financial year 2024/25 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 2025. The **DRAFT** accounts will be submitted formally to the Members' Library Service following submission to audit.
 - The audit will be undertaken between September and November 2025.
 - Aligned to statutory requirements, the draft accounts will be available for public inspection during the first three weeks of July 2025.
 - Elected Members will be offered a briefing in August 2025 to support a wider understanding of the final accounts and key issues contained in them.
 - In August 2025, the **DRAFT** accounts will be presented to Council for consideration to support formal requirements to enable Members to scrutinise the unaudited accounts by 31 August 2025.

- 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 2025.
- 3.7 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 audit.

General Services Revenue Summary – 31 March 2025

- 3.8 An analysis of the financial position across service groups is set out in **Appendix 1** with further details in the paragraphs below.
- 3.9 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 statutory accounting adjustments for pensions made under IAS19. No budget variances have arisen from these adjustments.
- 3.10 In summary, before adjusting for transfers to earmarked reserves and significant one-off mitigations, there is an overspend of £4.408 million.
- 3.11 The transfers to earmarked reserves totalled £2.911 million. These were:
- Scottish Future Trust Funding for Wallyford Learning Campus - £1.722 million (transferred to the SFT earmarked reserve)
 - Service Concessions Adjustments - £1.073 million (transferred to the service concession earmarked reserve)
 - Other Earmarked Reserves - £116,000 (transferred to the ring-fenced funds and other balances earmarked reserve)
- 3.12 The one-off mitigations totalled £2.735 million. These were:
- Sports and Leisure VAT Rebate (one-off mitigation) - £1.4 million
 - Car Parking VAT Rebate (one-off mitigation) - £275,000
 - Insurance Premium Prepayment (one-off mitigation) - £735,000
 - Release of a Provision (one-off mitigation) - £325,000
- 3.13 Taking the planned use of reserves and one-off VAT mitigations, totalling £5.646 million, into account, the ledger position is an underspend of £1.238 million.
- 3.14 The main areas of pressure were:
- Children's Services overspend, £2 million – relating to external residential pressures. This pressure is shown in the management line in **Appendix 1** with the external residential schools' budget overspending by more than £2 million. Work is ongoing to identify

options in East Lothian for clients in external settings who could be brought back safely to the area. Additional funding was agreed in the budget that was approved in February 2025 to offset this pressure.

- H&SC – IJB overspend, £2.8 million – the overspend is due to pressures in Commissioned Care Services, specifically External Care Homes and Support Services, as well as delays to delivering some of the planned savings within the timescales reflected in the budget. Further information on the IJB out-turn is provided in sections 3.32 to 3.37. Additional funding was agreed in the budget that was approved in February 2025 with the intention of mitigating these pressures in 2025/26.
- H&SC – Non-IJB overspend, £395,000 – this relates to the former Supporting People funding and the third sector contracts being funded exceed the budget. This budget will transfer to Community Housing in 2025/26, and additional funding was agreed in the budget that was approved in February 2025 to offset the pressure.
- Community Housing overspend, £437,000 – this includes an undelivered saving of £275,000 (see section 3.20 for conformation this will be achieved in 2025/26) as well as continuing high demand for homeless services. Additional funding was agreed in the budget that was approved in February 2025 to offset this pressure.
- Infrastructure overspends, £529,000 – the main reason for these pressures are three undelivered savings totalling £744,000 (see section 3.20 for an update in delivery progress). Without these pressures the service would have delivered a surplus.
- Other Undelivered Savings overspend, £1 million – this relates to the Asset Review and an update is provided in section 3.20).

3.15 These pressures were offset by:

- One-off mitigations, £2.735 million – see section 3.12.
- Additional Council Tax income, £1.3 million – see section 3.31.
- Staffing Underspends £3.7 million – this is the net position after adjusting for the £2.5 million staff turnover savings and is due to vacancies aligned to the intervention measures agreed by Council to mitigate the forecast in-year overspend.

Approved Mitigations

3.16 At the 25 June 2024 Council meeting, the Council approved the following control measures which the Council Management Team is responsible for applying, they are:

- 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 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 collaborate with partner bodies including the IJB to explore all options to try and mitigate overspends and ensure spending remains aligned to approved budgets.
 - In-year financial review papers will continue to be reported to Council rather than Cabinet.
- 3.17 Except for recruitment controls the other five mitigations should be accepted as expected business practice and continued for the next 12 months.
- 3.18 For recruitment, posts will only be filled if there is an obvious detrimental impact on the service being provided from not doing so and sign-off has been given by CMT and EMT. This will apply to all posts.
- 3.19 These control measures will remain under review through the quarterly budget monitoring process.

2024/25 Efficiencies

- 3.20 During 2024/25, Council approved £7.925 million of planned efficiencies, of which, £5.906 million have been delivered and £2.019 million have not been delivered in full. **Appendix 2** sets out the position in more detail. The savings that have not been delivered this year are:
- Charging for Garden Waste Collection, £57,000 – due to the timing of the introduction of the service, July 2024, a full year of income was not achieved in 2024/25. Based on uptake, the full income target will be met in 2025/26.
 - Review of Management of Sports Facilities, £187,000 – this was part of a total saving of £310,000, meaning £123,000 was delivered in 2024/25. This work has now been completed and the saving will be achieved in 2025/26.
 - Asset Review, £1 million – work is ongoing and in time savings that meet the target are expected to be delivered.
 - Review of Adaptations, £275,000 – this saving will be achieved in 2025/26.

- Income generation, £500,000 – work is progressing to develop proposals, and income is expected to be achieved in 2025/26 but depending on timing of implementation it may not be the full amount.
- 3.21 In addition to the above, a saving planned for 2023/24, to review public holidays, has not yet been delivered.

Reserves

- 3.22 The impact of the 2024/25 revenue out-turn will be a net increase in earmarked and unallocated reserves of £1.959 million (the £1.238 million underspend in the ledger adjusted by the affordable housing earmarked reserve). This comprises drawdowns for planned use of reserves, offset by contributions to earmarked reserves where funds will be required to fulfil a specific purpose in the future.
- 3.23 The Council's approved reserves strategy sets out the requirement to maintain a minimum unallocated balance on the general fund, which at the start of the financial year was set at 2.5% of the annual revenue budget. It is proposed to increase the unallocated reserves by just over £900,000 to £8.506 million to meet this target. This can be achieved through a transfer of reserves which had been earmarked for planned use during 2024/25 but were not required.
- 3.24 An indicative summary of general reserves at 31 March 2025 is provided in **Appendix 3**.
- 3.25 The closing reserves balance at 31 March 2025 enables unallocated balances to be maintained above the minimum acceptable level set out within the financial strategy. However, as noted in the 2023/24 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 2023 of 3.2% (based on the 2024/25 budget, the minimum unallocated balance would need to increase to £11.7 million to align with the 2023/24 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.
- 3.26 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, to ensure that the Council holds adequate contingency and would have the capacity to respond to any future unforeseen events.

Additional Scottish Government Funding

- 3.27 Since Council approved the 2024/25 budget in February 2024, there has been additional funding of £12.554 million from the Scottish Government to support policy commitments which is unchanged since the Quarter 3 report. This is set out in more detail in **Appendix 4**.
- 3.28 Of the additional funding received, approximately £5m was transferred to the IJB to fund the delivery of policy commitments within Health and Social Care. These funding streams are to support existing commitments or specific national policy objectives, so they did not help to offset wider pressures on the Council's financial position.
- 3.29 In line with Council's decision in April 2024, additional funding of £1.217m was applied as follows and is reflected within the forecast position noted in this report:
- To mitigate the risks of overspends which arise from delays to delivering agreed savings.
 - To reduce the planned use of reserves in 2024/25
 - To offset wider and emerging risks throughout the next financial year.
- 3.30 Other funding has been for policy commitments, including funding for the additional element of the pay award, the retained teachers support and additional funding for the Scottish Welfare Fund.

Council Tax

- 3.31 At this stage, there is a forecast surplus in the Council Tax budget of £1.3 million (1.7% of the budget). This is due to an increase in the number of dwellings over and above the estimates incorporated into the budget, along with earlier occupation of the dwellings being completed this financial year. This has been taken account of in the Council Tax assumptions for 2025/26.

Integrated Joint Board

- 3.32 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.
- 3.33 The IJB delivered an overspend of £2.8 million due to the increasing demand for Adult Social Work and Learning Disability commissioned care services for clients including Care Home placements and Care at Home services as well as delays in the delivery of agreed savings. These are demand led areas of service.
- 3.34 The IJB Chief Officer established a group to review progress with the service recovery plan and consider options to mitigate these pressures

and reduce costs across the wider IJB operations. The Finance Service participates in supporting this ongoing work.

- 3.35 The IJB took a decision to allocate all its unallocated reserves to meet NHS delegated pressures. This means it is unable to meet the level of overspend in 2024/25 for Council Services from its own reserves and in line with the scheme of integration, the Council is responsible for funding the pressure, this is set out specifically in section 9.14 which states:

“...the Parties recognise and accept that an overspend is at the risk of the Party incurring the overspend and the residual amount of overspend after usage of reserves must, in the absence of any other agreement, be met by that Party.”

- 3.36 The Council has recognised the demand challenges facing Council delegated IJB services and has increased funding for 2025/26 by around £4 million on top of passported funding from the Scottish Government to help address these pressures.
- 3.37 The Council’s Chief Financial Officer has stressed the need to the IJB Chief Financial Officer for the IJB to develop robust and deliverable medium-term financial plans, which can meet the full extent of the projected budget gap including that arising from delegated Council functions in collaboration with the funding partners.

Council’s Group Components

- 3.38 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 collaborate proactively with them to manage cash flow and fulfil their obligations should the need arise.
- 3.39 It is recommended that a similar “letter of guarantee” is supported for both Enjoy and Brunton Theatre Trust as part the 2024/25 accounts closedown.

Financial Sustainability

- 3.40 Given the risks and challenges facing the Council, it remains essential that the Council’s financial strategy and wider policies supports the Council’s financial sustainability and capacity to sustain front line service delivery over the medium term. These pressures arise from significant increases to the cost of delivering services, growing demands aligned to population growth, and continued reductions and direction in national funding. The recurring pressures mean that the five-year outlook for the Council reflects significant gaps between available funding and expenditure demands. Although a balanced budget has now been agreed for 2025/26, without significant increases in funding, the Council will face difficult decisions about how the gap can be closed in the years beyond this.
- 3.41 As a reminder, the Council has a minimum level of unearmarked general reserves. Any unplanned use of reserves arising from overspends will place this below the minimum agreed level and will require other

earmarked reserves to be repurposed to replenish this. This presents a risk to the Council's capacity to enable change and reshape service delivery to deliver planned savings.

- 3.42 The national settlement remains aligned to the delivery of wider national policy commitments and settlement conditions which means there are limited options available to redirect funding streams without an impact on the specific policy delivery.
- 3.43 Alongside these national commitments, East Lothian remains one of the fastest growing councils in Scotland with population growth continuing to increase year on year. The ongoing costs and demands of supporting this growth alongside wider challenges remain significant. Without changes in how the Council delivers services and prioritises investment, the financial position will become unsustainable.

General Services Capital Summary – 31 March 2025

- 3.44 **Appendix 5** shows the approved and updated 2024/25 budgets and expenditure for the financial year, showing spend of £95 million relative to the updated gross expenditure budget of £118 million. A significant proportion of this underspend has already been re-profiled as part of the work on the 2025/26 capital plan and will be used in future years. Where appropriate, this is matched against anticipated income in line with individual project requirements.
- 3.45 Capital income applied during 2024/25 was £59.7 million with the most significant element being other funding contributions totalling £20.9 million. This includes income from Transport Scotland for the Markle level crossing and £17 million of funding from the UK Government Levelling Up Fund in relation to works at the Cockenzie site.
- 3.46 A summary of the key movements from the Quarter 3 projections are shown below:
- Expenditure on Roads Externally Funded projects was ahead of projection (primarily for the Markle level crossing replacement) and reflected progress on site. This is fully externally funded (Other Sources).
 - Blindwells, Craighall and Whitecraig new build primary schools are progressing towards completion but a change in profile of expenditure reduced the actual expenditure in comparison to the Quarter 3 projection.
 - Progress on the Cockenzie Levelling Up funded works on the coal bund removal and site along with the Link Road construction has meant that expenditure in 2024/25 is ahead of original profile. This is funded by a mix of external UK Government funding and use of capital receipts generated from this project.
 - In line with proper accounting practice, the Innovation Hub construction reported in-year has been removed as capital

expenditure as the Joint Venture will own it. The removal of spend is also reflected in a corresponding removal of capital grant.

- The PPP Projects include the disclosure of the lease liability as well as lifecycle capital spend, in accordance with the relevant accounting standard.

3.47 The borrowing requirement reduced from a projected figure of £46.8 million to £36 million. Other significant movements to income include an increase of £4 million in Other Funding received and applied and the PPP lease liability of £3.3 million. The introduction of the accounting standard IFRS16 has resulted in a remeasurement of PPP assets and a subsequent adjustment to the borrowing required.

Housing Revenue Account Summary – 31 March 2025

3.48 The HRA delivered a closing budget surplus of £2.017 million which is in line with budgeted assumptions and the planned opening budget for 2025/26 within the HRA budget that was approved in February 2025. **Appendix 6** sets out the revenue spend for the year.

3.49 Aided by the appointment of a new Senior Project Officer, there has been significant work undertaken to reduce the number of void properties and, at the end of the 2024/25 financial year, the number of voids had reduced from 273 at the start of the year to 178 on 31 March 2025, a net reduction of 95. This has been achieved by increased repairs to voids properties. Void costs fell again in Quarter 4 meaning two quarters of reduced costs in the second half of the year. The service plans to continue to target void numbers with additional work in the first half of 2025/26 after which activity should return to more normal levels. Both the pressures from void rent loss and the additional repair costs led to increased costs that were offset by additional income and varying the CFCR level.

3.50 Looking ahead, to meet the two key tests in the financial strategy, a £1 million and a debt-to-income ratio below 40%, a review of the rent strategy is required, and work is ongoing to take forward a rent review, with financial modelling currently ongoing along with a longer term HRA business plan and that will be developed over summer 2025. This will consider fully the requirements to maintain the proposed capital investment in modernising properties and building new Council houses.

3.51 Capital spend was £32.4 million, slightly higher than the budget by £892,000 and higher than was projected at Quarter 3. Further details are provided in **Appendix 7**. The main reasons for this were:

- Additional spend on void properties leading to an increase in the modernisation budget spend.
- The energy efficiency budget was fully spent with measures including, roofing with integrated PV with battery storage, various insulation measures, the installation of condensing gas boilers, air source heat pumps and high heat retention storage users as well as supplementing

the windows and doors programme with installations to improve the thermal efficiency of over 700 properties.

- New Affordable Council Housing expenditure though still under budget was higher than projected at Quarter 3 at £13.852 million (£350,000 higher).
- Open Market Acquisitions (5 units), fees and Mortgage to Rent properties (1 unit) were in line with budget projections.

3.52 Borrowing to fund the capital programme, despite the CFCR level being reduced, was around £1.4 million lower than budgeted due to additional grants from the Scottish Government late in the financial year.

3.53 There remain significant challenges in delivering the programme due to several factors including uncertainties on the level of subsidy, shortage of labour resources, uncertainty in the housing market due to the current economic situation, rising costs and challenges in awarding and mobilisation of contracts.

Conclusion

3.54 The Council continues to operate in a challenging, complex, and ever-changing financial environment. There is an underspend of £1.238 million in General Services Revenue; however, without £5.646 million of one-off mitigations and the impact of enhanced mitigation measures overseen by CMT, especially on recruitment, then it is likely that a significant overspend would have been reported for 2024/25. The affordability of the capital programme is also uncertain as material and contract costs increase, and the cost of borrowing remains high.

3.55 The Council will continue to take steps to ensure that it can sustain the delivery of vital services to the community and 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 is 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 – 25 February 2025 – Item 2 – Q3 Financial Review 2024/25
- 7.2 Council – 10 December 2023 – Item 3 – Financial and Capital Strategies 2025-2030
- 7.3 Council – 10 December 2024 – Item 3 – Quarter 2 Financial Review 2024/25
- 7.4 Council – 29 October 2024 – Item 2 – Finance Update
- 7.5 Council – 27 August 2024 – Item 3 – Quarter 1 Financial Review 2024/25
- 7.6 Council – 20 February 2024 – Item 3 – Treasury Management Strategy
- 7.7 Council – 20 February 2024 – Item 2, 2a, 2b – Budget Papers

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Appendix 1
East Lothian Council
Budget Monitoring 2024/25 - Year-End

Service	Head of Service	Business Unit	2024/25 Budget	Year to Date			2024/25 Budget Variance to Date	2024/25 Budget Variance to Date	Financial Risk Assessment
				2024/25 Actual to Date	2024/25 Budget to Date	2024/25 Budget Variance to Date			
				£'000	£'000	£'000		%	
Education & Children's	Children's	Performance & Service Delivery	1,382	1,342	1,394	-52	-3.73%		
Education & Children's	Children's	Management	4,013	6,625	4,018	2,607	64.88%		
Education & Children's	Children's	Assessment HUB and Early Interventions	2,016	1,921	2,027	-106	-5.23%		
Education & Children's	Children's	Long Term Social Work Supervisory Groups	3,288	3,309	3,296	13	0.39%		
Education & Children's	Children's	TAC, Disability & Resources	1,883	1,719	1,890	-171	-9.05%		
Education & Children's	Children's	Fostering, Adoption & Internal Resources	6,275	5,887	6,305	-418	-6.63%		
Education & Children's	Children's	Early Years Intervention	948	699	952	-253	-26.58%		
Education & Children's	Children's	Disability Short Breaks	768	1,153	768	385	50.13%		
EDUCATION & CHILDREN'S	CHILDREN'S TOTAL		20,573	22,655	20,650	2,005	9.71%		
Education & Children's	Education	Inclusion & Wellbeing	13,409	14,129	13,413	716	5.34%		
Education & Children's	Education	Pre-School Education	16,575	15,655	16,580	-925	-5.58%		
Education & Children's	Education	Primary Schools	57,284	55,651	57,623	-1,972	-3.42%		
Education & Children's	Education	Secondary Schools	59,501	54,316	55,623	-1,307	-2.35%		
Education & Children's	Education	Schools' Support	3,790	3,744	4,314	-570	-13.21%		
Education & Children's	Education	East Lothian Works	1,326	1,220	1,340	-120	-8.96%		
EDUCATION & CHILDREN'S	EDUCATION TOTAL		151,885	144,715	148,893	-4,178	-2.81%		
EDUCATION & CHILDREN'S TOTAL			172,458	167,370	169,543	-2,173	-1.28%		
Council Resources	Finance	Financial Services	3,761	2,876	3,419	-543	-15.88%		
Council Resources	Finance	Revenues & Financial Support	4,895	4,634	4,926	-292	-5.93%		
Council Resources	Finance	Procurement	1,230	1,428	1,239	189	15.25%		
COUNCIL RESOURCES	FINANCE TOTAL		9,886	8,938	9,584	-646	-6.74%		
Council Resources	Corporate	IT Services	3,547	3,712	3,566	146	4.09%		
Council Resources	Corporate	People & Council Support	4,605	4,440	4,670	-230	-4.93%		
Council Resources	Corporate	Governance	2,379	2,163	2,400	-237	-9.88%		
Council Resources	Corporate	Communications	555	498	557	-59	-10.59%		
COUNCIL RESOURCES	CORPORATE TOTAL		11,086	10,813	11,193	-380	-3.39%		
COUNCIL RESOURCES TOTAL			20,972	19,751	20,777	-1,026	-4.94%		
Health & Social Care Partnership	Head of Operations	Adult Social Work	31,995	33,046	32,030	1,016	3.17%		
Health & Social Care Partnership	Head of Operations	Acute & Ongoing Care	10,220	10,971	10,350	621	6.00%		
Health & Social Care Partnership	Head of Operations	Rehabilitation	2,154	2,005	2,169	-164	-7.56%		
Health & Social Care Partnership	Head of Operations	Learning Disability & MH Community Services	19,269	21,013	19,299	1,714	8.88%		
Health & Social Care Partnership	Head of Operations	Head of Operations	5,083	5,177	5,084	93	1.83%		
Health & Social Care Partnership	Head of Operations	Business & Performance IJB	4,821	4,359	4,836	-477	-9.86%		
HEALTH & SOCIAL CARE PARTNERSHIP	IJB TOTAL		73,542	76,571	73,768	2,803	3.80%		
Health & Social Care Partnership	Head of Operations	Non-IJB	540	935	540	395	73.15%		
HEALTH & SOCIAL CARE PARTNERSHIP	Non-IJB TOTAL		540	935	540	395	73.15%		
HEALTH & SOCIAL CARE PARTNERSHIP TOTAL			74,082	77,506	74,308	3,198	4.30%		
Place	Development	Planning & Environmental Services	1,103	824	1,323	-499	-37.72%		
Place	Development	Economic Development	854	880	856	24	2.80%		
PLACE	DEVELOPMENT TOTAL		1,957	1,704	2,179	-475	-21.80%		
Place	Housing	Housing, Strategy & Development	284	362	384	-22	-5.73%		
Place	Housing	Property Maintenance Trading Account	-1,153	-1,153	-1,153	0	0.00%		
Place	Housing	Community Housing Group	2,828	3,273	2,836	437	-15.41%		
PLACE	HOUSING TOTAL		1,959	2,482	2,067	415	20.08%		
Place	Infrastructure	Asset Maintenance & Engineering Services	3,517	3,805	3,528	277	7.85%		
Place	Infrastructure	Strategic Asset & Capital Plan Management	-1,233	-1,822	-1,214	-608	50.08%		
Place	Infrastructure	Facility Trading Activity	-427	-582	-428	-154	35.98%		
Place	Infrastructure	Facility Support Services	4,118	4,083	4,167	-84	-2.02%		
Place	Infrastructure	Landscape & Countryside Management	6,288	6,518	6,392	126	1.97%		
Place	Infrastructure	Active Business Unit	3,799	3,843	3,806	37	0.97%		
Place	Infrastructure	Roads Network	4,138	4,976	4,448	528	11.87%		
Place	Infrastructure	Roads Trading Activity	-670	0	-740	740	-100.00%		
Place	Infrastructure	Transportation	2,237	1,813	2,282	-469	-20.55%		
Place	Infrastructure	Waste Services	9,609	9,836	9,700	136	1.40%		
PLACE	INFRASTRUCTURE TOTAL		31,376	32,470	31,941	529	1.66%		
Place	Communities & Partnerships	Connected Communities	6,279	5,964	6,321	-357	-5.65%		
Place	Communities & Partnerships	Protective Services	2,083	2,010	2,098	-88	-4.19%		
Place	Communities & Partnerships	Customer Services Group	4,514	4,273	4,566	-293	-6.42%		
PLACE	COMMUNITIES & PARTNERSHIPS TOTAL		12,876	12,247	12,985	-738	-5.68%		
PLACE TOTAL			48,168	48,903	49,172	-269	-0.55%		
SERVICE TOTAL			315,680	313,530	313,800	-270	-0.09%		
Non-Service Expenditure Sub-Total			16,383	15,998	18,262	-2,264	-12.40%		
Total Expenditure			332,063	329,528	332,062	-2,534	-0.76%		
Funded By Sub-Total			-329,128	-330,766	-329,127	-1,639	-0.50%		
Net Expenditure			2,935	-1,238	2,935	-4,173	142.18%		
Reserves Funding Sub-Total			-2,935	0	-2,935	2,935	100.00%		
TOTAL LEDGER POSITION			0	-1,238	0	-1,238	-0.37%		
Transfer to Service Concessions Earmarked Reserve						1,073			
Transfers to SFT Earmarked Reserve						1,722			
Transfers to Ring Fenced and Other Balances Ear Markede Reserve						116			
Sports & Leisure VAT Rebate (one-off)						1,400			
Car Parking VAT Rebate (one-off)						275			
Insurance Premium Prepayment						735			
Release of Provision						325			
Total						5,646			
REVISED POSITION ADJUSTED FOR ONE-OFF MITIGATIONS						4,408	1.33%		
RECONCILIATION									
Ledger Underspend						-1,238			
Committed for Future Budgets						172			
Transformation Fund						1,486			
Ring Fenced Funds and Other balances						-101			
Service Concession reserve						-1,073			
SFT Earmarked Reserve						-1,722			
Total Reserves Funding						-1,238			
Reconciliation						0			
MOVEMENT IN RESERVES									
Ledger Underspend						-1,238			
Increase in Empty Homes Premium for Affordable Housing Reserve						-755			
Decrease in Committed for Future Budgets						940			
Increase in Contingency Reserve						-906			
Increase in Capital Grants Unapplied						-2,792			
Reduction in Capital Receipts						7,410			
HRA						-482			
Total Movement in Reserves						2,177			
Usable Rservices									
Opening Usable Reserves						-55,507			
Movement in Reserves						2,177			
Closing Usable Reserves						-53,330			

Appendix 2

East Lothian Council

2024/25 Budget Efficiencies - Year-End

Service	2024/25		
	Achieved	Amber	Unachievable
	£'000	£'000	£'000
Education	530	0	0
Finance	630	0	0
Corporate Services	38	0	0
Development	120	0	0
Housing	48	275	0
Infrastructure	2,327	744	0
Communities	1,113	0	0
Non Service Expenditure	1,100	1,000	0
Total	5,906	2,019	0
	74.52%	25.48%	0.00%

7,925

Appendix 3
East Lothian Council
2024/25 Reserves

Description	Opening Balance	Change	Revised Balance	Other Adjustments	Closing Balance
	£'000	£'000	2024/25 £'000	£'000	2024/25 £'000
General Fund Reserve					
Earmarked					
Committed for Future Budgets	1,112	-172	940	-940	0
Transformation Fund	18,525	-1,486	17,039	0	17,039
DSM	1,148	0	1,148	0	1,148
Ring Fenced Funds and Other balances	1,825	101	1,926	0	1,926
Service Concession reserve	1,043	1,073	2,116	0	2,116
SFT Earmarked Reserve	1,292	1,722	3,014	0	3,014
Empty Homes Premium for Affordable Housing	1,624	755	2,379	0	2,379
Total Earmarked Reserves	26,569	1,993	28,562	-940	27,622
Contingency	7,600	-34	7,566	940	8,506
Total General Fund Reserves	34,169	1,959	36,128	0	36,128
Other Reserves					
Insurance Fund	2,684	0	2,684	0	2,684
Capital Receipts Reserve	14,013	-7,410	6,603	0	6,603
Capital Grants Unapplied Account	3,106	2,792	5,898	0	5,898
HRA	1,535	482	2,017	0	2,017
Total Other Reserves	21,338	-4,136	17,202	0	17,202
Total Reserves	55,507	-2,177	53,330	0	53,330

Appendix 4

East Lothian Council

Budget Monitoring 2024/25 - Additional Funding from the Scottish Government

	£million
2024/25 GRG (per Budget Amendment)	238.012
Additional Funding - GRG	
Early Learning £12 per hour funding	0.350
Social Care £12 per hour funding	4.995
Other	0.045
Additional GRG for 2024/25 Settlement	1.217
Employability Child Poverty Co-ordinators	0.066
Council Tax Freeze (£3.4m built into approved budget)	0.004
2023/24 Local Government Pay Offer	0.403
Scottish School Milk Subsidy Scheme	0.023
Sustained Temporary Accommodation Pressures	0.015
Teacher Pension Funding (£1.589m built into approved budget)	0.146
Teachers Induction (£0.674m built into approved budget)	-0.092
Retained Teacher Support (was a specific grant at budget setting)	2.952
Ukraine Resettlement	0.053
2024/25 Local Government Pay Offer	1.504
2024/25 SNCT Pay Deal (recurring)	0.559
Climate Intelligence Service	0.002
Building Standards Hub	-0.023
Educational Psychologist Refund	0.008
Scottish Welfare Fund	0.327
Total Additional Funding	12.554
Revised GRG	250.566

Appendix 5
East Lothian Council
General Services Capital Budget Monitoring Summary 2024/25
Year-End

	Annual (In-Year)						
	Approved Budget 2024/25	Updated Budget 2024/25	Actual 2024/25	Updated Budget-Actual Variance 2024/25	Previously reported Outturn to Council	Actual to P9 Projection Variance	Reprofiled during budget process
Expenditure	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Community Projects							
Community Intervention	300	300	21	(279)	150	(129)	-
Community Intervention Fund - Pump Tracks	475	475	178	(297)	240	(62)	77
Community Public Art	160	160	36	(124)	200	(164)	-
Bleachingfield Centre Remodelling Works	100	100	99	(2)	105	(6)	-
Dunbar Conservation Area Regeneration Scheme (CARS)	355	760	-	(760)	150	(150)	560
East Saltoun Community Hall	-	-	-	-	-	-	-
North Berwick Skatepark	-	13	14	1	10	5	-
Support for Business	-	-	5	5	6	(1)	-
Fisherrow - spend to save project	225	250	250	-	250	-	-
CCTV	123	219	8	(212)	8	(0)	169
Town Centre Regeneration	514	937	237	(700)	558	(321)	-
Total Community Projects	2,253	3,215	848	(2,368)	1,676	(828)	806
Town Centre Regeneration (PBIP) Grant	(500)	(820)	(507)	313	(470)	(37)	-
Other Funding Sources	(805)	(1,276)	(547)	730	(777)	230	(477)
GCG REFCUS	-	-	-	-	-	-	-
Total Income: Community Projects	(1,305)	(2,096)	(1,054)	1,042	(1,247)	194	(477)
Community Projects - General Capital Grant/Borrowing Requirement	948	1,119	(206)	(1,325)	428	(634)	329
ICT							
IT Programme & Digital Opportunities	2,200	2,400	2,380	(20)	2,400	(20)	-
Telecare System upgrade to Digital	-	-	316	316	335	(19)	-
Total ICT	2,200	2,400	2,695	295	2,735	(40)	-
Other Funding Sources	-	-	-	-	-	-	-
Total Income: ICT	-	-	-	-	-	-	-
ICT - General Capital Grant/Borrowing Requirement	2,200	2,400	2,695	295	2,735	(40)	-
Fleet							
Amenties - Machinery & Equipment - replacement	200	169	164	(5)	169	(5)	-
Vehicles	4,611	4,611	2,892	(1,719)	3,380	(488)	-
Total Fleet	4,811	4,780	3,057	(1,723)	3,549	(492)	-
Other Funding Sources	-	-	-	-	-	-	-
Total Income: Fleet	-	-	-	-	-	-	-
Fleet - General Capital Grant/Borrowing Requirement	4,811	4,780	3,057	(1,723)	3,549	(492)	-
Open Space							
Synthetic Pitch Replacement Programme	157	230	356	127	324	32	-
Cemeteries (Burial Grounds)	637	911	727	(184)	911	(184)	-
River Tyne / Haddington Flood Protection scheme	-	-	0	0	-	0	-
Coastal / Flood Protection schemes - Musselburgh	2,050	1,904	1,254	(650)	1,575	(320)	326
Coastal Change Management	85	85	40	(45)	40	-	45
Coastal Car Park Toilets	256	262	257	(5)	298	(41)	-
Core Path Plan	50	100	-	(100)	100	(100)	-
Harbour Walls	600	600	376	(224)	375	0	233
Mains Farm Town Park & Pavilion	-	-	-	-	-	-	-
Nature Restoration	-	59	56	(3)	59	(3)	-
Replacement Play Equipment	327	459	454	(5)	459	(5)	-
Polson Park	160	160	-	(160)	20	(20)	140
Sports and Recreation LDP	3,026	3,182	1,519	(1,662)	1,532	(13)	1,329
Street litter bin replacement	40	40	39	(1)	40	(1)	-
Waste - New Bins	160	160	256	96	201	54	-
Waste - Machinery & Equipment - replacement	40	40	13	(27)	19	(5)	-
Total Open Space	7,588	8,191	5,348	(2,843)	5,953	(605)	2,073
Developer Contribution	(2,457)	(2,656)	(1,485)	1,171	(1,512)	27	(1,029)
Capital Receipts	(350)	(350)	(189)	161	(189)	-	-
Other Funding Sources	(1,267)	(1,140)	(809)	331	(745)	(64)	-
Total Income: Open Space	(4,074)	(4,147)	(2,483)	1,664	(2,446)	(37)	(1,029)
Open Space - General Capital Grant/Borrowing Requirement	3,514	4,045	2,865	(1,179)	3,507	(641)	1,044
Roads, Lighting and related assets							
Cycling Walking Safer Streets	478	478	537	59	1,040	(504)	-
East Linton Rail Stop / Infrastructure	-	-	0	0	-	0	-
Parking Improvements	330	559	13	(545)	296	(283)	242
Roads	5,500	5,500	5,442	(58)	5,500	(58)	-
Roads - Externally Funded Projects	8,462	8,462	10,695	2,233	8,462	2,233	-
Total Roads, Lighting and related assets	14,770	14,999	16,687	1,688	15,298	1,389	242
Developer Contribution	-	-	-	-	-	-	-
Other Funding Sources	(8,940)	(8,940)	10,614	(1,674)	(9,503)	(1,112)	-
Total Income: Roads, Lighting and related assets	(8,940)	(8,940)	(10,614)	(1,674)	(9,503)	(1,112)	-

Appendix 5
East Lothian Council
General Services Capital Budget Monitoring Summary 2024/25
Year-End

	Annual (In-Year)						
	Approved Budget 2024/25	Updated Budget 2024/25	Actual 2024/25	Updated Budget-Actual Variance 2024/25	Previously reported Outturn to Council	Actual to P9 Projection Variance	Reprofiled during budget process
Expenditure	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Roads etc. - General Capital Grant/Borrowing Requirement	5,830	6,059	6,073	14	5,796	277	242
Property - Education							
Aberlady Primary - extension	2,289	2,328	25	(2,303)	30	(5)	1,993
Blindwells Primary - new school	19,453	17,975	16,723	(1,252)	19,702	(2,979)	(1,724)
Craighall Primary - New School	19,217	17,107	15,743	(1,364)	19,101	(3,359)	(2,034)
East Linton Primary - new school	-	-	-	-	-	-	-
Free School Meals Expansion to P6-7	-	17	-	(17)	100	(100)	-
Gullane Primary - extension including Early Learning and 1140	-	-	-	-	-	-	-
Kingsmeadow Primary School	-	-	30	30	-	30	-
Knox Academy Extension	50	50	-	(50)	52	(52)	-
Law Primary - extension including Early Learning and 1140	67	622	118	(504)	143	(25)	-
Letham Primary - New School	-	42	17	(25)	17	0	25
North Berwick High School - Extension	450	688	293	(395)	688	(395)	-
Ormiston Primary - extension	-	82	89	8	82	8	-
Pinkie St Peter's Primary - sports hall extension	505	556	109	(447)	115	(6)	-
Pinkie St Peter's Primary - extension including Early Learning and 1140	279	449	4	(445)	150	(146)	-
Preston Lodge High School - extension (phase 1)	-	-	-	-	-	-	-
Prestonpans Primary - upgrades	243	243	-	(243)	-	-	-
Ross High School - extension	-	-	(160)	(160)	(147)	(13)	-
School Estate - Curriculum Upgrades	1,045	1,083	817	(267)	1,083	(267)	-
St Gabriel's Primary - extension including Early Learning and 1140	-	-	-	-	3	(3)	-
Wallyford Primary - New School	108	108	12	(96)	17	(5)	91
Wallyford Learning Campus	1,001	1,101	646	(455)	1,412	(766)	-
West Barns Primary - extension including Early Learning and 1140	46	37	-	(37)	-	-	-
Whitecraig Primary - new school including Early Learning and 1140	16,058	15,755	8,927	(6,828)	10,164	(1,237)	-
Windygoul Primary - Early learning and 1140 extension	150	133	99	(35)	-	99	133
Total Property - Education	60,962	58,376	43,491	(14,885)	52,712	(9,221)	(1,515)
Developer Contribution	(12,184)	(8,869)	(6,308)	2,561	(7,965)	1,656	(601)
Developer Contribution (Post completion)	(14)	(14)	-	14	-	-	-
1140 Grant Income	(167)	(144)	(1,642)	(1,497)	-	(1,642)	(17)
Other Funding Sources		-	(105)	(105)	(6)	(99)	-
Total Income: Property - Education	(12,365)	(9,028)	(8,055)	973	(7,971)	(84)	(618)
Property Education - General Capital Grant/Borrowing Requirement	48,597	49,348	35,436	(13,912)	44,741	(9,305)	(2,133)
Property - Other							
Accelerating Growth	14,853	15,582	14,281	(1,301)	20,227	(5,946)	-
- Cockenzie	-	507	6,239	5,732	4,964	1,275	-
- Levelling Up Project Cockenzie	10,978	11,164	8,014	(3,150)	5,669	2,345	5,495
- Blindwells	-	35	21	(14)	194	(173)	-
- Innovation Hub	3,876	3,876	-	(3,876)	9,390	(9,390)	-
- A1/QMU Junction	-	-	6	6	10	(4)	-
Brunton Hall - Improved Community Access	-	-	-	-	-	-	-
Court Accommodation - incl. SPOC	820	952	898	(54)	874	25	-
Loch Centre Tranent - Major Refurbishment Works	721	721	27	(694)	55	(28)	-
New ways of working Programme	988	1,548	89	(1,459)	250	(161)	1,081
Prestongrange Museum	1,599	1,746	88	(1,658)	400	(312)	371
Property Renewals	2,000	2,000	1,888	(112)	2,000	(112)	-
Replacement Childrens House	867	867	-	(867)	-	-	867
Sports Centres	240	240	231	(9)	240	(9)	-
Whitecraig Community Centre	-	49	-	(49)	-	-	-
Total Property - Other	22,088	23,704	17,502	(6,202)	24,046	(6,544)	7,813
Developer Contribution	-	-	-	-	-	-	-
Developer Contribution (Post completion)	-	-	-	-	-	-	-
Capital receipts	(1,098)	(1,590)	(5,944)	(4,355)	(4,879)	(1,065)	-
TCR	(150)	(304)	(88)	216	(304)	216	-
Other Funding Sources	(10,228)	(10,613)	(8,340)	2,273	(5,948)	(2,392)	(4,705)
Total Income: Property - Other	(11,476)	(12,507)	(14,372)	(1,865)	(11,131)	(3,241)	(4,705)
Property Other - General Capital Grant/Borrowing Requirement	10,612	11,197	3,130	(8,067)	12,915	(9,785)	3,108
Total Property Spend - Education and Other	83,050	82,080	60,993	(21,087)	76,757	(15,765)	6,298
Total Income: Property - Education and Other	(23,841)	(21,535)	(22,427)	(892)	(19,101)	(3,326)	(5,324)
Property-Education and Other - General Capital Grant/Borrowing Requirement	59,209	60,545	38,566	(21,979)	57,656	(19,090)	974
Capital Plan Fees	2,524	2,524	2,293	(231)	2,617	(324)	-
PPP Projects	-	-	3,799	3,799	-	3,799	-
Total Gross Expenditure	117,196	118,189	95,720	(22,469)	108,585	(12,866)	9,419
Other Funding Sources	-	-	(534)	(534)	-	(534)	-
PPP Lease Liability Restatement	-	-	(3,265)	(3,265)	-	(3,265)	-
Total Income:PPP Projects	-	-	(3,799)	(3,799)	-	(3,799)	-

Appendix 5
East Lothian Council
General Services Capital Budget Monitoring Summary 2024/25
Year-End

	Annual (In-Year)						
	Approved Budget 2024/25	Updated Budget 2024/25	Actual 2024/25	Updated Budget-Actual Variance 2024/25	Previously reported Outturn to Council	Actual to P9 Projection Variance	Reprofiled during budget process
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure							
Income							
Developer Contribution	(14,640)	(11,525)	(7,794)	3,731	(9,477)	1,683	(1,630)
Developer Contribution (Post completion)	(14)	(14)	-	14	-	-	-
1140 Grant Income	(167)	(144)	(1,642)	(1,497)	-	(1,642)	(17)
Town Centre Regeneration (PBIP) Grant	(650)	(1,124)	(595)	529	(774)	179	-
Capital receipts	(4,448)	(4,940)	(9,133)	(4,193)	(8,068)	(1,065)	-
Other Funding Sources	(21,240)	(21,970)	(20,949)	1,021	(16,978)	(3,970)	(5,183)
GCG REFCUS			-	-	-	-	-
Lease Liability	-	-	(3,265)	(3,265)	-	(3,265)	-
Scottish Government General Capital Grant	(24,877)	(24,877)	(16,343)	8,534	(26,486)	10,143	-
Total Income	(66,037)	(64,594)	(59,719)	4,875	(61,783)	2,064	(6,830)
Borrowing Requirement	51,158	53,594	36,001	(17,594)	46,802	(10,801)	2,589

Appendix 6
East Lothian Council
Budget Monitoring HRA 2024/25 - Year-End

	2024/25 Budget £'000	2024/25 Actual £'000	2024/25 Variance (Surplus) / Deficit £'000
Total Income	-40,854	-41,093	-239
Total Expenditure	38,150	39,094	944
(Surplus) / Deficit for Year	-2,704	-1,999	705

	2024/25 Budget £'000	2024/25 Actual £'000
Management of Balances		
Opening (Surplus) / Deficit	-1,535	-1,535
CFCR	2,200	1,517
(Surplus) / Deficit for Year	-2,704	-1,999
Closing (Surplus) / Deficit	-2,039	-2,017

Appendix 7**East Lothian Council****Budget Monitoring HRA Capital 2024/25 - Quarter 3**

	2024/25 Budget	2024/25 Actual	2024/25 Variance (Surplus) / Deficit
	£'000	£'000	£'000
Modernisation	10,600	12,543	1,943
Energy Efficiency Fund	2,500	2,505	5
New Council Housing	16,732	15,182	-1,550
Fees	1,467	2,051	584
Mortgage to Rent	280	190	-90
TOTAL	31,579	32,471	892

Funded By:

	2024/25 Budget	2024/25 Actual	2024/25 Variance (Surplus) / Deficit
	£'000	£'000	£'000
Grants	-632	-3,677	-3,045
Grants MTR	-196	-123	73
CFCR	-2,200	-1,517	683
Borrowing	-28,551	-27,154	1,397
TOTAL	-31,579	-32,471	-892