



Glasgow City Council

City Administration Committee

Report by Councillor Richard Bell, City Treasurer

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BUDGET MONITORING 2021-22; PERIOD 12

Purpose of Report:

This report provides a summary of financial performance for the period 1 April 2021 to 11 February 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 2021 to 11 February 2022.

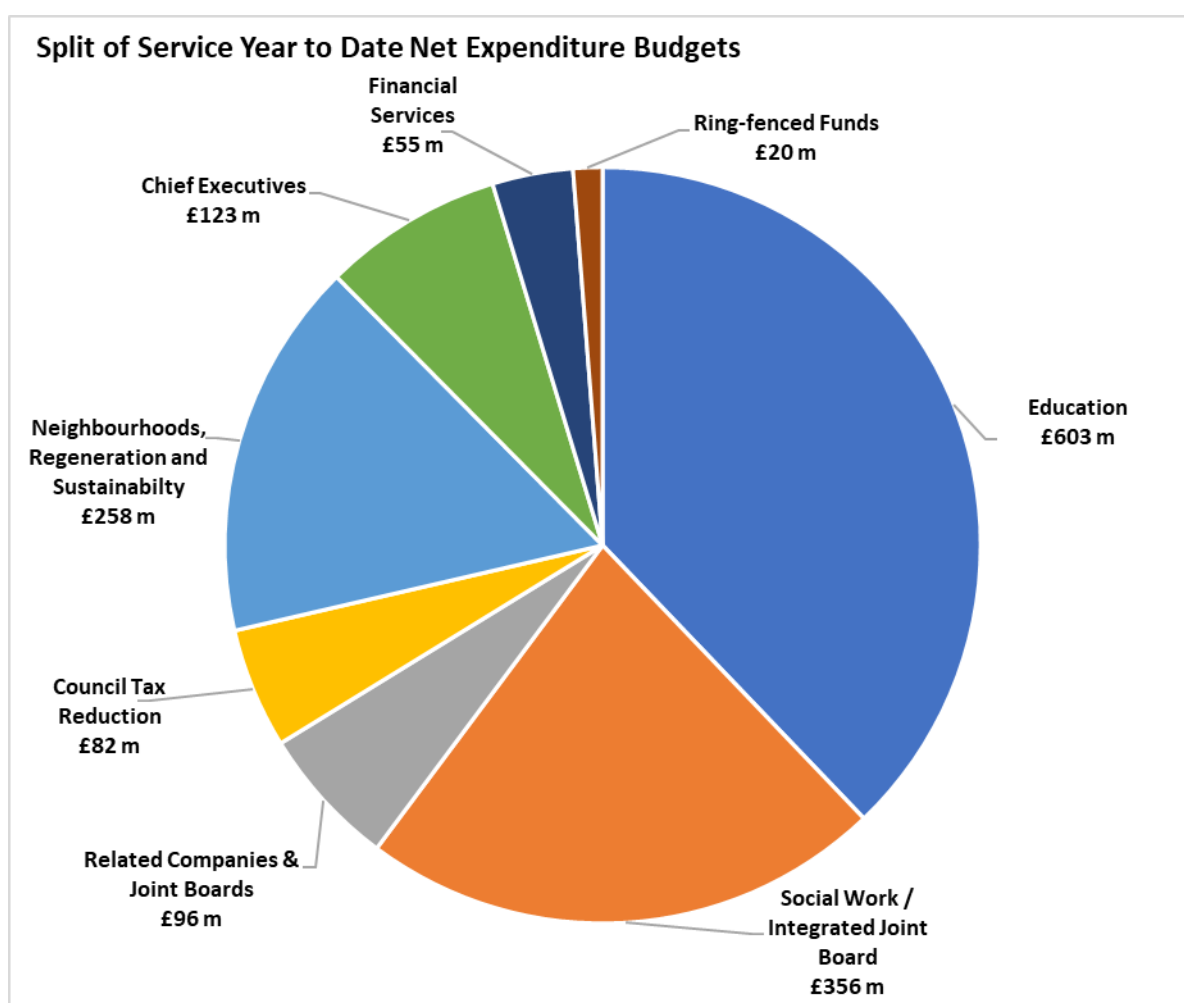
2. Reporting Format

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

3. Approved Budget

3.1 The 2021-22 budget was approved by Council on 11 March 2021 and the detailed service estimates were subsequently approved by the City Administration Committee on 3 June 2021.

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 12 are outlined in section 4, below.

4. Revenue Budget

- 4.1 During period 11 and 12 there has been a net budget increase of £12.7m resulting in a cumulative budget increase of £163.7m to date. Service specific budget changes are summarised in the paragraph below.
- 4.2 The significant budget changes since period 10 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 11 and 12 this amounts to £7.6m, cumulatively £24.4m at period 12.
- 4.2.2 Expenditure budgets across services have increased by £4.8m in respect of the additional costs of pay awards.
- 4.2.3 Income and expenditure budgets within Neighbourhoods, Regeneration and Sustainability have increased by £0.1m. This reflects additional funding from Inspiring Scotland in relation to the Delivering Equally Safe Fund.
- 4.2.4 Income and expenditure budgets within Education Services have increased by £0.7m. This reflects additional funding from the Scottish Government in relation to the removal of fees for instrumental music tuition (£0.3m) and Care Experienced Attainment funding (£0.4m).
- 4.2.5 Income and expenditure budgets within Chief Executives have increased by £21.5m. This reflects additional funding from the Scottish Government in relation to Community Renewal Fund (£0.6m), Business Ventilation Fund (£0.7m), Hospitality Top Up Fund (£8.8m), Hospitality and Leisure Fund (£3.8m), Nightclub Closure Fund (£1.2m) and Taxi and Private Operator Fund (£6.4m).
- 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 11 and 12 service budgets have been adjusted by £7.6 million removing any variances resulting from Covid-19, cumulatively to period 12 service budgets have been adjusted by £24.4m in respect of Covid-19.

6. Summary Position

Revenues

6.1 Council Tax

- 6.1.1 A probable outturn exercise has now been completed and is projecting that the actual income expected to be collected from council tax is £310.4m. This is £1.2m more than budget.
- 6.1.2 The council tax collected to 31 January 2022 amounts to £232.6m. This represents 89.61% of the figure to be collected and is 2.80% ahead of last year's equivalent collection figure. The out-turn for 2020-21 was 92.13%.

6.2 Non Domestic Rates

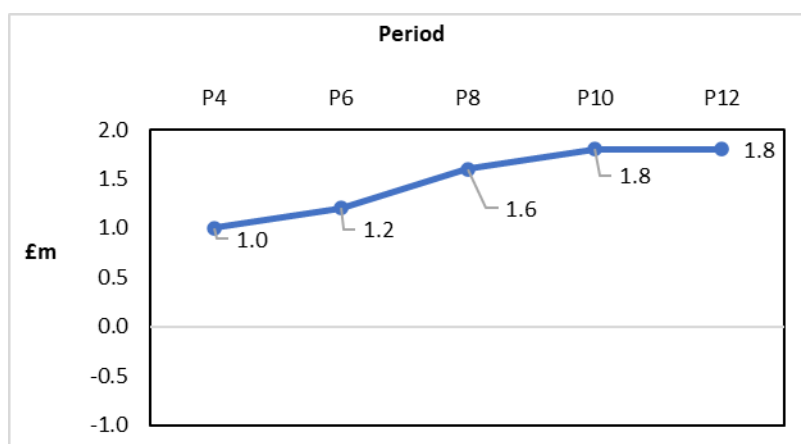
6.2.1 Non Domestic Rates (NDR) income is allocated to councils as part of the local government settlement. The council retains all NDR it collects, however where this varies from the amount included within the Local Government settlement a commensurate increase or decrease is made to the general revenue 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 January 2022 amounts to £216.5m. This represents 81.60% of the figure to be collected and is 0.12% behind last year's equivalent collection figure. The out-turn for 2020-21 was 89.42%.

7. General Fund

7.1 Net expenditure is running at 100.2% of profile, representing an overspend of £1.8m. This reflects overspends within Neighbourhoods, Regeneration and Sustainability and Education Services and underspends within Chief Executive's Office and Financial Services.

7.2 Net Expenditure Position – budget variance:



8. Services

8.1 Neighbourhoods, Regeneration and Sustainability £1.8m

8.1.1 This reflects an overspend in Refuse Collection and Disposal due to increased staff costs, above inflationary increases in the residual waste sector and a shortfall in income. These pressures are offset by an underspend in Streetscene due to staff vacancies, recruitment is underway.

8.2 Education Services £0.2m

8.2.1 This reflects overspends in staffing and transport associated with ongoing pupil roll increases offset by savings in Early Years recruitment.

8.3 Chief Executive's Office -£0.1m

8.3.1 This reflects underspends and additional income within Economic Development.

8.4 Financial Services -£0.1m

8.4.1 This reflects underspends in supplies within Catering and Facilities Management and employee costs 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.

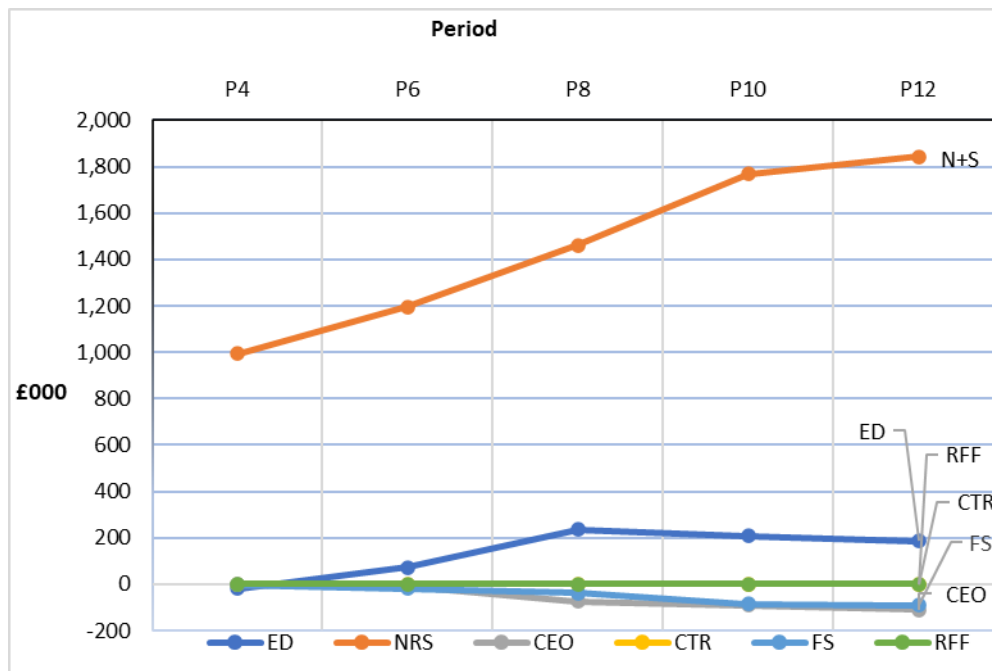
9.2 While the financial position of Social Work Services continues to be monitored through the Council's existing reporting structures the overall financial position is now the responsibility of the IJB and is therefore reported separately from the General Fund. The Reserves policy of the IJB has resulted in the transfer of previous year underspends to IJB reserves to mitigate any ongoing or future budget pressures.

9.3 At period 12 Social Work Services is showing an underspend of £8.9m. This underspend reflects underspends in Adults Services and Older People/Physical Disability.

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 As previously reported the probable outturn is forecasting a £1.8m increase in the level of contribution from general fund reserves as detailed in appendix 1.
- 11.2 The position will continue to be reviewed throughout the remainder of the year and any significant variances reported through the normal monitoring process.
- 11.3 Social Work Services updated the probable outturn for the IJB at period 10 which indicated that overall net expenditure was anticipated to be £7.0m under budget, at period 8 the anticipated position was £2.6m under budget. It should be recognised that this outturn continues to be subject to a high level of uncertainty and the movement between period 10 and period 12 will require the outturn to be revisited. As noted at period 10 this underspend will transfer to IJB reserves and has no net impact on the Council's overall financial position.

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 12 - 1 April 2021 to 11 February 2022

Measure	Status (Under or Over Budget Profile)	Period 12	Probable
Council Tax Income	Ahead		+£1.2m
Council Tax Collection Rate	Ahead	+2.80%	
Non Domestic Rates Collection Rate	Behind	-0.12%	
General Fund Net Expenditure	Over	+£1.8m	
 <u>Service Departments:</u>			
Chief Executive's Office	Under	-£0.1m	-£0.2m
Education Services	Over	+£0.2m	+£0.1m
Financial Services	Under	-£0.1m	-£0.1m
Financial Services – Benefit Payments	On budget		On budget
Financial Services – Ring Fenced Funds	On budget		On budget
Neighbourhoods, Regeneration and Sustainability	Over	+£1.8m	+£2.1m
		+£1.8m	+£1.9m
Affordable Warmth			+£1.5m
Financing Costs			-£2.8m
Related Companies			+£2.4m
Increase in Contribution from General Fund Balances			+£1.8m
Probable Outturn			Nil
Social Work Services	Under	-£8.9m	-£7.0m
General Fund Balances			
2021-22 Budget Contribution from Balances			£9.7m
Increase in Contribution			£1.8m
Revised 2021-22 Contribution from Balances			£11.5m

Glasgow City Council

Budget Monitoring 2021/22

Revenues - Income Monitoring and Cash Collection

Period to 31st January 2022

Council Tax

Income Monitoring	Estimate 2021/22 £000	Forecast Outturn 2021/22 £000	Variance £000
	309,209	310,416	1,207

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	33,976	33,976	13.10	12.47	0.63
May	21,486	55,462	21.29	20.36	0.93
June	22,658	78,120	29.61	28.32	1.29
July	21,994	100,114	38.01	36.57	1.44
August	22,943	123,057	46.80	44.75	2.05
September	24,031	147,088	55.82	53.68	2.14
October	22,606	169,695	64.67	62.25	2.42
November	24,466	194,161	74.49	71.18	3.31
December	20,881	215,042	82.57	79.70	2.87
January	17,586	232,628	89.61	86.81	2.80
February			0.00	89.97	
March			0.00	92.13	

**Total Cash to be Collected
(i.e. net of Council Tax Reduction etc)** **259,588**

Target collection in year (92.5%) **240,119**

Glasgow City Council

Budget Monitoring 2021/22

Revenues - Cash Collection

Period to 31st January 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	2,800	2,800	0.95	0.99	-0.04
May	45,446	48,246	17.26	17.21	0.05
June	19,538	67,784	24.61	24.14	0.47
July	17,540	85,324	31.22	29.59	1.63
August	16,886	102,210	37.37	35.98	1.39
September	19,900	122,110	44.80	43.17	1.63
October	42,684	164,794	60.89	60.41	0.48
November	17,340	182,134	68.06	67.11	0.95
December	15,194	197,328	74.31	72.65	1.66
January	19,203	216,531	81.60	81.72	-0.12
February			0.00	88.33	
March			0.00	89.42	
Total Cash to be Collected		265,341			
Target collection in year (90.0%)		238,807			

**GLASGOW CITY COUNCIL
2021/22 REVENUE BUDGET : MONITORING REPORT
GENERAL FUND SERVICE SUMMARY**

PERIOD 12: 1 APRIL 2021 TO 11 FEBRUARY 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	
100,204	35,347	135,551	Chief Executive's Office	191,386	191,335	68,198	68,038	123,188	123,297	-109
655,211	74,961	730,172	Education Services	628,321	628,255	25,011	25,131	603,310	603,124	186 OVER
37,172	3,855	41,027	Financial Services	104,568	108,865	49,923	54,130	54,645	54,735	-90
81,228	2,961	84,189	Financial Services - Council Tax Reduction Scheme/Benefit Payments	318,443	318,443	236,592	236,592	81,851	81,851	0
7,368	17,153	24,521	Financial Services - Ring-fenced Funds	20,254	20,254	0	0	20,254	20,254	0
160,757	18,866	179,623	Neighbourhoods, Regeneration and Sustainability	428,624	425,630	168,438	167,288	260,186	258,342	1,844 OVER
103,770	610	104,380	Related Companies and Joint Boards	96,536	96,536	516	516	96,020	96,020	0
-79,033	-5,033	-84,066	Specific Grant	0	0	84,066	84,066	-84,066	-84,066	0
1,066,677	148,720	1,215,397	TOTAL	1,788,132	1,789,318	632,744	635,761	1,155,388	1,153,557	1,831 OVER

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

	4	6	8	10	12
Percentage	100.2%	100.2%	100.2%	100.2%	100.2%

**CITY OF GLASGOW COUNCIL
2021/22 REVENUE BUDGET : MONITORING REPORT
SOCIAL WORK SERVICES SUMMARY**

PERIOD 12: 1 APRIL 2021 TO 11 FEBRUARY 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	
450,079	15,013	465,092	Social Work Services	596,890	601,588	238,369	234,173	358,521	367,415	-8,894
-15,519	0	-15,519	Specific Grant	0	0	11,647	11,647	-11,647	-11,647	0
0	0	0	Transfer to IJB reserves	0	0	-8,894	0	8,894	0	8,894
434,560	15,013	449,573	TOTAL	596,890	601,588	241,122	245,820	355,768	355,768	0

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

	4	6	8	10	12
Percentage	100.0%	100.0%	100.0%	100.0%	100.0%