



Glasgow City Council
City Administration Committee

Item 7

13ttober

Report by Councillor Richard Bell, Depute Leader and City Treasurer and Convener for Financial Inclusion

Contact: Martin Booth Ext: 73837

BUDGET MONITORING 2022-23; PERIOD 6

Purpose of Report:

This report provides a summary of financial performance for the period 1 April 2022 to 26 August 2022.

Recommendations:

The City Administration Committee is asked to:

- i. approve the adjustments relating to the revenue budget at section 4
- ii. note that this report and all detailed service reports will be considered by the Finance and Audit Scrutiny Committee

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes No

consulted: Yes No

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1. Introduction

1.1 This report provides a summary of financial performance for the period 1 April 2022 to 26 August 2022.

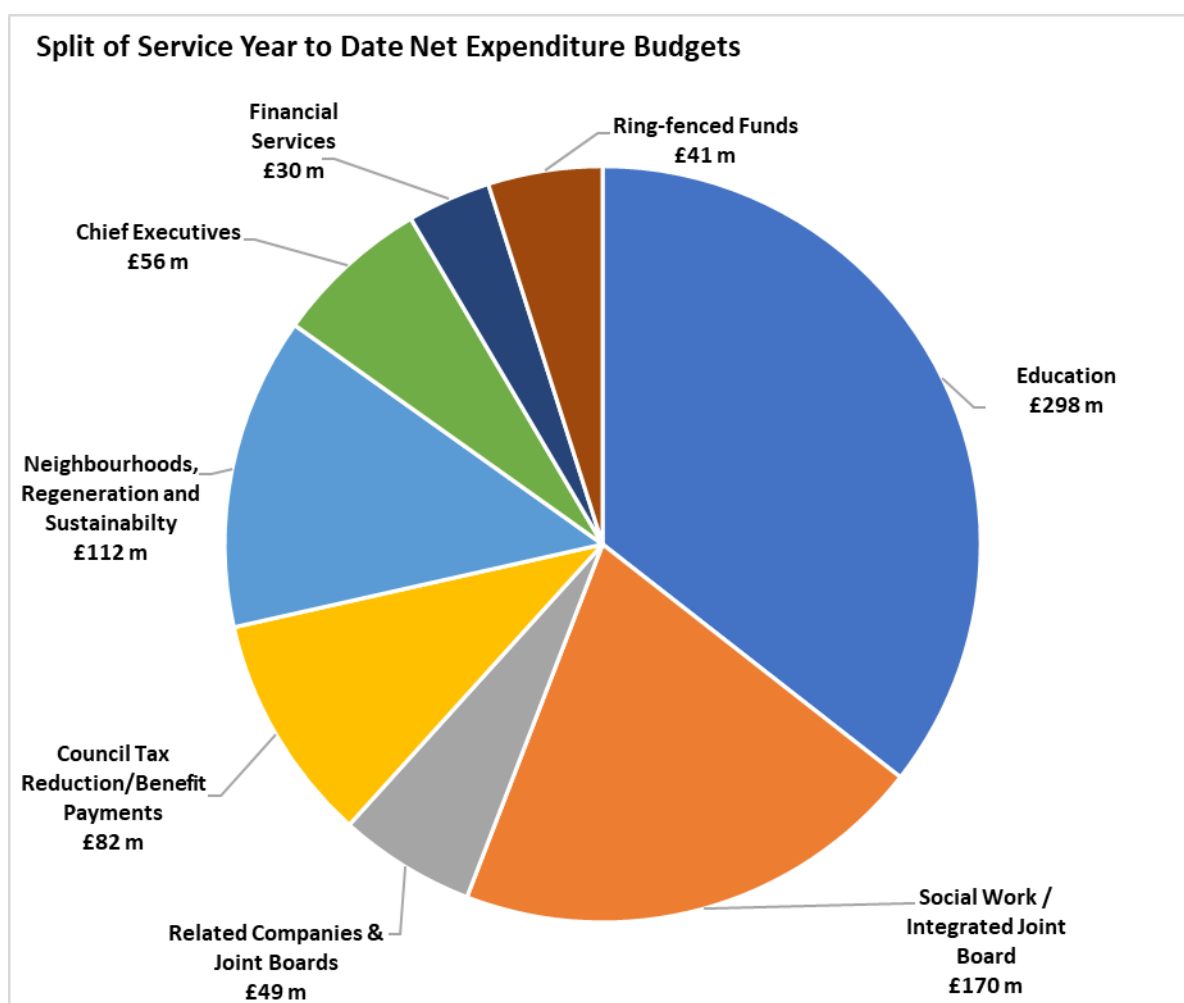
2. Reporting Format

2.1 This report provides a summary of the Council's financial position.

3. Approved Budget

3.1 The 2022-23 budget was approved by Council on 17 February 2022 and the detailed service estimates were subsequently approved by the City Administration Committee on 7 April 2022.

3.2 These budgets are shown as "Original Annual Budget", in the attached monitoring statements. In order to monitor financial performance accurately, budgets will be updated each period to reflect new monies, operational changes and any additional approvals.



3.3 The key changes to the original budget made up to period 6 are outlined in section 4, below.

4. Revenue Budget

- 4.1 During period 5 and 6 there has been a net budget increase of £16.9m resulting in a cumulative budget increase of £96.0m to date. Service specific budget changes are summarised in the paragraph below.
- 4.2 The significant budget changes since period 4 are as follows:
 - 4.2.1 Income and Expenditure budgets have been adjusted across services to reflect the net impact of Covid-19 on services. During period 5 and 6 this amounts to £2.3m, cumulatively £4.6m at period 6.
 - 4.2.2 Expenditure budgets across a number of services have increased by a total of £10.1m to reflect previously approved general and covid carry forwards.
 - 4.2.3 Expenditure budgets within NRS have increased by £4.0m to meet the pressure of utility supply price increases being experienced across the entire GCC property estate.
- 4.3 There have also been adjustments to income and expenditure budgets in line with the Executive Director of Finance's delegated powers and budget realignments between and within various service departments to reflect the transfer of responsibilities and service reconfigurations.

5. Financial Implications of Covid-19

- 5.1 In response to Covid-19 the Council has incurred additional costs and suffered a loss of income resulting from lockdown restrictions. During period 5 and 6 service budgets have been adjusted by £2.3 million removing any variances resulting from Covid-19, cumulatively to period 6 service budgets have been adjusted by £4.6 million in respect of Covid-19.

6. Summary Position

Revenues

6.1 Council Tax

- 6.1.1 The Council Tax Income budget is £321.0 million. This will continue to be monitored and further updates provided in future reports.
- 6.1.2 The council tax collected to 31 August 2022 amounts to £134.4m. This represents 49.17% of the figure to be collected and is 2.37% ahead of last year's equivalent collection figure. The collection target for 2022/23 is 94%.

6.2 Non Domestic Rates

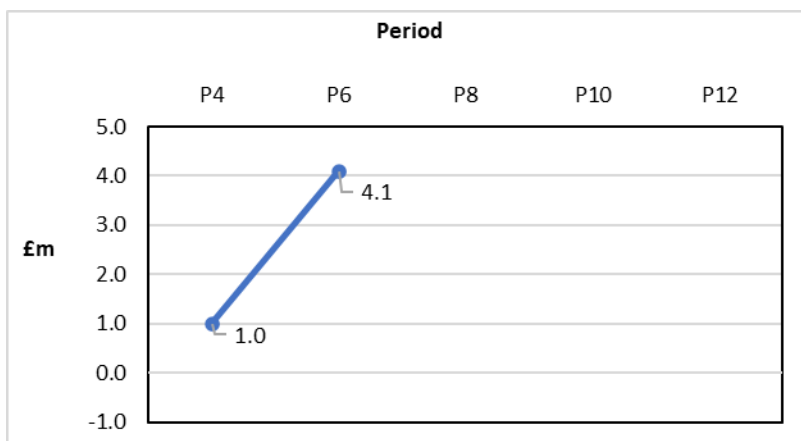
- 6.2.1 Non Domestic Rates (NDR) income is allocated to councils as part of the local government settlement. The council retains all NDR it collects, however where this varies from the amount included within the Local Government settlement a commensurate increase or decrease is made to the general revenue grant to ensure no overall change in the total revenue support provided by the Scottish Government.

6.2.2 The Non Domestic Rates collected to 31 August 2022 amounts to £155.1m. This represents 41.07% of the figure to be collected and is 3.70% ahead of last year's equivalent collection figure. The collection target for 2022/23 is 91%.

7. General Fund

7.1 Net expenditure is running at 100.7% of profile, representing an overspend of £4.1m. This reflects overspends within Neighbourhoods, Regeneration and Sustainability, Education Services and Financial Services.

7.2 Net Expenditure Position – budget variance:



8. Services

8.1 Neighbourhoods, Regeneration and Sustainability £3.2m

8.1.1 This reflects an overspend of £2.3m in Corporate Asset Management due to utility supply price increases being experienced across the entire GCC property estate.

8.1.2 There are also overspends in Refuse Collection and Disposal due to agency, overtime and transport costs and a shortfall in income, in Roads Maintenance mainly due to an increase in streetlighting costs. These pressures are offset by underspends due to staff vacancies where some recruitment is underway.

8.2 Education Services £0.4m

8.2.1 This reflects overspends in staffing associated with ongoing pressures from pupil roll increases, in pupil transport due to above inflationary cost increases within the transport sector and higher than anticipated clothing and footwear grants. These pressures are offset by a non-recurring underspend in Early Years employee costs and in supplies and services due to lower than anticipated school meal charges in Primary and Secondary Schools.

8.3 Financial Services £0.5m

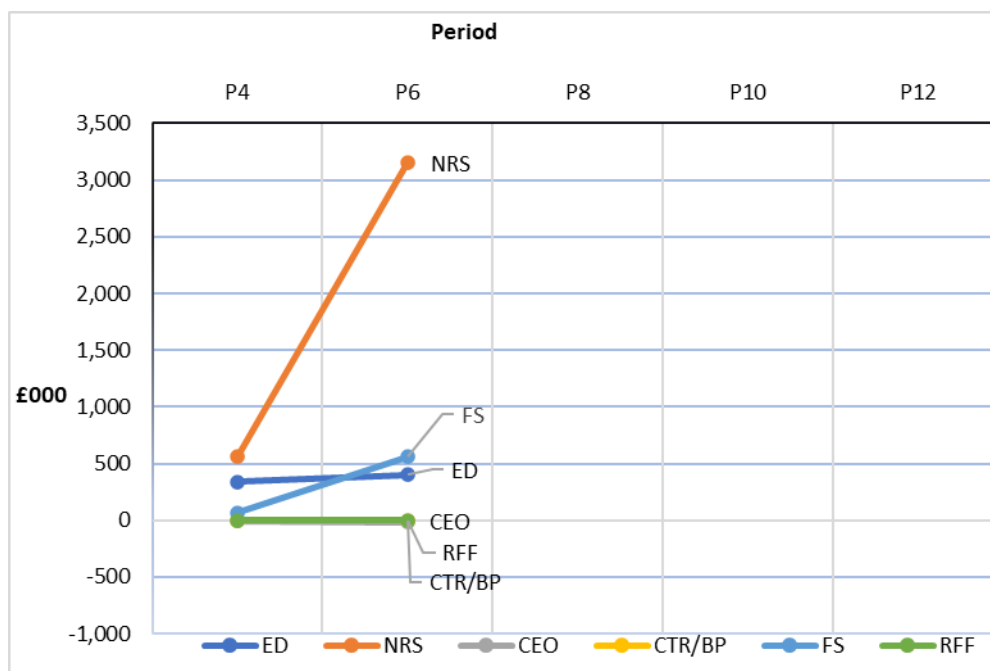
8.3.1 This reflects an overspend in Catering and Facilities Management due to an under recovery of income within Encore venues and overspends within food provision costs due to the impact of above inflationary increases within food costs. This pressure is offset by underspends in employees costs due to vacancies within Customer and Business Services.

9. Social Work Services

- 9.1 The Glasgow City Integration Joint board (IJB) is now responsible for the planning and commissioning of health and social care services within the city.
- 9.2 While the financial position of Social Work Services continues to be monitored through the Council's existing reporting structures the overall financial position is now the responsibility of the IJB and is therefore reported separately from the General Fund. The Reserves policy of the IJB has resulted in the transfer of previous year underspends to IJB reserves to mitigate any ongoing or future budget pressures.
- 9.3 At period 6 Social Work Services is showing an underspend of £0.2m. This underspend reflects underspends within Adult Services and Older People/Physical Disabilities offset by overspends within Children and Families and Resources.
- 9.4 Any additional expenditure incurred as a result of Covid-19 is being funded from Scottish Government funding received last year and held in earmarked reserves by the IJB.

10. Service Variance Comparison

- 10.1 Service financial performance across the year to date is illustrated below:



11. Forecast

- 11.1 At this stage of the year the overall position is expected to be in line with budget after excluding the impact of Covid-19. A full probable outturn exercise will be undertaken for the next report scheduled for Period 8.

12. Recommendations

12.1 The City Administration Committee is asked to:

- (I) approve the adjustments relating to the revenue budget at section 4
- (II) note that this report and all detailed service department reports will be considered by the Finance and Audit Scrutiny Committee.

LIST of Attachments:

- Key Figures
- Council Tax Income
- Non Domestic Rates Income
- General Fund Summary
- Social Work Services Summary

APPENDIX 1**GLASGOW CITY COUNCIL
BUDGET MONITORING****KEY FIGURES****PERIOD 6 - 1 April 2022 to 26 August 2022**

Measure	Status (Under or Over Budget Profile)	Period 6
Council Tax Income	On line	
Council Tax Collection Rate	Ahead	+2.37%
Non Domestic Rates Collection Rate	Ahead	+3.70%
General Fund Net Expenditure	Over	+£4.1m
<u>Service Departments:</u>		
Chief Executive's Office	On budget	
Education Services	Over	+£0.4m
Financial Services	Over	+£0.5m
Financial Services – Benefit Payments	On budget	
Financial Services – Ring Fenced Funds	On budget	
Neighbourhoods, Regeneration and Sustainability	Over	+£3.2m
		<hr/> +£4.1m <hr/>
Social Work Services	Under	-£0.2m

Glasgow City Council

Budget Monitoring 2022/23

Revenues - Income Monitoring and Cash Collection

Period to 31st August 2022

Council Tax

Income Monitoring	Estimate 2022/23 £000	Forecast Outturn 2022/23 £000	Variance £000
	321,029	321,029	0

Cash Collection

Month	Actual Cash in Month £000	Actual Cash to Date £000	% of Cash Collected to Date %	Last Year Actual %	Comparison v Last Year %
April	34,398	34,398	12.68	13.10	-0.42
May	32,148	66,546	24.43	21.29	3.14
June	21,002	87,548	31.82	29.61	2.21
July	23,053	110,601	40.33	38.01	2.32
August	23,750	134,351	49.17	46.80	2.37
September			0.00	55.82	
October			0.00	64.67	
November			0.00	74.49	
December			0.00	82.57	
January			0.00	89.61	
February			0.00	92.17	
March			0.00	93.92	

**Total Cash to be Collected
(i.e. net of Council Tax Reduction etc)** **273,238**

Target collection in year (94%) **256,844**

Glasgow City Council

Budget Monitoring 2022/23

Revenues - Cash Collection

Period to 31st August 2022

Non Domestic Rates

Month	Actual Cash in Month £000	Actual Cash to Date £000	% of Cash Collected to Date %	Last Year Actual %	Comparison v Last Year %
April	13,221	13,221	3.44	0.95	2.49
May	65,398	78,619	20.48	17.26	3.22
June	20,010	98,629	25.90	24.61	1.29
July	28,326	126,955	33.47	31.22	2.25
August	28,152	155,107	41.07	37.37	3.70
September			0.00	44.80	
October			0.00	60.89	
November			0.00	68.06	
December			0.00	74.31	
January			0.00	81.60	
February			0.00	87.16	
March			0.00	90.05	
Total Cash to be Collected		377,706			
Target collection in year (91%)		343,712			

GLASGOW CITY COUNCIL
2022/23 REVENUE BUDGET : MONITORING REPORT
GENERAL FUND SERVICE SUMMARY

PERIOD 6: 1 APRIL 2022 TO 26 AUGUST 2022

Original Annual Budget £000	Approved Changes £000	Revised Budget £000	Department	Total Expenditure		Total Income		Net Expenditure		Variance on Net Expenditure £000
				Actual £000	Budgeted £000	Actual £000	Budgeted £000	Actual £000	Budgeted £000	
100,092	21,752	121,844	Chief Executive's Office	59,650	59,662	3,285	3,285	56,365	56,377	-12
695,879	25,845	721,724	Education Services	309,411	309,549	10,763	11,304	298,648	298,245	403 OVER
38,282	1,732	40,014	Financial Services	49,624	49,877	18,580	19,391	31,044	30,486	558 OVER
86,944	-19	86,925	Financial Services - Council Tax Reduction Scheme/Benefit Payments	190,970	190,970	108,834	108,834	82,136	82,136	0
7,618	38,569	46,187	Financial Services - Ring-fenced Funds	40,952	40,952	0	0	40,952	40,952	0
169,668	8,084	177,752	Neighbourhoods, Regeneration and Sustainability	188,779	186,757	73,157	74,289	115,622	112,468	3,154 OVER
106,019	0	106,019	Related Companies and Joint Boards	49,084	49,084	11	11	49,073	49,073	0
-84,805	0	-84,805	Specific Grant	0	0	59,965	59,965	-59,965	-59,965	0
1,119,697	95,963	1,215,660	TOTAL	888,470	886,851	274,595	277,079	613,875	609,772	4,103 OVER

Net Expenditure : Rate of Spend as Percentage of Budget to Date

	4	6	8	10	12
Percentage	100.2%	100.7%			

CITY OF GLASGOW COUNCIL
2022/23 REVENUE BUDGET : MONITORING REPORT
SOCIAL WORK SERVICES SUMMARY

PERIOD 6: 1 APRIL 2022 TO 26 AUGUST 2022

Original Annual Budget £000	Approved Changes £000	Revised Budget £000	Department	Total Expenditure		Total Income		Net Expenditure		Variance on Net Expenditure £000
				Actual £000	Budgeted £000	Actual £000	Budgeted £000	Actual £000	Budgeted £000	
514,271	0	514,271	Social Work Services	282,840	281,867	107,780	106,584	175,060	175,283	-223
-15,519	0	-15,519	Specific Grant	0	0	5,173	5,173	-5,173	-5,173	0
0	0	0	Transfer to IJB reserves	0	0	-223	0	223	0	223
498,752	0	498,752	TOTAL	282,840	281,867	112,730	111,757	170,110	170,110	0

Net Expenditure : Rate of Spend as Percentage of Budget to Date

	4	6	8	10	12
Percentage	100.0%	100.0%			