

**COMMITTEE:** East Lothian Council

**MEETING DATE:** 26 August 2025

**BY:** Executive Director for Council Resources

**REPORT TITLE:** Quarter 1 Financial Review 2025/26

**REPORT STATUS:** Public

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## **1 PURPOSE OF REPORT**

- 1.1 To provide an update on the in-year financial position at the end of June 2025.

## **2 RECOMMENDATIONS**

- 2.1 The Council is recommended to:
- Note the outcome of the Quarter 1 financial performance against approved budgets including progress toward delivering agreed budget efficiencies.
  - Note the risks and other factors that may impact that position by year-end and the range of ongoing intervention measures approved by Council.
  - Note the additional Scottish Government funding received since Council approved the budget in February 2025.
  - Note the update on the Integration Joint Board (IJB) position.
  - Agree to the creation of an earmarked reserve to offset future pressures within waste and recycling services.
  - Agree to uplift the subsidy payment to Enjoy by £250,000, as detailed in paragraphs 3.42 to 3.47.
  - Note the key performance information for council tax collection, rent collection and Scottish Welfare Fund spending.

- Note the revised General Services Capital budget and forecast spend and the update on Prudential and Treasury Indicators
- Agree to the inclusion of the phase 1 expansion of Knox Academy within the updated capital programme, as detailed in paragraph 3.59.
- Note the HRA Revenue and Capital spend forecast.

### **3 BACKGROUND**

- 3.1 Council approved the 2025/26 Financial Strategy and associated financial plans on and prior to 18 February 2025.
- 3.2 The Council continues to face increasing cost and demand pressures which present significant challenges to financial sustainability. The most significant of these pressures remain in demand led services particularly within Health and Social Care Services delegated to the IJB and Children's Services. Accordingly, the budget approved by Council for 2025/26 reflects a significant uplift in the budget provision for these services. In addition, there remain pressures arising from the timing and delivery of planned financial savings.
- 3.3 The Council continues to face a high number of significant financial and other risks, which may materialise over the remainder of the financial year. These risks include the ongoing teacher pay negotiations and policy expectations relating to minimum learning hours and reduced class contact time and will continue to be closely monitored.
- 3.4 Within this context, the Finance Service will continue to work with colleagues across services to manage expenditure commitments in 2025/26 and the future implications going forward.

#### **General Services Revenue Summary – 30 June 2025**

- 3.5 The approved General Services revenue budget for 2025/26 included the following:
- Planned expenditure commitments of £344 million to support service delivery.
  - A planned drawdown of £9.980 million from Capital Reserves.
  - A planned transfer of £1.193 million to the Service Concessions Earmarked Reserve.
  - Planned recurring service efficiencies of £1.542 million and the continued delivery of £2.5 million of efficiencies relating to the management of staffing budgets.
- 3.6 An analysis of the financial position across service groups is set out in in **Appendix 1** with further details in the paragraphs below.

- 3.7 At Quarter 1, the forecast outturn for 2025-26 is in line with the overall budget after taking account of planned reserve movements. Before applying planned use of reserves, there is a forecast overspend of £7.7 million.
- 3.8 Within this overspend there are various one-off costs that are being funded from earmarked reserves. The planned use of earmarked reserves for one-off funding totals £2.041 million split as follows:
- Planned use of Transformation Fund and other ring-fenced funds, £1.492 million.
  - Planned use of Health & Social Care (IJB delegated services), £549,000 – this figure has been agreed with the IJB Chief Officer and Chief Financial Officer.
- 3.9 There are also several planned transfers to earmarked reserves that need taken account of, totalling £3.087 million, they are for:
- Empty Homes Premium for Affordable Housing, £454,000.
  - Scottish Futures Trust Funding for Wallyford Learning Campus, £1.440 million, in line with Council's decision to create this reserve in June 2024.
  - Service Concessions Adjustments, £1.193million, in line with Council's decision to create this reserve in June 2024.
- 3.10 The revised position after applying transfers to and from earmarked reserves is an overspend of £8.791 million to be funded from planned use of Capital Reserves. The Capital Reserves available to fund the overspend is £9.980 million meaning at this stage no unplanned use of reserves will be required.
- 3.11 At this stage, after taking account of one-off costs to be funded from earmarked reserves, no Head of Service area has an overspend forecast. This includes Children's and IJB delegated services which overall are forecasting modest underspends reflective of the additional investment in these areas.
- 3.12 Non-Service Expenditure is showing an overspend projection due to the staff performance factor and undelivered savings from previous years being included in this area. The staff performance factor will be met by vacant posts in services and other underspends and additional council tax income are offsetting the prior year undelivered savings.
- 3.13 There do remain areas of emerging pressure, which are offset by underspends elsewhere in service budgets and these are summarised below:
- Children's Services (Management), £680,000 – External residential and alternative interventions budget

- Education (Inclusion and Wellbeing), £750,000 – External day schools and residential costs
- Health & Social Care, £300,000 – Commissioned Care costs.
- Roads, £300,000 – Increasing cost of materials
- Undelivered 2025/26 savings, £85,000 – more detail in section 3.26.

3.14 A number of these pressures will be recurring beyond this financial year.

#### Risks and Other Factors

- 3.15 Pay agreements for non-teaching staff have been reached with Trade Unions and whilst the individual Council allocations have not yet been confirmed, the Scottish Government have committed to fund the costs above 3% in each of 2025/26 and 2026/27. The agreements are for 4% in 2025/26 and 3.5% in 2026/27 and the forecast assumes this additional funding being provided.
- 3.16 Negotiations are ongoing with Teachers' Unions and the forecast assumes that any settlement above 3% will be funded by the Scottish Government.
- 3.17 Population growth and demographic change in East Lothian continue to pose significant ongoing challenges which are likely to remain and increase over the longer term based on current projections.
- 3.18 The forecast assumes £3.8 million of teacher funding that has not yet been confirmed by the Scottish Government which is linked to maintaining teacher numbers. At this stage it is expected that teacher numbers will meet the target.
- 3.19 There are ongoing discussions about increasing minimum learning hours for Primary 1 and 2 pupils to 25 hours which is excess of the current East Lothian provision which could cost an additional £900,000 by 2027/28. In addition, Scottish Government has indicated an expectation that meaningful progress is made towards reduced class contact time for teachers, which could cost an additional £4.5 million. At this stage it is not anticipated that the Scottish Government will provide the funding required to enable these changes; however, failure to do so could result in a penalty being applied to existing funding available to the Council.
- 3.20 The potential for increases in requirements for demand led services such as Homelessness, Children's, and Adult Social Work along with growing demand for Additional Support Needs services remains an ongoing risk which could give rise to overspends during the year.
- 3.21 Work is ongoing to determine the impact of employer national insurance increases on commissioned services. This has the potential to present budget pressures for the IJB.

- 3.22 The forecast overspend assumes some slippage in the delivery of agreed savings; however, there is a residual risk to the delivery of the remaining savings, with further information set out in sections 3.26 to 3.28.
- 3.23 The 2024/25 accounts remain subject to audit and any material changes to the outturn position could impact on the availability of reserves to support financial resilience.
- 3.24 Severe weather over autumn and winter could increase costs for the Council, particularly in Infrastructure Services.

#### Approved Mitigations

- 3.25 At the June 2025 Council meeting, the Council agreed to continue the following control measures which the CMT is responsible for applying, they are:
- Recruitment – posts will only be filled if there would be an obvious detrimental impact on the service being provided from not doing so and sign-off has been given by CMT and EMT. This applies to all posts.
  - 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.
- 3.26 These control measures will remain under review through the quarterly budget monitoring process.

#### 2025/26 Efficiencies

- 3.27 Council approved planned efficiencies of £1.542 million for 2025/26. At this stage, £750,000 have been achieved, £707,000 are assessed as achievable though further work may be required and £85,000 are assessed as unachievable in the current financial year. **Appendix 2** sets out the position in more detail. The savings that are not achievable this year are:
- Move file sharing with external organisations from Objective Connect to M365 Toolset, £40,000 – due to a staff vacancy the work required

to facilitate this change could not be progressed and the existing contract had to be extended for 12 months. The post has now been filled, and the saving is expected to be achieved in 2026/27.

- Realign contributions to City Region Programme Management Office (PMO) based on population, £45,000 – this saving cannot be delivered at this stage and will require the agreement of all partners in the City Region Deal to agree to firstly review the charge and agree any changes in charges to partners. The cost has increased in 2025/26 and therefore there is a double pressure of the undelivered saving and the unbudgeted cost increase. The Service Manager is working to identify alternative options to mitigate this pressure.

3.28 In 2024/25, just over £2 million of efficiencies had not been delivered, of those, charging for garden waste collection, review of the management of sports facilities and the review of adaptations have now been delivered. This leaves £1.5 million of prior year savings not yet fully achieved, they are:

- Asset Review, £1 million – Work is ongoing and a separate paper to this Council meeting will set out options for starting to meet this savings target.
- 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.

3.29 In addition to the above, a saving planned for 2023/24, to review public holidays, has not yet been delivered.

#### Council Tax

3.30 At this stage, there is a forecast surplus in the council tax budget of £1.3 million. 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 will be taken account of in the council tax assumptions for 2026/27.

3.31 Without this surplus in council tax, there would be an overspend projected at this stage and a need to make an unplanned drawdown from reserves.

#### Additional Funding

3.32 Since Council approved the 2025/26 budget in February 2025, there has been additional funding of £145,000 from the Scottish Government. This is set out in more detail in **Appendix 3**.

3.33 This includes confirmation of funding assumed for the February 2025 budget setting as set out below:

- Real Living Wage for Commissioned Services in Children's Services – the confirmed figure was £49,000 lower than the estimate in the budget.
  - Employer National Insurance Increase – the confirmed figure was £70,000 higher than the estimate in the budget.
- 3.34 The additional funding is to support existing commitments or specific national policy objectives so they cannot help to alleviate wider pressures in the Council's financial position.
- 3.35 The Council has also been notified of an uplift in the amount of funding that it will receive from DEFRA to cover chargeable disposal costs as defined in the Producer Responsibility Obligations (Packaging and Packaging Waste) Regulations 2024. The budget approved by Council for 2025/26 reflects assumed funding of £2.63 million which was based on the indicative allocations notified to councils in November 2024. As a result of improvements made to the modelling system, the Council has now been notified that the anticipated total Extended Producer Responsibility (EPR) for packaging payment 2025/26 is £3.79 million. This payment covers the net efficient costs associated with collection and disposal of household packaging waste from kerbside collections, waste brought to Household Waste and Recycling Centres and bring sites. In the event that this enables release of budget across waste and recycling services, it is recommended that an earmarked reserve is created to offset future potential pressures in this area, including replacement of the recycling fleet and the waste incineration tax. This will also help to minimise the budget risk of any future changes to this funding.

#### Integration Joint Board

- 3.36 The IJB has delegated authority over the Health & 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.
- 3.37 The Council recognised the demand challenges facing the delegated IJB services and agreed to increase funding by around £4 million in 2025/26 on top of passported funding from the Scottish Government to help address these pressures.
- 3.38 At this stage, there is an underspend forecast for the IJB of £438,000. This includes funding from unscheduled care monies of £549,000 to cover costs associated with this policy which has been agreed with the Chief Officer and the Chief Financial officer of the IJB. Discussions regarding the quantum and nature of this funding remain ongoing.
- 3.39 While this is a positive position, there remain several areas of pressure including commissioned services for older people which will need to be addressed in the longer term.

- 3.40 The IJB is currently working 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

- 3.41 In line with the Council decision in June 2025, letters of guarantee were provided to both Enjoy Leisure and the Brunton Theatre Trust.
- 3.42 There have been ongoing discussions with Enjoy Leisure regarding financial challenges, including a shortfall in funding to enable payment of the real living wage, rising costs and capital expenditure demands. In March, Enjoy Leisure directors contacted Council officers to request additional financial support.
- 3.43 In recognition of these challenges, and the Council's ongoing commitment to supporting Enjoy and maintaining effective partnership working, an in-year uplift of £250,000 to Enjoy's contract payment is proposed. Capacity has been identified within the budgets for amenity services to enable this and this will mean that the 2025-26 contract payment from the Council to Enjoy will be £2,274,600 in total. Council is asked to approve this recommendation in order to ensure that Enjoy is able to continue its vital role in improving health and wellbeing across the county, and support payment of the Real Living Wage in line with the Council's obligations as an accredited Living Wage employer.
- 3.44 Subject to approval of this recommendation, the Chief Executive will write to Enjoy's Chief Executive and Board Chair asking that this uplift is used to ensure:
- The operation of all assets included within the existing 10-year contract including all public leisure buildings.
  - The implementation of the Real Living Wage across the enjoy workforce during the 25/26 financial year.
  - A continued focus on income generation including a strong focus on marketing and business generation to drive income and a reduction on the need for Council support.
  - Collaborative working on energy management – a commitment to work towards investment with return on renewables, insulation and energy recovery to drive towards net zero carbon emissions, reduce costs and evidence a reduction on energy costs.
  - A continued open book collaborative approach to contract management through appropriate governance and contract arrangements.
  - Strategic Planning and Asset Management – through this next engaged phase of the ELC / Enjoy partnership undertake collaborative transformative work to consider business sustainability



including an independent review. Focus on assets being planned within our wider strategic asset review process, LDP2 and county growth identifying opportunities across leisure, education, community and office space to work in partnership to maximise asset utilisation and reduce the cost burden where it is appropriate to do so.

- 3.45 The £250,000 is built into the current Council forecast on a recurring basis, and Council is asked to approve this additional funding subject to Enjoy accepting the offer.
- 3.46 In response to the capital expenditure demands which Enjoy faces in relation to Dunbar Leisure Pool, the Council has offered the following support:
- £50,000 grant from the Community Intervention Fund.
  - Offer of further financial support in the form of a loan from the Council to Enjoy.
  - Ongoing commitment to supporting Enjoy to secure external funding to enable future capital investment.
- 3.47 Officers remain committed to building on the strong partnerships with Enjoy Leisure and the Brunton Theatre Trust to develop the longer-term financial relationship and secure the future of these organisations for the benefit of East Lothian's communities.

#### Performance Information within Revenues & Benefits

- 3.48 Council tax in-year collection is slightly below target at Quarter 1. Demand from customers for support remains high and an additional 218 new properties were added in Quarter 1. Debt recovery work has been initiated for unpaid current year council tax, and work continues to support those who are struggling to pay by offering flexible payment arrangements and signposting advice and financial support to help maximise income where eligibility exists and manage debt.

Period	Actual	Target	Variance
Q1 2025/26	27.64%	27.76%	-0.12%

- 3.49 Current Tenant Rent Arrears is currently lower than the target set, partially helped by the summer rent free fortnight. Work is ongoing to support tenants making the transition from Housing Benefits to Universal Credit through the managed migration.

Period	Actual (£000)	Target (£000)	Variance (£000)
Q1 2025/26	£1,386	£1,433	-£47

- 3.50 The Scottish Welfare Fund remains a key element of the local safety net, offering vital support to residents' financial hardship through the provision of Crisis Grants and Community Care Grants. This is funded from the Scottish Governments wider Social Security Assistance budget. The Council received £581,000 of funding from the Scottish Government which has been supplemented by a carry forward of £140,000 from 2024/25. The overall funding available in 2025/26 is £721,000 of which £200,000 had been used by the end of Quarter 1. 54% of the grants paid out are to families facing exceptional pressure with around 34% paid to those requiring living expenses.

<b>Q1 2025/26</b>	<b>Community Care Grants</b>	<b>Crisis Grants</b>	<b>Total</b>
Applications	379	916	1,295
Awards	247	543	790
Award Rate	65.17%	59.28%	61%
Total Award	£128,000	£72,000	£200,000
Average Award	£518	£133	£253

### **General Services Capital Summary – 30 June 2025**

- 3.51 The approved budget for 2025/26 has been updated to reflect carry forward flexibility of £19.6 million from the closing position at the end of 2024/25, the outcome of which remains subject to the conclusion of the audit. The carry forward includes accelerated spend in 2024/25 and the reprofiling of budgets into 2025/26. As a result of this, the external income budget is increased by £1.7 million with a corresponding increase in borrowing of £17.9 million.
- 3.52 **Appendix 4** shows the approved and updated 2025/26 budgets and expenditure to 30 June 2025, showing spend of £14.5 million relative to the updated gross expenditure budget of £77 million.
- 3.53 At this stage, expenditure of around £74.7 million is forecast by the end of the financial year. The forecast reflects a range of assumptions that are subject to change and may therefore have an impact on the actual position achieved at the end of the financial year. There remains a wide range of external pressures which place significant pressure on wider affordability limits.
- 3.54 In addition to the normal RAG flags, a P flag is included to identify projects where the variance is due to a change in spend profile, related to project progress.

- 3.55 The reduced forecast is due to savings in projected out-turns and some delays in projects, most notably the Aberlady Primary School extension and the relocation of Haddington Day Centre.
- 3.56 A summary of the key areas of variation are shown below:
- An increase in the Town Centre Regeneration forecast following confirmation of the Place Based Investment Programme Funding.
  - An increase in the Nature Restoration forecast following confirmation of Scottish Government funding.
  - An increase in the Whitecraig Primary School forecast due to contractor claims because of delays onsite. Negotiations remain ongoing and future reports to Council will provide updates as this situation develops.
- 3.57 Several projects have been completed in the first quarter including the bridge replacing the Markle Level Crossing which is now open to the public as well as Blindwells and Craighall Primary School which will be open to pupils for the start of the new school term in August 2025.
- 3.58 A review is ongoing to identify capacity within existing budgets in the current financial year to relocate Olivebank Centre in Musselburgh to the Wallyford Learning Campus. This relocation requires reconfiguration work at the Acorn Centre within the campus before it can be accommodated.
- 3.59 Aligned to the Council decision in June, projections have been included to reflect education projects which were un-paused in the capital plan. This has added £2.1 million to the capital plan which is fully developer funded. The projection for Knox Academy has been increased in order to progress Phase 1 of a 2-phase expansion. Phase 1 is funded wholly from developer contributions and will provide additional toilet facilities, and a food outlet in a revised pupils social space and will increase pupil capacity. Phase 2 in future years will further the school expand capacity with a number of additional classrooms, PE expansion and toilet facilities. Council is asked to approve this further change to the capital budget.
- 3.60 The projection for developer contributions, early learning 1140 grant and other funding sources are linked to the projections of the projects they support. There continues to be ongoing risks around the timing and realisation of planned developer contributions that may put additional strain on borrowing requirements and this position will continue to be closely monitored.
- 3.61 The reduction in projected expenditure has reduced the in-year borrowing requirement projection by £4.4 million.

## **Treasury Update – 30 June 2025**

- 3.62 In accordance with the Prudential and Treasury codes of practice, in addition to the mid-year and year end reporting on Treasury activity and reporting of Prudential and Treasury indicators to Audit and Governance Committee, quarterly reporting on Treasury activity is required.
- 3.63 During the first quarter of the financial year, external borrowing of £10 million has been undertaken. No borrowing was repaid during this period.
- 3.64 It is important to note that the borrowing requirement as reported in the General Services and HRA monitoring is borrowing from the Loans Fund.
- Capital Financing Requirement (CFR) shown in **Appendix 5** under items 1.2 and 1.3 is the financing still required after relevant grants and receipts have been applied, to fund the capital programme. This is known as the borrowing requirement.
  - Loans Fund borrowing is then funded by external borrowing and the use of working capital. As this uses the cash balances held by the council, cash flow monitoring is an important part of the Treasury function and is a factor in determining the timing of external borrowing. Actual external debt is shown in item 2.3, and the Loans Fund debt is shown in item 3.
- 3.65 The Prudential, Treasury Management and Loans Fund indicators are set out in **Appendix 5**. For context, the 2024/25 Actual and 2025/26 Budget as per the approved Treasury Strategy as well as the projections for 2025/26 based on the Q1 position for General Services and HRA capital are shown.
- 3.66 Key points to note from the appendix:
- The budget figures for 2025/26 were set based on in-year 2024/25 capital projections. The actual outturn was lower for General Services meaning the starting point for 205/26 was also lower, despite increases in other long-term liabilities due to changes in accounting requirements for leased assets. However, for the HRA the actual outturn was higher. In year capital expenditure forecasts indicate that the overall closing CFR will be slightly below the budget figure.
  - The CFR will only start to fall when loans fund principal repayments are greater than the in-year borrowing requirement, i.e. the amount of borrowing repaid during the year exceeds the level of new borrowing.
  - The Loans Fund follows the same pattern as the CFR. As a result of the projected capital expenditure, loans fund advances are increasing above the principal repayment of loans fund debt.

3.67 Cash balances were healthy in the first quarter of the financial year. As investment rates have been higher than the interest rate on our bank account balance, several short-term investments were placed. In summary:

- 35 short term investments were placed.
- Maturity Range – one day to three months
  - 33 investments with HM Treasury
  - One sustainable investment (to mature in second quarter)
  - One investment with local authorities (to mature in the second quarter)

3.68 Cash flow continues to be closely monitored to ensure the Council has sufficient cash resources to meet ongoing requirements.

### **Housing Revenue Account – 30 June 2025**

3.69 The HRA is expected to breakeven at this stage. The significant work that was undertaken in the final quarter of 2024/25 and which has continued in the first quarter of 2025/26 to reduce the backlog of void properties continues to have a positive impact and is reflected in increased repairs costs. The voids projection at this stage shows an improved financial position for the third quarter in a row. **Appendix 6** sets out the revenue spend for the year.

3.70 Capital expenditure at quarter 1 was £4.5 million with around £34.5 million of spend forecast for the year. This is significantly less than the £43.8 million budget approved by Council. Further details are provided in **Appendix 7**. The main points to note are:

- The expected number of completions in 2025/26 is 84 houses, down 10 from the budgeted figures. This is due to slight delays in work proceeding at two sites, Schaw Road and Halhill North. Overall, 30 houses were expected to be completed at these sites in 2025/26 with 20 now forecast. The 10 outstanding houses are expected to be completed in 2026/27. Around £1.3 million of budget will be carried forward to 2026/27 for these sites.
- Due to delays relating to planning and operational reasons, there are changes in the timescale to deliver new build council houses at three sites, Hermanflatt, Wallyford Area 1 and Wallyford Primary School. This has resulted in reduced spend in 2025/26 which will now be incurred in 2026/27. Around £8 million of budget will be carried forward to 2026/27 for these sites.
- The impact of this slippage will be reflected in the updated 5-year housing capital programme budget model that is currently being developed.
- Modernisation and Energy Efficiency budgets are projected to spend to budget and programmes are progressing.

- At this stage, there have been no Mortgage to Rent purchases.
- 3.71 The forecast borrowing to fund the capital programme is around £8 million less than budgeted and this reflects the slippage in new council house building.
- 3.72 Looking ahead, to meet the two key tests in the financial strategy, a £1 million minimum HRA balance and a debt-to-income ratio below 40%, it will be necessary to review the 10-year model financial model and develop a longer-term business plan to ensure that funding priorities, including modernisation and new build council housing remain affordable within available resources. Work is ongoing to develop a 30-year business model.

### **Conclusion**

- 3.73 Whilst the in-year position reported is positive with no requirement for any unplanned use of reserves at this stage, the Council continues to operate in a challenging financial environment. The current budget still requires a planned use of £9 million of one-off reserves which will have to be addressed in future year budget models. This is in addition to the ongoing challenges of population growth, increasing demand for services and continuing increase in the cost of operating services.
- 3.74 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 RESOURCE AND OTHER IMPLICATIONS**

- 5.1 Finance: as described above and in the supporting appendices
- 5.2 Human Resources: none
- 5.3 Other (e.g. Legal/IT): none
- 5.4 Risk: as described above and in the supporting appendices

## **6 INTEGRATED IMPACT ASSESSMENT**

- 6.1 *Select the statement that is appropriate to your report by placing an 'X' in the relevant box.*

An Integrated Impact Assessment screening process has been undertaken and the subject of this report does not affect the wellbeing of the community or have a significant impact on: equality and human rights; tackling socio-economic disadvantages and poverty; climate change, the environment and sustainability; the Council's role as a corporate parent; or the storage/collection of personal data.

X

**or**

The subject of this report has been through the Integrated Impact Assessment process and impacts have been identified as follows:

Subject	Impacts identified (Yes, No or N/A)
Equality and human rights	
Socio-economic disadvantage/poverty	
Climate change, the environment and sustainability	
Corporate parenting and care-experienced young people	
Storage/collection of personal data	
Other	

*[Enter information on impacts that have been identified]*

The Integrated Impact Assessment relating to this report has been published and can be accessed via the Council's website:

[https://www.eastlothian.gov.uk/info/210602/equality\\_and\\_diversity/12014/integrated\\_impact\\_assessments](https://www.eastlothian.gov.uk/info/210602/equality_and_diversity/12014/integrated_impact_assessments)

## **7 APPENDICES**

- 7.1 Appendix 1 – General Fund Monitoring
- 7.2 Appendix 2 – General Services Revenue Budget Efficiencies
- 7.3 Appendix 3 – Additional Funding
- 7.4 Appendix 4 – General Services Capital
- 7.5 Appendix 5 – Treasury Update

7.6 Appendix 6 – HRA Revenue

7.7 Appendix 7 – HRA Capital

## 8 BACKGROUND PAPERS

8.1 Council – 10 December 2024 – Item 3 Financial and Capital Strategies 2025 to 2030

[https://www.eastlothian.gov.uk/meetings/meeting/17332/east\\_lothian\\_council](https://www.eastlothian.gov.uk/meetings/meeting/17332/east_lothian_council)

8.2 Council – 18 February 2025 – Item 2 Budget, Council Tax and Rent Setting 2025/26 Onwards

[https://www.eastlothian.gov.uk/meetings/meeting/17417/east\\_lothian\\_council](https://www.eastlothian.gov.uk/meetings/meeting/17417/east_lothian_council)

8.3 Council – 18 February 2025 – Item 2a Cross Party Housing Revenue Account including Council House Rent Proposals 2025/26 to 2029/30

[https://www.eastlothian.gov.uk/meetings/meeting/17417/east\\_lothian\\_council](https://www.eastlothian.gov.uk/meetings/meeting/17417/east_lothian_council)

8.4 Council – 18 February 2025 – Item 2b Cross Party General Services Revenue and Capital Budget Including Council Tax Proposals 2025/26 to 2029/30

[https://www.eastlothian.gov.uk/meetings/meeting/17417/east\\_lothian\\_council](https://www.eastlothian.gov.uk/meetings/meeting/17417/east_lothian_council)

8.5 Council – 18 February 2025 – Item 3 Treasury Management Strategy 2025/26 to 2029/30

[https://www.eastlothian.gov.uk/meetings/meeting/17417/east\\_lothian\\_council](https://www.eastlothian.gov.uk/meetings/meeting/17417/east_lothian_council)

## 9 AUTHOR AND APPROVER DETAILS

### Report Author(s)

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<b>Name</b>	Ellie Dunnet David Henderson Ann-Marie Glancy
<b>Date</b>	6 August 2025

#### Head of Service Approval

<b>Name</b>	Ellie Dunnet
<b>Designation</b>	Head of Finance
<b>Confirmation that IIA and other relevant checks (e.g. finance/legal) have been completed</b>	Yes
<b>Approval Date</b>	14 August 2025

Appendix 1  
East Lothian Council  
Budget Monitoring 2025/26 - Quarter 1

Service	Head of Service	Business Unit	2025/26 Budget	Year to Date			2025/26 Budget Variance to Date %	Financial Risk Assessment
				2025/26 Actual to Date	2025/26 Budget to Date	2025/26 Budget Variance to Date		
				£'000	£'000	£'000		
Education & Children's	Children's	Performance & Service Delivery	1,499	433	426	7	1.64%	
Education & Children's	Children's	Management	6,784	1,373	1,130	243	21.50%	
Education & Children's	Children's	Assessment HUB and Early Interventions	2,155	486	539	-53	-9.83%	
Education & Children's	Children's	Long Term Social Work Supervisory Groups	3,804	862	873	-11	-1.26%	
Education & Children's	Children's	TAC, Disability & Resources	2,029	-28	22	-50	-227.27%	
Education & Children's	Children's	Fostering, Adoption & Internal Resources	6,351	1,611	1,816	-205	-11.29%	
Education & Children's	Children's	Early Years Intervention	1,109	212	220	-8	-3.64%	
Education & Children's	Children's	Disability Short Breaks	999	248	220	28	12.73%	
EDUCATION & CHILDREN'S	CHILDREN'S TOTAL		24,730	5,197	5,246	-49	-0.93%	
Education & Children's	Education	Inclusion & Wellbeing	15,863	1,602	1,360	242	17.79%	
Education & Children's	Education	Pre-School Education	17,381	1,876	1,882	-6	-0.32%	
Education & Children's	Education	Primary Schools	61,391	15,221	15,659	-438	-2.80%	
Education & Children's	Education	Secondary Schools	61,855	14,400	14,491	-91	-0.63%	
Education & Children's	Education	Schools' Support	3,380	904	982	-78	-7.94%	
Education & Children's	Education	East Lothian Works	1,326	666	705	-39	-5.53%	
EDUCATION & CHILDREN'S	EDUCATION TOTAL		161,196	34,669	35,079	-410	-1.17%	
EDUCATION & CHILDREN'S TOTAL			185,926	39,866	40,325	-459	-1.14%	
Council Resources	Finance	Financial Services	3,909	2,033	2,015	18	0.89%	
Council Resources	Finance	Revenues & Financial Support	5,078	955	1,073	-118	-11.00%	
Council Resources	Finance	Procurement, Digital and Transformation	1,303	375	412	-37	-8.98%	
COUNCIL RESOURCES	FINANCE TOTAL		10,290	3,363	3,500	-137	-3.91%	
Council Resources	Corporate	IT Services	3,970	755	725	30	4.14%	
Council Resources	Corporate	People & Council Support	5,053	1,978	2,048	-70	-3.42%	
Council Resources	Corporate	Governance	2,653	401	422	-21	-4.98%	
Council Resources	Corporate	Communications	602	127	130	-3	-2.31%	
COUNCIL RESOURCES	CORPORATE TOTAL		12,278	3,261	3,325	-64	-1.92%	
COUNCIL RESOURCES TOTAL			22,568	6,624	6,825	-201	-2.95%	
Health & Social Care Partnership	Head of Operations	Adult Social Work	35,379	7,826	7,597	229	3.01%	
Health & Social Care Partnership	Head of Operations	Acute & Ongoing Care	11,090	2,167	2,265	-98	-4.33%	
Health & Social Care Partnership	Head of Operations	Rehabilitation	2,271	490	509	-19	-3.73%	
Health & Social Care Partnership	Head of Operations	Learning Disability & MH Community Services	22,071	4,711	4,839	-128	-2.65%	
Health & Social Care Partnership	Head of Operations	Head of Operations	5,426	34	18	16	88.89%	
Health & Social Care Partnership	Head of Operations	Business & Performance IJB	4,984	2,062	2,089	-27	-1.29%	
HEALTH & SOCIAL CARE PARTNERSHIP	IJB TOTAL		81,221	17,290	17,317	-27	-0.16%	
HEALTH & SOCIAL CARE PARTNERSHIP TOTAL			81,221	17,290	17,317	-27	-0.16%	
Place	Development	Planning & Environmental Services	1,002	342	373	-31	-8.31%	
Place	Development	Economic Development	829	728	707	21	2.97%	
PLACE	DEVELOPMENT TOTAL		1,831	1,070	1,080	-10	-0.93%	
Place	Housing	Housing, Strategy & Development	358	46	85	-39	-45.88%	
Place	Housing	Property Maintenance Trading Account	-1,153	1,282	1,282	0	0.00%	
Place	Housing	Community Housing Group	3,849	-164	-143	-21	-14.69%	
PLACE	HOUSING TOTAL		3,054	1,164	1,224	-60	-4.90%	
Place	Infrastructure	Asset Maintenance & Engineering Services	3,745	837	885	-48	-5.42%	
Place	Infrastructure	Strategic Asset & Capital Plan Management	-820	279	359	-80	-22.28%	
Place	Infrastructure	Facility Trading Activity	-428	2,750	2,793	-43	-1.54%	
Place	Infrastructure	Facility Support Services	3,889	265	304	-39	-12.83%	
Place	Infrastructure	Landscape & Countryside Management	7,069	2,156	2,184	-28	-1.28%	
Place	Infrastructure	Active Business Unit	4,117	863	909	-46	-5.06%	
Place	Infrastructure	Roads Services	4,194	453	411	42	10.22%	
Place	Infrastructure	Transportation	2,399	192	280	-88	-31.43%	
Place	Infrastructure	Waste Services	13,319	1,507	1,614	-107	-6.63%	
PLACE	INFRASTRUCTURE TOTAL		37,484	9,302	9,739	-437	-4.49%	
Place	Communities & Partnerships	Connected Communities	6,495	2,161	2,171	-10	-0.46%	
Place	Communities & Partnerships	Protective Services	2,296	665	665	0	0.00%	
Place	Communities & Partnerships	Customer Services Group	4,815	1,359	1,434	-75	-5.23%	
PLACE	COMMUNITIES & PARTNERSHIPS TOTAL		13,606	4,185	4,270	-85	-1.99%	
PLACE TOTAL			55,975	15,721	16,313	-592	-3.63%	
SERVICE TOTAL			345,690	79,501	80,780	-1,279	-1.58%	
Non-Service Expenditure Sub-Total			20,352	186	-689	875	-127.00%	
Total Expenditure			366,042	79,687	80,091	-404	-0.50%	
Funded By Sub-Total			-357,255	-149,821	-149,640	-181	-0.12%	
Net Expenditure			8,787	-70,134	-69,549	-585	-0.84%	
Reserves Funding Sub-Total			-8,787	0	-555	555	100.00%	
TOTAL LEDGER POSITION			0	-70,134	-70,104	-30	-0.04%	

**Appendix 2****East Lothian Council****2025/26 Budget Efficiencies - Quarter 1**

Service	2025/26		
	Achieved	Amber	Unachievable
	£'000	£'000	£'000
Education	521	0	0
Finance	45	75	0
Corporate Services	64	0	40
Development	0	310	45
Housing	0	50	0
Infrastructure	120	52	0
Communities	0	120	0
Non Service Expenditure	0	100	0
<b>Total</b>	<b>750</b>	<b>707</b>	<b>85</b>
<b>1,542</b>			
	48.64%	45.85%	5.51%

### Appendix 3

East Lothian Council

#### Budget Monitoring 2025/26 - Additional Funding from the Scottish Government

	£million
<b>2025/26 GRG (per Budget Amendment)</b>	<b>265.319</b>
<b>Additional Funding - GRG</b>	
Social Care Real Living Wage (settlement less than estimate in the budget)	-0.049
Employer NI Increase (settlement higher than estimate in the budget)	0.070
Kinship & Foster Care Funding	0.037
Nature Restoration Fund	0.068
Holiday Playschemes and Activities for Disabled Children	0.019
<b>Total Additional Funding</b>	<b>0.145</b>
<b>Revised GRG</b>	<b>265.464</b>

Appendix 4  
**East Lothian Council**  
General Services Capital Budget Monitoring Summary 2025/26  
Quarter 1

	RAG	Approved Budget 2025/26	Updated Budget 2025/26	Actual 2025/26	Updated Budget- Actual Variance 2025/26	Projected Outturn 2025/26	Updated Budget - Outturn Variance 2025/26
Expenditure		£'000	£'000	£'000	£'000	£'000	£'000
<b>Community Projects</b>							
Community Intervention	G	200	242	-	(242)	242	-
Community Facility Transformation	G	100	100	-	(100)	100	-
Community Intervention Fund - Pump Tracks	G	360	580	0	(580)	580	-
Community Public Art	G	-	155	0	(155)	155	-
Bleachingfield Centre Remodelling Works	G	2	18	-	(18)	18	-
Dunbar Conservation Area Regeneration Scheme (CARS)	G	575	775	-	(775)	775	-
Support for Business	G	-	-	(0)	(0)	-	-
CCTV	G	169	212	5	(207)	212	-
Town Centre Regeneration	G	-	57	2	(55)	557	500
<b>Total Community Projects</b>		<b>1,406</b>	<b>2,139</b>	<b>8</b>	<b>(2,132)</b>	<b>2,639</b>	<b>500</b>
Town Centre Regeneration (PBIP) Grant		(208)	(265)	(2)	263	(765)	(500)
Other Funding Sources		(510)	(1,101)	(0)	1,100	(1,151)	(50)
GCG REFUS		-	-	-	-	-	-
<b>Total Income: Community Projects</b>		<b>(718)</b>	<b>(1,366)</b>	<b>(3)</b>	<b>1,363</b>	<b>(1,916)</b>	<b>(550)</b>
<b>Community Projects - General Capital Grant/Borrowing Requirement</b>		<b>689</b>	<b>774</b>	<b>5</b>	<b>(769)</b>	<b>724</b>	<b>(50)</b>
<b>ICT</b>							
IT Programme & Digital Opportunities	G	2,200	2,200	272	(1,928)	2,200	-
Telecare System upgrade to Digital	G	121	121	-	(121)	121	-
<b>Total ICT</b>		<b>2,321</b>	<b>2,321</b>	<b>272</b>	<b>(2,049)</b>	<b>2,321</b>	<b>-</b>
Other Funding Sources	G	-	-	-	-	-	-
<b>Total Income: ICT</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ICT - General Capital Grant/Borrowing Requirement</b>		<b>2,321</b>	<b>2,321</b>	<b>272</b>	<b>(2,049)</b>	<b>2,321</b>	<b>-</b>
<b>Fleet</b>							
Amenties - Machinery & Equipment - replacement	G	200	200	19	(181)	200	-
Vehicles	G	5,774	7,493	273	(7,220)	7,493	-
<b>Total Fleet</b>		<b>5,974</b>	<b>7,693</b>	<b>292</b>	<b>(7,400)</b>	<b>7,693</b>	<b>-</b>
Other Funding Sources	G	-	-	-	-	-	-
<b>Total Income: Fleet</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fleet - General Capital Grant/Borrowing Requirement</b>		<b>5,974</b>	<b>7,693</b>	<b>292</b>	<b>(7,400)</b>	<b>7,693</b>	<b>-</b>
<b>Open Space</b>							
Synthetic Pitch Replacement Programme	G	350	318	18	(300)	318	-
Cemeteries (Burial Grounds)	G	400	584	14	(570)	584	-
Climate Change Emergency	G	800	800	-	(800)	800	-
Coastal / Flood Protection schemes - Musselburgh	G	1,394	1,714	61	(1,653)	1,714	-
Coastal Change Management	G	166	166	-	(166)	166	-
Coastal Car Park Toilets	G	4	44	45	1	50	6
Core Path Plan	G	100	200	-	(200)	200	-
Harbour Walls	G	250	250	-	(250)	250	-
Nature Restoration	G	120	120	-	(120)	163	43
Replacement Play Equipment	G	545	545	1	(544)	545	-
Polson Park	G	140	160	-	(160)	160	-
Sports and Recreation LDP	G	2,237	2,654	112	(2,543)	2,654	-
Street litter bin replacement	G	40	40	27	(13)	40	-
Waste - New Bins	G	150	150	80	(70)	150	-
Waste - Machinery & Equipment - replacement	G	50	50	15	(35)	50	-
<b>Total Open Space</b>		<b>6,746</b>	<b>7,796</b>	<b>373</b>	<b>(7,423)</b>	<b>7,845</b>	<b>49</b>
Developer Contribution		(1,274)	(1,615)	(112)	1,504	(1,615)	-
Capital Receipts		-	-	-	-	-	-
Other Funding Sources		(1,125)	(1,204)	(42)	1,162	(1,304)	(100)
<b>Total Income: Open Space</b>		<b>(2,399)</b>	<b>(2,819)</b>	<b>(154)</b>	<b>2,665</b>	<b>(2,919)</b>	<b>(100)</b>
<b>Open Space - General Capital Grant/Borrowing Requirement</b>		<b>4,346</b>	<b>4,977</b>	<b>219</b>	<b>(4,758)</b>	<b>4,926</b>	<b>(51)</b>
<b>Roads, Lighting and related assets</b>							
Cycling Walking Safer Streets	G	496	739	172	(567)	739	-
Parking Improvements	P	878	1,181	15	(1,166)	700	(481)
Roads	G	-	-	-	-	-	-
Roads - Structures, Traffic Signals, Area Partnerships	G	620	620	30	(590)	620	-
Roads - Carriageways	G	4,480	4,480	493	(3,987)	4,480	-
Roads - Footways	G	950	950	170	(780)	950	-
Roads - Street Lighting	G	450	450	22	(428)	450	-
Roads - Externally Funded Projects	G	3,459	3,459	65	(3,395)	2,281	(1,179)
<b>Total Roads, Lighting and related assets</b>		<b>11,333</b>	<b>11,880</b>	<b>968</b>	<b>(10,912)</b>	<b>10,220</b>	<b>(1,660)</b>
Developer Contribution		(453)	(453)	-	453	-	453
Other Funding Sources		(3,006)	(3,013)	65	2,948	(2,288)	725

Appendix 4  
**East Lothian Council**  
General Services Capital Budget Monitoring Summary 2025/26  
Quarter 1

	RAG	Approved Budget 2025/26	Updated Budget 2025/26	Actual 2025/26	Updated Budget- Actual Variance 2025/26	Projected Outturn 2025/26	Updated Budget - Outturn Variance 2025/26
Expenditure		£'000	£'000	£'000	£'000	£'000	£'000

<b>Community Projects</b>							
<b>Total Income: Roads, Lighting and related assets</b>		(3,459)	(3,466)	(65)	3,402	(2,288)	1,179
<b>Roads etc. - General Capital Grant/Borrowing Requirement</b>		7,874	8,414	903	(7,511)	7,932	(481)

<b>Property - Education</b>							
Aberlady Primary - extension	P	3,935	4,245	-	(4,245)	1,000	(3,245)
Blindwells Primary - new school	G	1,632	4,610	3,432	(1,179)	4,210	(400)
Craighall Primary - New School	G	1,572	4,930	3,259	(1,671)	4,530	(400)
East Linton Primary School - Toilet Upgrades	G	-	-	-	-	574	574
Elphinstone Primary - extension	G	-	-	-	-	626	626
Free School Meals Expansion to P6-7	G	-	83	-	(83)	83	-
Haddington Primary School (Lower Campus)	G	47	47	-	(47)	47	-
Gullane Primary - extension including Early Learning and 1140	G	-	-	(390)	(390)	-	-
Kingsmeadow Primary School (Upper Campus)	G	25	26	-	(26)	26	-
Knox Academy Extension	G	-	52	-	(52)	394	342
Law Primary - extension including Early Learning and 1140	G	-	25	3	(23)	25	-
Letham Primary - New School	G	47	47	2	(44)	47	-
Letham Primary - Extension	G	-	-	-	-	55	55
Longniddry Primary - Extension	G	-	-	-	-	507	507
North Berwick High School - Extension	G	-	143	41	(102)	143	-
Ormiston Primary - extension	A	100	100	-	(100)	100	-
Pinkie St Peter's Primary - sports hall extension	G	-	6	-	(6)	6	-
Pinkie St Peter's Primary - extension including Early Learning and 1140	G	-	278	-	(278)	278	-
Ross High School - extension	G	-	13	-	(13)	13	13
St Gabriel's Primary School	G	-	-	19	19	-	-
School Estate - Curriculum Upgrades	G	-	267	(43)	(309)	267	-
School Estate - Security Upgrades	G	232	232	-	(232)	232	-
School Estate - ASN Provision Space	G	140	140	10	(130)	140	-
Wallyford Primary - New School	G	115	120	22	(98)	120	-
Wallyford Learning Campus	G	-	766	275	(492)	766	-
Whitecraig Primary - new school including Early Learning and 1140	A	2,297	9,427	2,419	(7,008)	10,827	1,400
Windygoul Primary - Early learning and 1140 extension	G	156	156	-	(156)	156	-
<b>Total Property - Education</b>		<b>10,296</b>	<b>25,713</b>	<b>9,048</b>	<b>(16,665)</b>	<b>25,172</b>	<b>(528)</b>

<b>Developer Contribution</b>		(3,030)	(5,839)	(4,759)	1,079	(8,001)	(2,162)
1140 Grant Income		(173)	(173)	-	173	(156)	17
Other Funding Sources		-	-	-	-	-	-
<b>Total Income: Property - Education</b>		<b>(3,203)</b>	<b>(6,012)</b>	<b>(4,759)</b>	<b>1,252</b>	<b>(8,157)</b>	<b>(2,145)</b>
<b>Property Education - General Capital Grant/Borrowing Requirement</b>		<b>7,093</b>	<b>19,702</b>	<b>4,289</b>	<b>(15,412)</b>	<b>17,015</b>	<b>(2,673)</b>

<b>Property - Other</b>							
Accelerating Growth		8,533	6,188	3,277	(2,911)	6,588	400
- Cockenzie	A	2,369	2,369	63	(2,306)	2,769	400
- Levelling Up Project Cockenzie	G	6,164	3,819	3,214	(605)	3,819	-
- Blindwells	G	-	-	-	-	-	-
- Innovation Hub	G	-	-	-	-	-	-
- A1/QMU Junction	G	-	-	-	-	-	-
Court Accommodation	G	22	22	1	(21)	22	-
Demolitions - various sites	G	369	369	-	(369)	369	-
Eskmill Fire Station Demolition	G	17	17	-	(17)	17	-
Relocation of Haddington Day Centre to Tynebank Resource Centre	G	1,325	1,325	-	(1,325)	150	(1,175)
Loch Centre Tranent - Major Refurbishment Works	G	276	970	84	(886)	970	-
Demolition of TUs	G	84	84	3	(81)	84	-
New ways of working Programme	G	990	1,368	65	(1,303)	1,368	-
Prestongrange Museum	G	833	2,096	8	(2,088)	2,096	-
Property Renewals	G	3,000	3,112	93	(3,019)	3,112	-
Replacement Childrens House	G	1,101	1,101	-	(1,101)	1,101	-
Sports Centres	G	240	240	1	(239)	240	-
<b>Total Property - Other</b>		<b>16,791</b>	<b>16,893</b>	<b>3,534</b>	<b>(13,359)</b>	<b>16,118</b>	<b>(775)</b>

<b>Developer Contribution</b>		-	-	-	-	-	-
Capital receipts		(2,369)	(2,369)	(63)	2,306	(2,769)	(400)
TCR		-	(162)	-	162	(162)	-
Other Funding Sources		(5,266)	(2,921)	(2,581)	340	(2,921)	-
<b>Total Income: Property - Other</b>		<b>(7,635)</b>	<b>(5,453)</b>	<b>(2,645)</b>	<b>2,808</b>	<b>(5,853)</b>	<b>(400)</b>
<b>Property Other - General Capital Grant/Borrowing Requirement</b>		<b>9,156</b>	<b>11,440</b>	<b>889</b>	<b>(10,551)</b>	<b>10,265</b>	<b>(1,175)</b>

<b>Total Property Spend - Education and Other</b>		<b>27,087</b>	<b>42,606</b>	<b>12,582</b>	<b>(30,024)</b>	<b>41,289</b>	<b>(1,317)</b>
<b>Total Income: Property - Education and Other</b>		<b>(10,839)</b>	<b>(11,464)</b>	<b>-</b>	<b>7,404</b>	<b>(14,010)</b>	<b>(2,545)</b>
<b>Property-Education and Other - General Capital Grant/Borrowing Requirement</b>		<b>16,248</b>	<b>31,142</b>	<b>5,178</b>	<b>(25,963)</b>	<b>27,280</b>	<b>(3,862)</b>

Capital Plan Fees	G	2,650	2,650	-	(2,650)	2,650	-
PPP Projects	G	-	-	-	-	-	-
<b>Total Gross Expenditure</b>		<b>57,517</b>	<b>77,085</b>	<b>14,494</b>	<b>(62,591)</b>	<b>74,657</b>	<b>(2,428)</b>

Appendix 4  
**East Lothian Council**  
General Services Capital Budget Monitoring Summary 2025/26  
Quarter 1

	RAG	Approved Budget 2025/26	Updated Budget 2025/26	Actual 2025/26	Updated Budget- Actual Variance 2025/26	Projected Outturn 2025/26	Updated Budget - Outturn Variance 2025/26
Expenditure		£'000	£'000	£'000	£'000	£'000	£'000
<b>Community Projects</b>							
Other Funding Sources		-	-	-	-	-	-
PPP Lease Liability Restatement		-	-	-	-	-	-
<b>Total Income:PPP Projects</b>		-	-	-	-	-	-
<b>Income</b>							
Developer Contribution	G	(4,758)	(7,907)	(4,871)	3,036	(9,616)	(1,709)
1140 Grant Income	G	(173)	(173)	-	173	(156)	17
Town Centre Regeneration (PBIP) Grant	G	(208)	(427)	(2)	425	(927)	(500)
Flood scheme general capital grant	G	14,134	14,134	-	(14,134)	14,134	-
Capital receipts	G	(7,369)	(7,369)	(5,063)	2,306	(7,769)	(400)
Other Funding Sources	G	(9,907)	(8,239)	(2,689)	5,550	(7,663)	575
Scottish Government General Capital Grant	G	(1,282)	(1,282)	(1,282)	-	(1,282)	-
<b>Total Income</b>		<b>(9,563)</b>	<b>(11,263)</b>	<b>(13,907)</b>	<b>(2,644)</b>	<b>(13,280)</b>	<b>(2,017)</b>
<b>Borrowing Requirement</b>	G	<b>47,954</b>	<b>65,822</b>	<b>587</b>	<b>(65,235)</b>	<b>61,377</b>	<b>(4,445)</b>

Appendix 5  
Prudential and Treasury Indicators 2025/26  
Quarter 1

1 PRUDENTIAL INDICATORS	2024-25	2025-26	2025-26
	Actual £'000	Budget £'000	Q1 Projection £'000
<b>1.1 Capital Expenditure</b>			
General Services	91,921	57,517	74,657
HRA	32,471	43,820	34,741
TOTAL	124,392	101,337	109,398
<b>1.2 Capital Financing Requirement (CFR) – General Services</b>			
brought forward 1 April	313,376	356,643	342,283
carried forward 31 March	342,283	390,824	389,893
In year borrowing requirement	28,907	34,181	47,610
<b>1.3 Capital Financing Requirement (CFR) - HRA</b>			
brought forward 1 April	265,745	284,350	286,472
carried forward 31 March	286,472	312,242	306,919
In year borrowing requirement	20,726	27,891	20,447
<b>1.4 Total CFR excluding PPP and leases</b>			
General Services	342,283	390,824	389,893
HRA	286,472	312,242	306,919
TOTAL	628,755	703,065	696,812
<b>1.5 Annual Change in CFR</b>			
General Services	28,907	34,181	47,610
HRA	20,726	27,891	20,447
TOTAL	49,633	62,072	68,058
<b>1.6 Ratio of financing costs to net revenue stream</b>			
General Services	4.95%	7.30%	7.06%
HRA	33.63%	36.97%	36.02%
<b>1.7 Impact of Capital Investment Decisions</b>			
General Services – Debt per Band D equivalent	£5,489	£6,180	£6,166
HRA – Debt per dwelling	£30,427	£32,781	£32,222

2 TREASURY MANAGEMENT INDICATORS	2024-25	2025-26	2025-26
	Actual £'000	Budget £'000	Q1 Projection £'000
<b>2.1 Authorised Limit for External Debt -</b>			
Borrowing at 31 March	708,000	741,000	737,000
Other long term liabilities (PPP and Leases)	38,000	33,000	34,000
Total	746,000	774,000	771,000
<b>2.2 Operational Boundary for External Debt -</b>			
Borrowing at 31 March	645,144	720,562	714,627
Other long term liabilities (PPP and Leases)	37,712	32,041	33,889
Total	682,856	752,604	748,516
<b>2.3 Actual External Debt</b>			
Borrowing at 31 March	559,402	637,466	631,079
Other long term liabilities (PPP and Leases)	37,712	32,041	33,889
Total	597,115	669,507	664,968

3 LOANS FUND	2024-25	2025-26	2025-26
	Actual £'000	Budget £'000	Q1 Projection £'000
<b>3.1 General Services</b>			
Opening balance	313,376	356,643	342,283
Add advances	35,715	47,658	61,081
Less repayments	(6,807)	(13,478)	(13,471)
Closing balance	342,284	390,824	389,893
<b>3.2 HRA</b>			
Opening balance	265,745	284,350	286,472
Add advances	26,558	34,184	26,828
Less repayments	(5,831)	(6,293)	(6,381)
Closing balance	286,473	312,242	306,919
<b>3.3 Total</b>			
Opening balance	579,121	640,993	628,755
Add advances	62,274	81,842	87,909
Less repayments	(12,638)	(19,770)	(19,851)
Closing balance	628,757	703,065	696,812



Appendix 6  
East Lothian Council  
Budget Monitoring HRA 2025/26 - Quarter 1

	2025/26 Budget	2025/26 Actual	2025/26 Budget to Date	2025/26 Variance (Surplus) / Deficit
	£'000	£'000	£'000	£'000
Total Income	-43,940	-10,862	-30,639	33,078
Total Expenditure	40,956	4,496	17,550	-36,460
(Surplus) / Deficit for Year	-2,984	-6,366	-13,089	-3,382

2025/26 Forecast	2025/26 Forecast Variance
£'000	£'000
-43,900	40
41,084	128
-2,816	168

	2025/26 Budget
	£'000
<b>Management of Balances</b>	
Opening (Surplus) / Deficit	-2,017
CFCR	3,400
(Surplus) / Deficit for Year	-2,984
Closing (Surplus) / Deficit	-1,601

2025/26 Forecast	2025/26 Forecast Variance
£'000	£'000
-2,017	0
3,232	-168
-2,816	168
-1,601	0

## Appendix 7

### East Lothian Council

#### Budget Monitoring HRA Capital 2025/26 - Quarter 1

	2025/26 Budget	2025/26 Actual to Date	2024/25 Budget to Date	2025/26 Budget Variance to Date	2025/26 Forecast	2025/26 Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Modernisation	13,375	2,077	3,344	-1,267	13,375	0
Energy Efficiency Fund	2,500	106	625	-519	2,500	0
New Council Housing	26,169	2,382	6,542	-4,160	16,782	-9,387
Fees	1,496	0	0	0	1,496	0
Mortgage to Rent	280	0	0	0	280	0
<b>TOTAL</b>	<b>43,820</b>	<b>4,565</b>	<b>10,511</b>	<b>-5,946</b>	<b>34,433</b>	<b>-9,387</b>

Funded By:

	2025/26 Budget	2025/26 Actual to Date	2024/25 Budget to Date	2025/26 Budget Variance to Date	2025/26 Forecast	2025/26 Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Grants	-6,040	-1,158	-1,510	352	-4,617	1,423
Grants MTR	-196	0	0	0	-196	0
CFCR	-3,400	0	0	0	-3,400	0
Borrowing	-34,184	0	0	0	-26,220	7,964
<b>TOTAL</b>	<b>-43,820</b>	<b>-1,158</b>	<b>-1,510</b>	<b>352</b>	<b>-34,433</b>	<b>9,387</b>