

**FINANCIAL REPORTS MONITORING PACK – 31 AUGUST 2022**

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**1. INTRODUCTION**

1.1 This report provides a summary of the financial monitoring reports as at the end of August 2022. There are five detailed reports, setting out the position as at 31 August 2022, which are summarised in this Executive Summary:

- Revenue Budget Monitoring Report
- Monitoring of Financial Risks
- Capital Plan Monitoring Report
- Treasury Monitoring Report
- Reserves and Balances

**2. DETAIL****2.1 Revenue Budget Monitoring Report**

2.1.1 This report provides a summary of the current revenue budget monitoring position to ensure net expenditure is contained within budget. It provides corporate and departmental information with comparisons on a forecast outturn and a year to date basis.

2.1.2 There is a forecast overspend of £0.117m as at the end of August 2022. This projection results from the elected members pay award (£0.026m), an under-recovery of income within parks and pest control (£0.070m) and high demand for services within Social Work (£0.021m). Note the elected members pay award is set nationally via Statutory Instrument and the forecast overspend is due to a 5.2% increase which is above the 2% previously built into the budget.

2.1.3 The forecast overspend does not include the potential impact of the 2022-23 pay settlement, where negotiations are at an advanced stage. The Scottish Government has agreed to provide an additional £140m of recurring resource from 2022-23 to support the current proposal of a 5% pay award which includes a £3,000 cap for those earning above £60,000 based on a 37 hour week. In addition, the Scottish Government have agreed to provide a further £120.6m of capital funding in 2022-23 and 2023-24 which will be baselined as General Revenue Grant from 2024-25 onwards to ensure that everyone receives an increase of at least £1,925 or £2,000 (depending on spinal column point). There remains a budget pressure that both the Council and the HSCP will require to fund. As is normal practice, the Health and Social Care Partnership need to absorb any cost pressure in the same way that the Council do and we await the detail on the additional funding as to whether any has to be passported through to the Health and Social Care Partnership and will look to have a conversation with both the Chief Officer and the Chief Financial Officer of the IJB in respect of this. Depending on the treatment of the funding, the gap for the

Council could be in the region of £1.2m to £2.1m with a gap for the HSCP in the region of £0.5m to £1.4m

- 2.1.4 There is a year to date underspend of £2.970m. More focus is on the forecast outturn position, hence why sometimes the year to date position is not updated. The year to date variances mainly relate to the timing of income and expenditure and recharging of costs to capital.
- 2.1.5 With regard to the ongoing financial impact of COVID-19, there are £9.407m of reserves committed to manage the impact of the pandemic. The detail behind these commitments is contained within Appendix 2 of the Reserves and Balances report.
- 2.1.6 Total policy savings relevant to 2022-23 financial year amount to £1.560m. The table below outlines their progress as at 31 August 2022.

Category	No. of Options	2022-23 £000	2022-23 FTE	2023-24 £000	2023-24 FTE	Future Years £000	Future Years FTE
Delivered	5	235.0	1.4	243.0	1.4	243.0	1.4
On Track to be Delivered	12	603.5	0.5	606.5	0.5	609.5	0.5
Still to be Implemented	2	294.7	0.0	414.3	0.0	414.3	0.0
Being Developed	0	0.0	0.0	0.0	0.0	0.0	0.0
Potential Shortfall	4	402.5	0.0	402.5	0.0	402.5	0.0
Delayed	1	24.0	0.0	24.0	0.0	24.0	0.0
<b>TOTAL</b>	<b>24</b>	<b>1,559.7</b>	<b>1.9</b>	<b>1,690.3</b>	<b>1.9</b>	<b>1,693.3</b>	<b>1.9</b>

- 2.1.7 For those savings approved prior to February 2022, there are four savings categorised as having a shortfall and one currently delayed.

### **Health and Social Care Partnership (HSCP) – Financial Update**

- 2.1.8 The forecast outturn position at the end of August is an estimated overspend of £0.521m for 2022-23 (£0.021m for Social Work and £0.500m for Health). The Chief Financial Officer of the IJB is confident that the spend will be brought in line with budget by the end of the financial year.

## **2.2 Monitoring of Financial Risks**

- 2.2.1 This report outlines the process and approach developed in carrying out a financial risks analysis and provides an update on the current assessment of financial risks.
- 2.2.2 There are 5 Council wide revenue risks identified for 2022-23 currently amounting to £2.058m.

2.2.3 There are currently 42 departmental risks totalling £5.745m. Of the 42 departmental risks, one is categorised as almost certain and 7 are categorised as likely. These will continue to be monitored and action taken to mitigate or manage these risks.

2.2.4 The top three risks in terms of the financial impact are noted in the table below.

SERVICE	TITLE OF RISK	DESCRIPTION OF RISK	LIKELIHOOD	FINANCIAL IMPACT £000
Roads and Infrastructure Services	Roads Maintenance - Bridges, Culverts & Sea Defences	Extreme localised weather may result in loss of bridge, culvert , road or sea defence	3	750
Roads and Infrastructure Services	Residual Waste H&L and Tiree	There is a potential increase to tipping fees and haulage costs for H&L residual waste. The Council's supplier Barr Environmental (contract to end of 2023) lost a tribunal relating to the underpayment of landfill tax, which may have led to the Council having to source alternatives at a higher cost. Barr appealed the decision which was heard in the Spring and they won the case which should have reduced or eliminated this financial risk. However, the Scottish Government laid an Amendment Order on Friday 1 July 2022 which came into force at 1700 on 1 July which indicates that Landfill tax will be due on materials previously not chargeable and we have now received notification of an increase in the cost which officers are currently assessing.	4	655
Financial Services	Council Tax Debt Collection Recovery	Recovery of debt becomes more difficult to pursue in the current economic climate. This is in relation to historical debt that has accumulated over many years therefore any adverse collection rates will impact on the year end debt provision as opposed to the in-year financial position, hence no forecast variance has been reported within the current year.	5	500

2.2.5 There have been three changes to the departmental risks since the report as presented to the Policy and Resources Committee on 11 August 2022. These are outlined in paragraph 3.4.1 of the Financial Risks Report.

### **2.3 Capital Plan Monitoring Report**

2.3.1 This report provides a summary of the current capital plan monitoring position. Information is provided in terms of monitoring year to date budget, current full year budget, future years total budget and funding and non-financial in terms of project performance.

2.3.2 At the budget setting meeting on 25 February 2021, the Council agreed to provide a £2.5m provision for the increase in capital contract costs as a result of COVID-19 and following agreement at the Policy and Resources Committee on 14 October 2021, this, plus a further £0.146m, was added to the capital programme. At the budget meeting in February 2022 an additional £3.9m was set aside for further capital contract increases including up to £1.2m for Campbeltown Flood Scheme.

2.3.3 There are likely to be further financial pressures facing the capital programme that are not able to be quantified at this stage largely relating to inflationary increases in the construction industry and supply chain issues.

2.3.4 Actual net expenditure to date is £10.954m compared to a budget for the year to date of £10.857m giving rise to an overspend for the year to date of £0.097m (0.9%). The variance results from an accumulation of non-material variances across projects.

2.3.5 The forecast outturn for 2022-23 is a forecast net expenditure of £48.264m compared to an annual budget of £48.260m giving rise to a forecast overspend for the year of £0.004m (0.01%).

2.3.6 The forecast total net projects costs on the capital plan are £178.745m compared to a total budget for all projects of £178.526m giving rise to a forecast overspend for the overall capital plan of £0.219m (0.12%).

2.3.7 In respect of total project performance, there are 160 projects within the capital plan, 148 are complete or on target, 11 are off target and recoverable and 1 project is off track.

### **2.4 Treasury Monitoring Report**

2.4.1 This report provides information on the current levels and recent transactions in relation to the capital financing limit, total borrowing, temporary borrowing and long term borrowing and investments.

2.4.2 The net movement in external borrowing for the period 1 July 2022 to 31 August 2022 was a decrease of £3.496.

2.4.3 Borrowing is below the Capital Financing Requirement for the period to 31 August 2022. At this stage in the financial year capital expenditure continues to be below target. Due to delays as a result of the COVID-19 pandemic, capital expenditure has been relatively low over the last twelve months.

2.4.4 The levels of investments were £117.4m at 31 August 2022. The average rate of return achieved was 1.802% which compares favourably with the SONIA (Sterling Overnight Index Average) for the same period of 1.641%.

## 2.5 Reserves and Balances

2.5.1 This report summarises the overall level of reserves and balances and monitors the spending of the earmarked reserves, providing detailed information on the unspent budget earmarked balances.

2.5.2 The Council has a total of £364.558m unusable reserves that are not backed with resources. They are required purely for accounting purposes.

2.5.3 At 31 March 2022, the Council had a total of £103.626m of usable reserves. Of this:

- £2.682m relates to the Repairs and Renewals Fund
- £4.414m relates to Capital Funds
- £96.530m was held in the General Fund, with £89.433m of this balance earmarked for specific purposes.

2.5.4 Of the earmarked balance of £89.433m:

- £46.510m is invested or committed for major initiatives/capital projects
- £4.094m has already been drawn down
- £32.402m is still to be drawn down in 2022-23
- £6.427m is planned to be spent in future years

2.5.5 The table below summarises the estimated Unallocated General Fund Balance as at the end of the financial year:

Heading	Detail	£000
Unallocated General Fund as at 31 March 2022	This is the balance that is unallocated over and above the 2% contingency, which amounts to £5.256m	1,841
Budgeted allocation to General Fund for 2022-23 Budget	Per the Budget Motion at Council on 24 February 22	2,482
Current Forecast Outturn for 2022-23 as at 31 August 2022		(157)

<b>Estimated Unallocated balance as at 31 March 2023</b>		<b>4,166</b>
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2.5.6 It can be seen that, after taking into consideration the Budget Motion and the current forecast outturn for 2022-23, the Council is forecast to have a £4.166m surplus over contingency. The balance does not take into account the 2022-23 pay award currently in the final stages of negotiation.

## **2.6 VIREMENTS OVER £0.200m (Revenue)**

2.6.1 Virement is the process of transferring budget between cost centres, services or departments or between capital projects. The Council's constitution notes that virements over £0.200m require approval by Council. This section of the report will be used to outline revenue virements in the period that require approval. Capital virements are included within the capital monitoring report.

2.6.2 For the periods July and August 2022, there are 5 virements requiring authorisation:

- £0.308m harvested within Executive Director Kirsty Flanagan against the vacancy savings target for the period April to July
- £0.383m harvested within Social Work against the vacancy savings target for the period April to July
- £0.204m between Head of Education and Head of Commercial Services in relation to NPDO charges
- £0.250m between Roads and Infrastructure and Other Operating Income and Expenditure in relation to a miscoding on saving RI01
- £0.328m harvested within Social Work against the vacancy savings target for August

## **3. RECOMMENDATIONS**

3.1 It is recommended that the Policy and Resources Committee:

- a) Consider the revenue budget monitoring report as at 31 August 2022
- b) Note the financial risks for 2022-23
- c) Note the capital plan monitoring report as at 31 August 2022 and approve the proposed changes to the capital plan outlined in Appendix 4 of that report.
- d) Note the treasury monitoring report as at 31 August 2022
- e) Consider the reserves and balances report as at 31 August 2022
- f) Recommend to Council that the revenue virements over £0.200m during July and August 2022 are approved

#### **4. IMPLICATIONS**

4.1	Policy –	None.
4.2	Financial -	Outlines the revenue and capital monitoring for 2022-23 as at 31 August 2022
4.3	Legal -	None.
4.4	HR -	None.
4.5	Fairer Scotland Duty -	None.
4.5.1	Equalities – protected characteristics -	None.
4.5.2	Socio-economic Duty -	None.
4.5.3	Islands -	None.
4.6	Climate Change -	None.
4.7	Risk -	Risks are included in financial risks report.
4.8	Customer Service -	None.

**Kirsty Flanagan**  
**Section 95 Officer**  
**9 September 2022**

**Policy Lead for Finance and Commercial Services - Councillor Gary Mulvaney**

For further information contact Anne Blue, Head of Financial Services  
[anne.blue@argyll-bute.gov.uk](mailto:anne.blue@argyll-bute.gov.uk)

**2022-23 Overall Position:**

There is an overall forecast overspend of £0.117m as at the end of August 2022. Within Executive Director Kirsty Flanagan, there is a forecast overspend of £0.070m from a projected under-recovery of income within Parks and Pest Control. Within Central Budgets, there is a £0.026m overspend resulting from the Elected Members pay award being greater than the available budget and Social Work is projecting a £0.021m overspend due to a high demand for services.

There is a year to date underspend of £2.970m. The year to date variances within the departments tend to relate to the timing of income and expenditure, the recharging of costs to capital and the over-recovery of vacancy savings.

**Key Highlights as at August 2022:**

- The Oracle Fusion system hypercare stage of implementation is complete and training has been rolled out to wider services.
- The negotiations relating to the 2022-23 pay award are at an advanced stage with the current offer out to ballot.

**Key Financial Successes:**

Performance against budget for 2021-22 was an overall net favourable position of £1.630m underspend after adjusting for year-end earmarking. This breaks down as:

- £0.815m net underspend in relation to Council service departmental expenditure
- £0.432m net overspend in relation to other central costs
- £1.247m over-recovery of Council Tax income.

**Key Financial Challenges:**

**Proposed Actions to address Financial Challenges:**

Ongoing consideration of the financial impact of COVID on the Council's revenue position.	Continue to identify additional costs as a consequence of COVID to ensure earmarked COVID funds are applied appropriately.
Achieving a favourable year-end position and achieving savings targets in light of council wide risks to expenditure.	Robust monitoring of the financial position and delivery of savings to ensure budget issues inform the budget monitoring process.
Monitoring Social Work expenditure and more widely the IJB position as any overspend will transfer back to partner bodies in the first instance.	Continue to work closely with the CFO of the IJB to ensure that early indication of any potential adverse financial outturn is known and corrective action is agreed as appropriate to reduce the risk to the Council.
Identifying further savings and delivering services more efficiently with less resources, as whilst a balanced 2022-23 budget was agreed in February 2022 there are still budget gaps in future years.	The Council will continue to progress savings options identified in 2021-22 that require further development and seek to identify further savings through themed reviews and business process reviews.



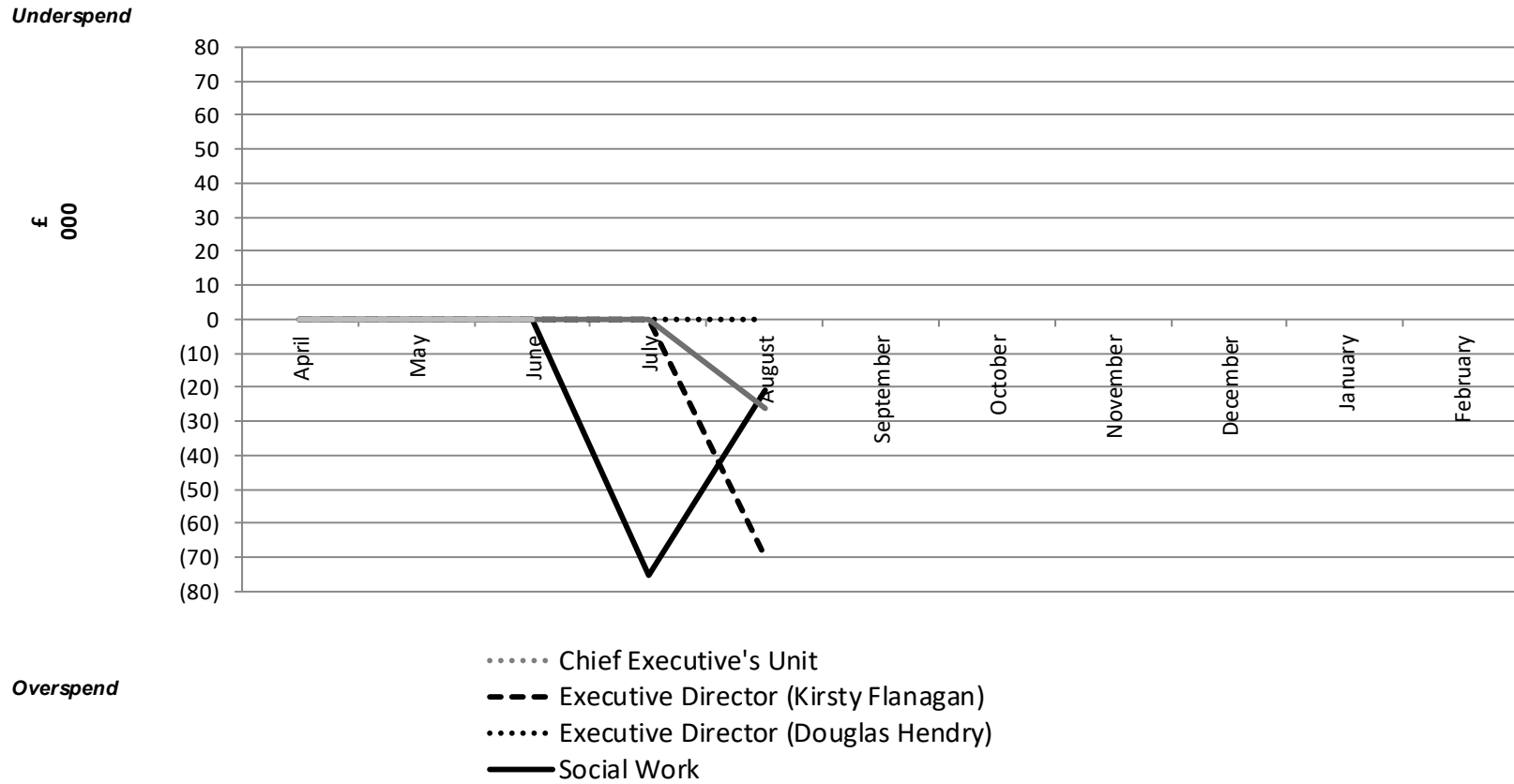
Maintaining or improving the level of service income recovered, for example planning, building standards and car parking.	Actively monitor income recovery and ensure Council fees and charges policies are regularly reviewed.
Managing spend in service areas which are demand led and, to some extent, outwith service control, for example Winter Maintenance.	Use risk based approach to budget monitoring to focus additional attention on these areas.
Ongoing requirement to fund unavoidable inflationary increases in areas like utility costs, fuel, food etc. This is impacted further by the availability of supply as a result of the COVID-19 pandemic, UK exit from the European Union, Russia's invasion of Ukraine and sanctions on Russian owned entities to name a few influencing factors.	Ensure emerging issues are highlighted as soon as possible so that the financial impact can be reported through the budget monitoring and preparation processes.
Cost of living crisis impacting on pay inflation negotiations which could result in pay awards above what is deemed affordable.	Ensure emerging issues are highlighted as soon as possible so that the financial impact can be reported through the budget monitoring and preparation processes.

### Forecast Outturn Position

There is a forecast overspend of £0.157m for 2022-23 as at the end of August 2022

Current Forecast Outturn Variance with change from previous month						
Department	Annual Budget £'000	Forecast Outturn £'000	Current Forecast Variance £'000	Previous Forecast Variance £000	Change £000	Explanation
Chief Executive's Unit	6,353	6,353	0	0	0	Department forecasting in line with budget
Executive Director (Douglas Hendry)	125,532	125,532	0	0	0	Department forecasting in line with budget
Executive Director (Kirsty Flanagan)	44,942	45,012	(70)	0	(70)	Overspend due to under recovery of income in Parks and Pest Control
Social Work	72,911	72,932	(21)	(75)	54	Overspend is mainly due to high demand for services
Central Budgets	23,867	23,893	(26)	0	(26)	Overspend due to Elected Members pay award being higher than available budget
Financed By	(273,605)	(273,605)	0	0	0	
<b>Total</b>	<b>0</b>	<b>117</b>	<b>(117)</b>	<b>(75)</b>	<b>(42)</b>	

**Movement in the forecast outturn position for each Department from the start of the financial year**

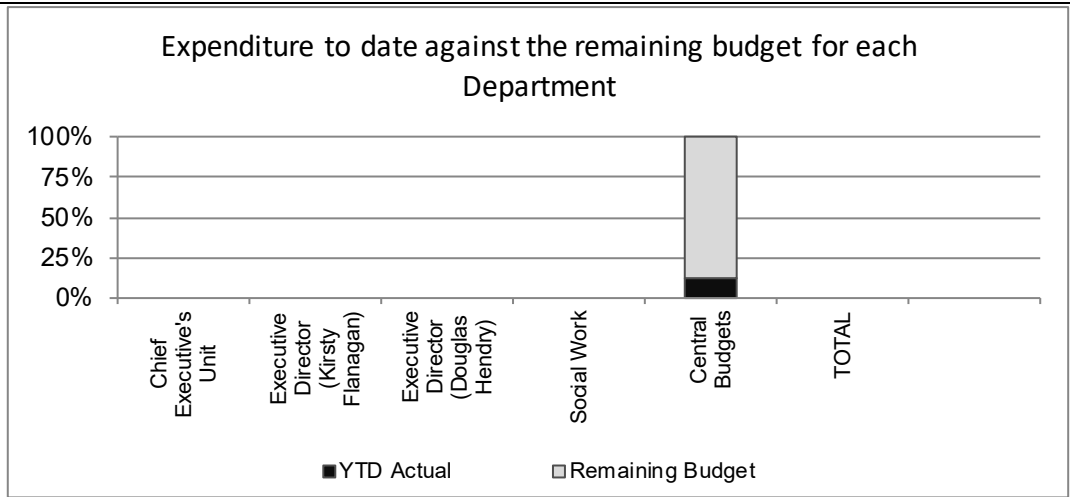


**Further information on the departmental forecast variances is included later on in the report.**

### Year to Date Position

The year to date position as at the end of August 2022 is an underspend of £2.970m and the main variances are noted below.

Department	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Explanation
Chief Executive's Unit	3,571	3,316	(255)	The YTD overspend can be attributed to profiling issues.
Executive Director (Douglas Hendry)	45,067	45,686	619	The YTD underspend can be attributed to underspends in employee budgets within schools and learning centres
Executive Director (Kirsty Flanagan)	17,541	16,326	(1,215)	The YTD overspend can be attributed to expenditure in Roads on capital works not recharged yet.
Social Work	14,929	15,118	189	The YTD underspend can be attributed to over-recovery of vacancy savings.
Central Budgets	2,960	6,592	3,632	The YTD underspend can be attributed to profiling issues.
Funding	(113,128)	(113,128)	0	
<b>Total Net Expenditure</b>	<b>(29,060)</b>	<b>(26,090)</b>	<b>2,970</b>	



**Further information on the departmental year to date variances is included later on in the report.**

## OBJECTIVE SUMMARY – OVERALL COUNCIL POSITION AS AT 31 AUGUST 2022

	YEAR TO DATE POSITION				CURRENT PROJECTED FINAL OUTTURN			
	YTD Actual	YTD Budget	YTD Variance	Variance	Annual Budget	Forecast Outturn	Forecast Variance	Variance
	£'000	£'000	£'000	%	£'000	£'000	£'000	%
<b><u>Departmental Budgets</u></b>								
Chief Executive's Unit	3,571	3,316	(255)	(7.7%)	6,353	6,353	0	0.0%
Executive Director (Kirsty Flanagan)	17,541	16,326	(1,215)	(7.4%)	44,942	45,012	(70)	(0.2%)
Executive Director (Douglas Hendry)	45,067	45,686	619	1.4%	125,532	125,532	0	0.0%
Social Work	14,929	15,118	189	1.3%	72,911	72,932	(21)	(0.0%)
<b>Total Departmental Budgets</b>	<b>81,108</b>	<b>80,446</b>	<b>(662)</b>	<b>(0.8%)</b>	<b>249,738</b>	<b>249,829</b>	<b>(91)</b>	<b>(0.0%)</b>
<b><u>Central Budgets</u></b>								
Other Operating Income and Expenditure	(1,184)	582	1,766	303.4%	2,019	2,045	(26)	(1.3%)
Joint Boards	626	623	(3)	(0.5%)	1,496	1,496	0	0.0%
Non-Controllable Costs	3,518	5,387	1,869	34.7%	20,352	20,352	0	0.0%
<b>Total Central Budgets</b>	<b>2,960</b>	<b>6,592</b>	<b>3,632</b>	<b>55.1%</b>	<b>23,867</b>	<b>23,893</b>	<b>(26)</b>	<b>(0.1%)</b>
<b>TOTAL NET EXPENDITURE</b>	<b>84,068</b>	<b>87,038</b>	<b>2,970</b>	<b>3.4%</b>	<b>273,605</b>	<b>273,722</b>	<b>(117)</b>	<b>(0.0%)</b>
<b><u>Financed By</u></b>								
Aggregate External Finance	(87,163)	(87,163)	0	0.0%	(216,731)	(216,731)	0	0.0%
Local Tax Requirement	(25,965)	(25,965)	0	0.0%	(55,262)	(55,262)	0	0.0%
Contributions to General Fund		0	0	0.0%	2,482	2,482	0	0.0%
Earmarked Reserves		0	0	0.0%	(4,094)	(4,094)	0	0.0%
<b>Total Funding</b>	<b>(113,128)</b>	<b>(113,128)</b>	<b>0</b>	<b>0.0%</b>	<b>(273,605)</b>	<b>(273,605)</b>	<b>0</b>	<b>0.0%</b>
<b>(Deficit)/Surplus for Period</b>	<b>(29,060)</b>	<b>(26,090)</b>	<b>2,970</b>		<b>0</b>	<b>117</b>	<b>(117)</b>	

## SUBJECTIVE SUMMARY – OVERALL COUNCIL POSITION AS AT 31 AUGUST 2022

	YEAR TO DATE POSITION				CURRENT PROJECTED FINAL OUTTURN			
	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Variance %	Annual Budget £'000	Forecast Outturn £'000	Forecast Variance £'000	Variance %
<b>Subjective Category</b>								
Employee Expenses	63,221	64,126	905	1.4%	170,283	170,512	(229)	(0.1%)
Premises Related Expenditure	8,159	7,996	(163)	(2.0%)	16,716	16,844	(128)	(0.8%)
Supplies and Services	10,276	9,241	(1,035)	(11.2%)	23,269	23,459	(190)	(0.8%)
Transport Related Expenditure	5,419	4,874	(545)	(11.2%)	17,046	17,008	38	0.2%
Third Party Payments	62,064	61,493	(571)	(0.9%)	165,601	166,391	(790)	(0.5%)
Capital Financing	1,248	0	(1,248)		14,039	14,039	0	0.0%
<b>TOTAL EXPENDITURE</b>	<b>150,387</b>	<b>147,730</b>	<b>(2,657)</b>	<b>(1.8%)</b>	<b>406,954</b>	<b>408,253</b>	<b>(1,299)</b>	<b>(0.3%)</b>
Income	(179,448)	(173,821)	5,627	(3.2%)	(406,954)	(408,136)	1,182	(0.3%)
<b>(Deficit)/Surplus for Period</b>	<b>(29,060)</b>	<b>(26,090)</b>	<b>2,970</b>		<b>0</b>	<b>117</b>	<b>(117)</b>	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget.

A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or actual or forecast income is less than budget.

## CHIEF EXECUTIVE'S UNIT – AS AT 31 AUGUST 2022

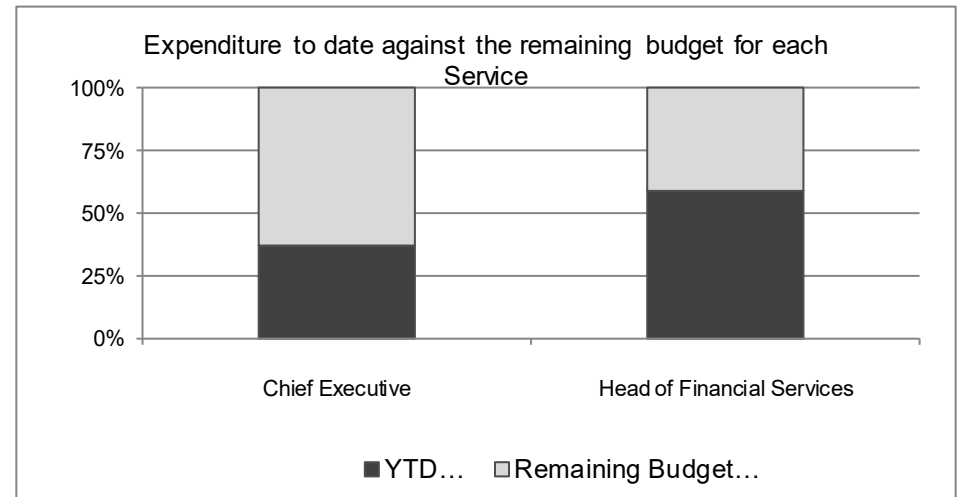
The department is currently forecasting spend in line with budget.

The department has a year to date overspend of £0.255m (7.7%) which can be attributed to profiling issues.

### Forecast Outturn Position

Service	Annual Budget £000	Forecast Outturn £000	Current Forecast Variance £000	Previous Forecast Variance £000	Change £000
Chief Executive	909	909	0	0	0
Head of Financial Services	5,444	5,444	0	0	0
<b>Totals</b>	<b>6,353</b>	<b>6,353</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Year to Date Position



#### Key Financial Successes:

- All savings options have been delivered.
- The department's 2021-22 outturn position was an underspend of £0.018m. This resulted from an overall underspend of £2.013m offset by earmarking of £1.769m due to auto-carry forwards including unspent grants and COVID-19 funding and £0.226m of unspent budget earmarkings.

#### Key Financial Challenges:

To continue to deliver a high quality support service function during a time of substantial uncertainty and challenge arising from continuing reductions in funding whilst costs are increasing due to high inflation and service demand caused by world events including the COVID-19 pandemic and the conflict in Ukraine.

#### Proposed Actions to address Financial Challenges:

Ensure the team is operating as efficiently and effectively as possible to enable continued support to departments with reduced resources by building resilience through knowledge sharing across the team and maximising the benefits to the service from the implementation of the Oracle Fusion Financial Ledger System.

Carry out a business process review of the Revenues and Benefits function to determine if there is scope to deliver the service in a more cost effective manner.

Work collaboratively with other services of the Council to identify opportunities to improve the operational and financial efficiency of services and to support evidence based decision making.



## CHIEF EXECUTIVE'S UNIT – OBJECTIVE SUMMARY AS AT 31 AUGUST 2022

Service Area	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Chief Executive	128	119	(9)	(7.6%)	325	325	0	0.0%	Outwith Reporting Criteria
Community Planning & Development	208	242	34	14.1%	584	584	0	0.0%	Profiling - income received ahead of schedule
	<b>336</b>	<b>361</b>	<b>25</b>	<b>6.9%</b>	<b>909</b>	<b>909</b>	<b>0</b>	<b>0.0%</b>	
Accounting & Budgeting	1,017	999	(18)	(1.8%)	2,374	2,374	0	0.0%	Outwith Reporting Criteria
Internal Audit & Fraud	105	105	0	0.0%	231	231	0	0.0%	Outwith Reporting Criteria
Revenues & Benefits	1,326	1,345	19	1.4%	2,102	2,102	0	0.0%	Outwith Reporting Criteria
Scottish Welfare Fund	787	506	(281)	(55.5%)	737	737	0	0.0%	Profile related overspend on third party payments and income accrued but not yet received.
	<b>3,235</b>	<b>2,955</b>	<b>(280)</b>	<b>(9.5%)</b>	<b>5,444</b>	<b>5,444</b>	<b>0</b>	<b>0.0%</b>	
	<b>3,571</b>	<b>3,316</b>	<b>(255)</b>	<b>(7.7%)</b>	<b>6,353</b>	<b>6,353</b>	<b>0</b>	<b>0.0%</b>	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget.

A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or actual or forecast income is less than budget.

An explanation is given for any variance which exceeds £50,000 or 10%.

## CHIEF EXECUTIVE'S UNIT – SUBJECTIVE SUMMARY AS AT 31 AUGUST 2022

Subjective Category	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Employee	1,921	1,890	(31)	(1.6%)	5,173	5,173	0	0.0%	Outwith reporting criteria.
Premises	0	0	0	0.0%	0	0	0	0.0%	Outwith reporting criteria.
Supplies and Services	239	258	19	7.4%	695	695	0	0.0%	Outwith reporting criteria.
Transport	5	14	9	64.3%	32	32	0	0.0%	Underspends on staff travel budgets.
Third Party	8,793	9,248	455	4.9%	25,195	25,195	0	0.0%	An underspend of £0.531m on Housing Benefits (offset against income) offset by an overspend against the Scottish Welfare Fund.
Income	(7,387)	(8,094)	(707)	8.7%	(24,742)	(24,742)	0	0.0%	An overspend of £0.531m on Housing Benefits (offset against third party payments) and an overspend against the Scottish Welfare Fund.
<b>Totals</b>	<b>3,571</b>	<b>3,316</b>	<b>(255)</b>	<b>(7.7%)</b>	<b>6,353</b>	<b>6,353</b>	<b>0</b>	<b>0.0%</b>	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget.

A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or actual or forecast income is less than budget.

An explanation is given for any variance which exceeds £50,000 or 10%.

### CHIEF EXECUTIVE'S UNIT – RED VARIANCES AS AT 31 AUGUST 2022

Service Area	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
			0	0.0%	

A red variance is a forecast variance which is greater than +/- £50,000.

## EXECUTIVE DIRECTOR (DOUGLAS HENDRY) – AS AT 31 AUGUST 2022

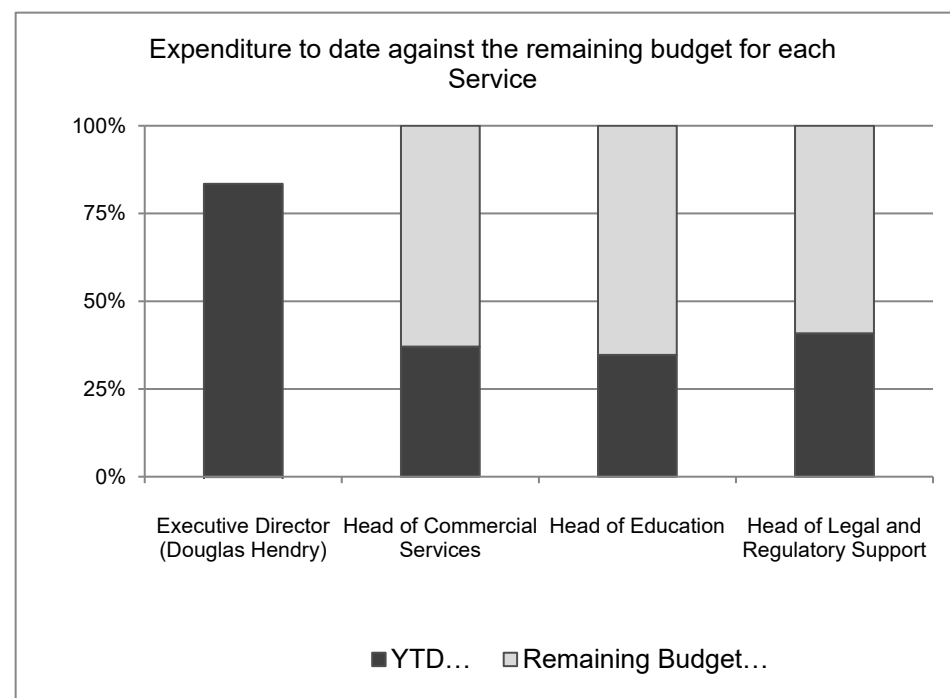
The department is currently forecasting spend in line with budget.

The department has a year to date (YTD) underspend of £0.619m (1.4%). The year to date underspend position is mainly due to underspends in employee budgets within schools and learning centres. Under the Scheme of Devolved School Management schools are permitted flexibility at the end of the year so no forecast variance is required. The remaining variances are profile related and will be refined through September.

### Forecast Outturn Position

Service	Annual Budget £000	Forecast Outturn £000	Current Forecast Variance £000	Previous Forecast Variance £000	Change £000
Executive Director (Douglas Hendry)	105	105	0	0	0
Head of Commercial Services	9,703	9,703	0	0	0
Head of Education	96,614	96,614	0	0	0
Head of Legal and Regulatory Support	19,110	19,110	0	0	0
<b>Totals</b>	<b>125,532</b>	<b>125,532</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Year to Date Position



### Key Financial Successes:

The 2021-22 year-end consolidated outturn position was an under spend of £0.223m after adjusting for earmarkings. This was due to the effective contract management of NPDO and Hub School contracts, including a lower than expected insurance premium as a result of the annual renegotiation of insurance costs. The costs of COVID were contained and minimised where possible across departments, with staff

from all areas of the service assisting in planning, implementing and delivering a wide range of additional services in schools and communities and helping businesses through the return from lockdown.

<b>Key Financial Challenges:</b>	<b>Proposed Actions to address Financial Challenges:</b>
The ongoing impact of COVID-19	Costs are being contained where possible.
Impact of numbers/uptake in demand led service areas like catering, design services and licensing.	Continually refine/develop systems to accurately calculate forecast outturns and the impact on the future financial outlook.
Manage the impact of the Statutory Guidance supporting Nutritional Requirements for Food and Drink in Schools (Scotland) Regulations 2020, on the cost of producing school meals and also the uptake.	Monitor and report on the impact on costs and on income as the year progresses.
Support longer term service re-design project for Catering and Cleaning services to ensure efficiencies and financial savings are secured for the Council as well as delivery of free school meals for 1140 hours of Early Learning and Childcare and the phased universal free school meals expansion in Primary Schools.	Effective working with partners and support with implementation of service delivery method. Continual monitoring and review of budgets.
Legislative/policy requirements not fully funded by Scottish Government which may put additional burdens on the Council. For example, the introduction of free school meal payments for holidays.	Analysis of new obligations and whether they incur additional costs not met through increased grant.
The Council has a requirement to deliver 1140 hours of Early Learning and Childcare. The initial funding from Scottish Government was based on individual implementation plans with funding confirmed up to March 2022. The ring fenced grant has been reduced in 2022-23 and an exercise is required to ensure that the service can be delivered efficiently and effectively within this reduced funding allocation.	Robust service costings, financial monitoring and timely reporting to ensure the service can continue to deliver the service within the financial resources available.
Impact of high inflationary uplifts within the NPDO/HUB School contracts.	Ensuring continued effective contract management of NPDO/HUB Schools to minimise the impact of high inflationary uplifts.

**EXECUTIVE DIRECTOR (DOUGLAS HENDRY) – OBJECTIVE SUMMARY AS AT 31 AUGUST 2022**

Service	Service Area	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Executive Director (Douglas Hendry)	Central/Management Costs	131	146	15	10.3%	105	105	0	0.0%	The YTD underspend of £15k is due to budget profiling which will be refined through September.
		<b>131</b>	<b>146</b>	<b>15</b>	<b>10.3%</b>	<b>105</b>	<b>105</b>	<b>0</b>	<b>0.0%</b>	
Head of Commercial Services	Catering	(67)	(88)	(21)	23.9%	965	965	0	0.0%	The YTD overspend of £21k is due to £11k of expenditure that has been miscoded and will be rectified in September and a number of small profiling variances that will be refined through September.
Head of Commercial Services	Central/Management Costs	446	385	(61)	(15.8%)	1,018	1,018	0	0.0%	The YTD overspend of £61k is due to £30k of earmarked expenditure that will be drawn down in September to rectify and a number of profiling issues that will be refined through September.
Head of Commercial Services	CHORD	27	25	(2)	(8.0%)	20	20	0	0.0%	Outwith Reporting Criteria
Head of Commercial Services	Cleaning	(25)	15	40	266.7%	417	417	0	0.0%	The YTD underspend of £40k is mainly due to the profiling of income budgets which will be refined through September.
Head of Commercial Services	Culture, Heritage, Recreation & Sport	2,423	2,432	9	0.4%	5,812	5,812	0	0.0%	Outwith Reporting Criteria
Head of Commercial Services	Events & Commercial Catering	84	23	(61)	(265.2%)	113	113	0	0.0%	The YTD overspend of £61k is due to an under recovery of income caused by the closure of the Civic Centre Café and reduced footfall within Kilmory

										Canteen. There is also an under recovery of income within Events as a result of the slow recovery from the pandemic.
Head of Commercial Services	Property Portfolio	(152)	(114)	38	(33.3%)	(194)	(194)	0	0.0%	The YTD underspend of £38k is due to the profiling of rental income and will be rectified in September.
Head of Commercial Services	Property Services	505	309	(196)	(63.4%)	500	500	0	0.0%	The YTD overspend of £196k is due to a £124K variance within Renewable Energy due to profiling and the profiling of property Services charges. Profiling will be refined through September.
Head of Commercial Services	Shared Offices	356	372	16	4.3%	1,052	1,052	0	0.0%	Outwith Reporting Criteria
		<b>3,597</b>	<b>3,359</b>	<b>(238)</b>	<b>(7.1%)</b>	<b>9,703</b>	<b>9,703</b>	<b>0</b>	<b>0.0%</b>	
Head of Education	Additional Support for Learning	3,711	3,795	84	2.2%	9,900	9,900	0	0.0%	The YTD underspend of £84k is due to an accrual for ASN adaptations, with invoices still to be received; delays in recruitment of ASN Assistants and vacancies within Pupil Support Teachers.
Head of Education	Central/Management Costs	729	715	(14)	(2.0%)	1,898	1,898	0	0.0%	Outwith Reporting Criteria
Head of Education	Community Learning & Development	2	2	0	0.0%	10	10	0	0.0%	Outwith Reporting Criteria
Head of Education	COVID	407	415	8	1.9%	1,206	1,206	0	0.0%	Outwith Reporting Criteria
Head of Education	Early Learning & Childcare	(2,301)	(2,191)	110	(5.0%)	8,328	8,328	0	0.0%	The YTD underspend of £110k is due to the profiling of teacher input time in ELC settings. The profile will be refined in September.
Head of Education	Primary Education	14,580	14,852	272	1.8%	35,394	35,394	0	0.0%	The YTD underspend of £272k within Primary Education is mainly due to underspends within school staffing budgets. Under the Scheme of Devolved School Management (DSM) schools are permitted flexibility at yearend,



										therefore no forecast variance has been processed in relation to this. There are also underspends within Pupil Equity Funding which are profile related and will be refined through September. Both above underspends are partially offset by a profile related overspend within Commercial Refuse which will also be refined through September.
Head of Education	Pupil Support	921	863	(58)	(6.7%)	2,412	2,412	0	0.0%	There is a YTD overspend of £58k in Schools Residential Placements. It is likely that this will continue to be a pressure in 2022/23 and a forecast projection is currently being developed.
Head of Education	Schools - Central Services	913	894	(19)	(2.1%)	2,711	2,711	0	0.0%	Outwith Reporting Criteria
Head of Education	Secondary Education	14,570	14,883	313	2.1%	34,755	34,755	0	0.0%	The YTD underspend of £313k in Secondary Education is mainly due to underspends within school staffing budgets. Under the Scheme of Devolved School Management (DSM) schools are permitted flexibility at yearend, therefore no forecast variance has been processed in relation to this.
		<b>33,532</b>	<b>34,228</b>	<b>696</b>	<b>2.0%</b>	<b>96,614</b>	<b>96,614</b>	<b>0</b>	<b>0.0%</b>	
Head of Legal & Regulatory Support	Central/Management Costs	87	95	8	8.4%	256	256	0	0.0%	Outwith Reporting Criteria
Head of Legal & Regulatory Support	Community Safety	67	78	11	14.1%	173	173	0	0.0%	The YTD underspend of £11k is profile related and will be rectified through September.
Head of Legal & Regulatory Support	Elections	201	212	11	5.2%	386	386	0	0.0%	Outwith Reporting Criteria
Head of Legal & Regulatory Support	Governance	222	225	3	1.3%	777	777	0	0.0%	Outwith Reporting Criteria

Head of Legal & Regulatory Support	Governance, Risk & Safety	194	199	5	2.5%	540	540	0	0.0%	Outwith Reporting Criteria
Head of Legal & Regulatory Support	Legal Services	211	249	38	15.3%	650	650	0	0.0%	The YTD underspend of £38k is due to a number of small variances that are profile related and will be refined through September.
Head of Legal & Regulatory Support	NPDO and Hub Schools	6,087	6,131	44	0.7%	14,474	14,474	0	0.0%	Outwith Reporting Criteria
Head of Legal & Regulatory Support	Procurement, Commissioning and Contracts	373	420	47	11.2%	1,132	1,132	0	0.0%	The YTD underspend of £47k is due to staff vacancies which will be advertised shortly following departmental restructure.
Head of Legal & Regulatory Support	Trading Standards & Advice Services	365	344	(21)	(6.1%)	722	722	0	0.0%	Outwith Reporting Criteria
		<b>7,807</b>	<b>7,953</b>	<b>146</b>	<b>1.8%</b>	<b>19,110</b>	<b>19,110</b>	<b>0</b>	<b>0.0%</b>	
		<b>45,067</b>	<b>45,686</b>	<b>619</b>	<b>1.4%</b>	<b>125,532</b>	<b>125,532</b>	<b>0</b>	<b>0.0%</b>	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget.

A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or actual or forecast income is less than budget.

An explanation is given for any variance which exceeds £50,000 or 10%.

## EXECUTIVE DIRECTOR (DOUGLAS HENDRY) – SUBJECTIVE SUMMARY AS AT 31 AUGUST 2022

Subjective Category	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Employee	35,851	36,875	1,024	2.8%	95,713	95,713	0	0.0%	<b>Non-Education:</b> The YTD underspend of £20k is due to delays in recruitment. <b>Education:</b> The YTD underspend of £1.004m is due to employee budgets within schools and learning centres. Under the Scheme of Devolved School Management schools are permitted flexibility at the end of the year so no forecast variance is required.
Premises	2,548	2,370	(178)	(7.5%)	7,232	7,232	0	0.0%	<b>Non-Education:</b> There is no variance to report. <b>Education:</b> The YTD overspend of £178k is mainly due to the profiling of the Commercial Waste Recharge which will be rectified in September.
Supplies and Services	4,389	4,548	159	3.5%	12,068	12,068	0	0.0%	<b>Non-Education:</b> The YTD overspend of £49k is due to the profiling of catering purchases which will be refined through September and a small overspend within tools and equipment. <b>Education:</b> The YTD underspend of £208k is mainly due to the profiling of Pupil Equity Funding Budget Allocations from Scottish Government which will be refined through September. This underspend is offset slightly by overspends in subscriptions and licensing budgets.
Transport	128	118	(10)	(8.5%)	296	296	0	0.0%	Outwith Reporting Criteria
Third Party	18,117	18,116	(1)	(0.0%)	40,308	40,308	0	0.0%	Outwith Reporting Criteria
Income	(15,966)	(16,341)	(375)	2.3%	(30,085)	(30,085)	0	0.0%	<b>Non-Education:</b> The £57k YTD under recovery of income is mainly due to the profiling of renewable energy feed in tariffs which will be refined through September. <b>Education:</b> The £318k YTD under recovery of income is due to profiling within School Meals, Education Maintenance Allowance and ASN Assistant budgets which are all profile related and will be refined through September.
<b>Totals</b>	<b>45,067</b>	<b>45,686</b>	<b>619</b>	<b>1.4%</b>	<b>125,532</b>	<b>125,532</b>	<b>0</b>	<b>0.0%</b>	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget.

A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or actual or forecast income is less than budget.

An explanation is given for any variance which exceeds £50,000 or 10%.

**EXECUTIVE DIRECTOR (DOUGLAS HENDRY) – RED VARIANCES AS AT 31 AUGUST 2022**

Service Area	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation

A Red variance is a forecast variance which is greater than +/- £50,000.

## EXECUTIVE DIRECTOR (KIRSTY FLANAGAN) – AS AT 31 AUGUST 2022

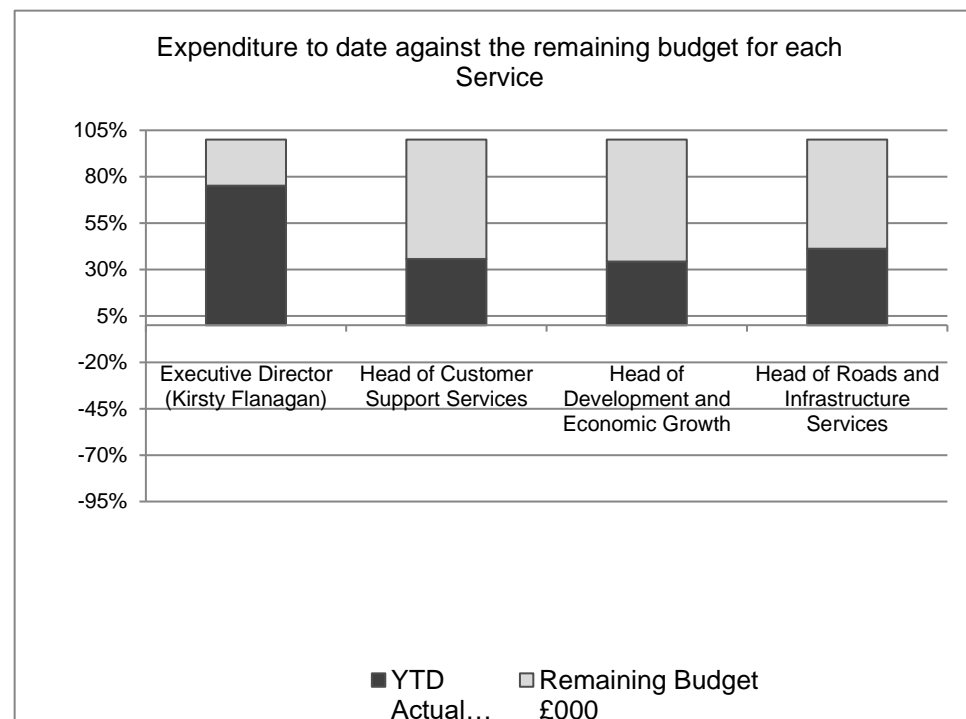
The department is currently forecasting an overspend of £0.070m for the year. This is due to the under-recovery of income in Parks and Pest Control in Roads and Infrastructure Services.

The department has a year to date overspend of £1.215m (7.4%). This is mainly due to additional expenditure in Roads due to capital works not yet recharged, this will be rectified as the recharges are processed to capital throughout the year.

### Forecast Outturn Position

Service	Annual Budget £000	Forecast Outturn £000	Current Forecast Variance £000	Previous Forecast Variance £000	Change £000
Executive Director (Kirsty Flanagan)	125	125	0	0	0
Head of Customer Support Services	7,913	7,913	0	0	0
Head of Development and Economic Growth	8,204	8,204	0	0	0
Head of Roads and Infrastructure Services	28,700	28,770	(70)	0	(70)
<b>Totals</b>	<b>44,942</b>	<b>45,012</b>	<b>(70)</b>	<b>0</b>	<b>(70)</b>

### Year to Date Position



### Key Financial Successes:

At the end of financial year 2021-22 the department showed an overall underspend of £0.574m after taking into account all earmarkings. The main underspends were due to the over-recovery of vacancy savings, additional income in Environmental Health from Private Water Supply Appraisals and additional Planning Fee income which was partially offset by the under-recovery of Building Warrant income. Overall there was a favourable net position.

<b>Key Financial Challenges:</b>	<b>Proposed Actions to address Financial Challenges:</b>
The impact of COVID-19	Costs are being monitored and contained where possible.
Department / Service ongoing ability to meet future savings / efficiency requirements.	Monitoring of trends / expenditure levels / service configuration and the Service Packages Policy Options savings process.
Dangerous buildings costs as there is no budget for this expenditure and the council has no control over the demand for the service.	Building Standards, Legal Services and Financial Services are working closely to manage debt recovery and to consider other options to minimise corporate risk exposure.
<p>Due to the nature of the various components of Waste Management there are ongoing challenges with:</p> <ul style="list-style-type: none"> <li>• The introduction of the Deposit Return Scheme</li> <li>• Uncertainty with recycling income/ gate fee costs due to the volatility of the market</li> <li>• Challenges in the legislative changes around the disposal of Biodegradable Municipal Waste</li> </ul>	To closely monitor all service components of Waste Management and review the Waste Strategy in conjunction with our contractual partner Renewi (previously Shanks).
Winter Maintenance costs are difficult to estimate as they are very much dependant on the weather.	Close monitoring of Winter Maintenance and reporting of the financial implications through the budget monitoring process. The Council agreed the winter policy, setting out the intervention level and locations to be treated. The number of treatments is determined by weather conditions. The current budget provision provides for 58 full equivalent runs. There is a sophisticated weather monitoring system in place consisting of several weather stations, this is supported by a forecasting and metrological service which is collaboratively procured by West of Scotland local authorities.
Rising cost of materials across the service will result in a reduction in activity or overspends. Specifically there have been significant increases in the price of salt and bitumen in recent months.	Costs are monitored regularly and contained as much as possible, with any unavoidable overspends highlighted as soon as known.

**EXECUTIVE DIRECTOR (KIRSTY FLANAGAN) – OBJECTIVE SUMMARY AS AT 31 AUGUST 2022**

Service	Service Area	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Executive Director (Kirsty Flanagan)	Central/Management Costs	94	94	0	0.0%	125	125	0	0.0%	Outwith Reporting Criteria.
		<b>94</b>	<b>94</b>	<b>0</b>	<b>0.0%</b>	<b>125</b>	<b>125</b>	<b>0</b>	<b>0.0%</b>	
Head of Customer Support Services	Central/Management Costs	52	55	3	5.5%	165	165	0	0.0%	Outwith Reporting Criteria.
Head of Customer Support Services	Communications	92	93	1	1.1%	285	285	0	0.0%	Outwith Reporting Criteria.
Head of Customer Support Services	Customer Service Centres	479	466	(13)	(2.8%)	1,314	1,314	0	0.0%	Outwith Reporting Criteria.
Head of Customer Support Services	HR	756	761	5	0.7%	2,153	2,153	0	0.0%	Outwith Reporting Criteria.
Head of Customer Support Services	ICT	1,500	1,609	109	6.8%	3,950	3,950	0	0.0%	One-off income in ICT that will be used to offset a saving later in the year.
Head of Customer Support Services	Registrars	(51)	(6)	45	(750.0%)	46	46	0	0.0%	Income received ahead of profiled budget, this will be monitored closely in the coming months.
		<b>2,828</b>	<b>2,978</b>	<b>150</b>	<b>5.0%</b>	<b>7,913</b>	<b>7,913</b>	<b>0</b>	<b>0.0%</b>	
Head of Development & Economic Growth	Airports	544	503	(41)	(8.2%)	1,162	1,162	0	0.0%	Outwith Reporting Criteria.
Head of Development & Economic Growth	Building Control	(160)	(60)	100	(166.7%)	(135)	(135)	0	0.0%	Building warrant income received ahead of profiled budget, this will be monitored closely in the coming months.

Head of Development & Economic Growth	Central/Management Costs	169	196	27	13.8%	574	574	0	0.0%	Budget needs to be profiled in line with anticipated expenditure.
Head of Development & Economic Growth	Culture & Heritage	90	44	(46)	(104.6%)	216	216	0	0.0%	Expenditure ahead of budget profile for Events and Festivals. Any overspend will be covered by an earmarked reserve.
Head of Development & Economic Growth	Development Management	(433)	18	451	2505.6%	227	227	0	0.0%	Planning Fee income received ahead of profiled budget, this will be monitored closely in the coming months.
Head of Development & Economic Growth	Development Policy	148	136	(12)	(8.8%)	373	373	0	0.0%	Outwith Reporting Criteria.
Head of Development & Economic Growth	Economic Development	(201)	691	892	129.1%	1,250	1,250	0	0.0%	Income for Islands Infrastructure Fund and Place Based Investment received in advance of payments.
Head of Development & Economic Growth	Environmental Health	385	436	51	11.7%	1,214	1,214	0	0.0%	Appraisal of Water Supplies income ahead of profiled budget, this will be monitored closely in the coming months.
Head of Development & Economic Growth	Environmental Initiatives	63	42	(21)	(50.0%)	114	114	0	0.0%	Profile of third party payment.
Head of Development & Economic Growth	Housing	2,133	1,926	(207)	(10.8%)	2,990	2,990	0	0.0%	Expenditure payments for HEEPS incurred prior to grant income being received which is partially offset with an underspend in Private Sector Housing Grant payments.
Head of Development & Economic Growth	Transportation Policy	77	83	6	7.2%	219	219	0	0.0%	Outwith Reporting Criteria.
		<b>2,815</b>	<b>4,015</b>	<b>1,200</b>	<b>29.9%</b>	<b>8,204</b>	<b>8,204</b>	<b>0</b>	<b>0.0%</b>	
Head of Roads & Infrastructure Services	Amenity	1,629	1,424	(205)	(14.4%)	2,800	2,870	(70)	(2.5%)	Under recovery of income forecasted for both Parks for Hire of Facilities income (£30k) and Pest Control for external income (£40k). The year to date variance includes both of these



										issues alongside a reduction in turnstile income in Public Conveniences which is being closely monitored and update regularly.
Head of Roads & Infrastructure Services	Car Parking	(97)	(280)	(183)	65.4%	(622)	(622)	0	0.0%	Income received behind profiled budget, this will be monitored closely in the coming months.
Head of Roads & Infrastructure Services	Central/Management Costs	1,193	1,191	(2)	(0.2%)	2,874	2,874	0	0.0%	Outwith Reporting Criteria.
Head of Roads & Infrastructure Services	Depots	128	110	(18)	(16.4%)	(469)	(469)	0	0.0%	Rental income slightly behind profiled budget, this should be rectified as we progress through the year.
Head of Roads & Infrastructure Services	Fleet & Transport	3,388	3,246	(142)	(4.4%)	8,510	8,510	0	0.0%	Delay in fuel recharge, this will be rectified in the next monitoring period.
Head of Roads & Infrastructure Services	Infrastructure	198	256	58	22.7%	708	708	0	0.0%	Coastal and Flood budget requires to be profiled in line with the anticipated expenditure.
Head of Roads & Infrastructure Services	Marine	(1,504)	(2,233)	(729)	32.7%	(4,371)	(4,371)	0	0.0%	Grant income budgeted for but not yet received in Ferries and income in Piers & Harbours behind profiled budget, this will be monitored closely in the coming months.
Head of Roads & Infrastructure Services	Network & Traffic Management	103	25	(78)	(312.0%)	141	141	0	0.0%	Income currently behind profiled budget, this will be monitored closely in the coming months.
Head of Roads & Infrastructure Services	Road Safety	35	42	7	16.7%	154	154	0	0.0%	Small supplies and Services budget has not yet been spent.
Head of Roads & Infrastructure Services	Roads & Lighting	3,374	2,057	(1,317)	(64.0%)	6,153	6,153	0	0.0%	Expenditure for materials and private contractors in the Roads Operational Holding Account higher current profiled budget due to high level of capital expenditure, this will be offset with an increase in income once recharges are processed against capital throughout the year.
Head of Roads & Infrastructure Services	Waste	3,357	3,401	44	1.3%	12,822	12,822	0	0.0%	Outwith Reporting Criteria.

		<b>11,804</b>	<b>9,239</b>	<b>(2,565)</b>	<b>(27.8%)</b>	<b>28,700</b>	<b>28,770</b>	<b>(70)</b>	<b>(0.2%)</b>	
		<b>17,541</b>	<b>16,326</b>	<b>(1,215)</b>	<b>(7.4%)</b>	<b>44,942</b>	<b>45,012</b>	<b>(70)</b>	<b>(0.16%)</b>	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget.

A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or actual or forecast income is less than budget.

An explanation is given for any variance which exceeds £50,000 or 10%.

## EXECUTIVE DIRECTOR (KIRSTY FLANAGAN) – SUBJECTIVE SUMMARY AS AT 31 AUGUST 2022

Subjective Category	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Employee	12,914	12,945	31	0.2%	35,385	35,385	0	0.0%	Outwith Reporting Criteria.
Premises	838	812	(26)	(3.2%)	2,990	2,990	0	0.0%	Outwith Reporting Criteria.
Supplies and Services	4,506	3,224	(1,282)	(39.8%)	8,046	8,046	0	0.0%	Material expenditure in the Roads Operational Holding Account higher than the profiled budget due to high level of capital expenditure, this will be offset with an increase in income as recharges are processed against capital throughout the year.
Transport	5,067	4,459	(608)	(13.6%)	15,837	15,837	0	0.0%	Overspend in Fleet for vehicle repairs and additional external leases which are offset with additional income for recharges to the individual departments and a delay in fuel recharge, this will be rectified in the next monitoring period.
Third Party	14,796	13,863	(933)	(6.7%)	36,346	36,346	0	0.0%	Various grant payments made in Economic Development which are offset against actual income received (£456k). Private contractor expenditure in the Roads Operational Holding Account higher than the profiled budget due to high level of capital expenditure, this will be offset with an increase in income as recharges are processed against capital throughout the year (£531k). HEEPS expenditure against a zero budget which will be offset with additional income once grant is received (£487k).
Capital Financing	0	0	0	0.0%	1,592	1,592	0	0.0%	Outwith Reporting Criteria.
Income	(20,580)	(18,977)	1,603	(8.5%)	(55,254)	(55,184)	(70)	0.1%	Under recovery of income forecast for both Parks for Hire of Facilities income (£30k) and Pest Control for external income (£40k). The year to date variance mainly due to income for Islands Infrastructure Fund (£740k) and Place Based Investment (£712k) against a zero budget as well as additional Planning Fee income received.
<b>Totals</b>	<b>17,541</b>	<b>16,326</b>	<b>(1,215)</b>	<b>(7.4%)</b>	<b>44,942</b>	<b>45,012</b>	<b>(70)</b>	<b>(0.2%)</b>	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget.

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An explanation is given for any variance which exceeds £50,000 or 10%.

**EXECUTIVE DIRECTOR (KIRSTY FLANAGAN) – RED VARIANCES AS AT 31 AUGUST 2022**

<b>Service Area</b>	<b>Annual Budget £000</b>	<b>Forecast Outturn £000</b>	<b>Forecast Variance £000</b>	<b>% Variance</b>	<b>Explanation</b>

A red variance is a forecast variance which is greater than +/- £50,000.

## SOCIAL WORK – AS AT 31 AUGUST 2022

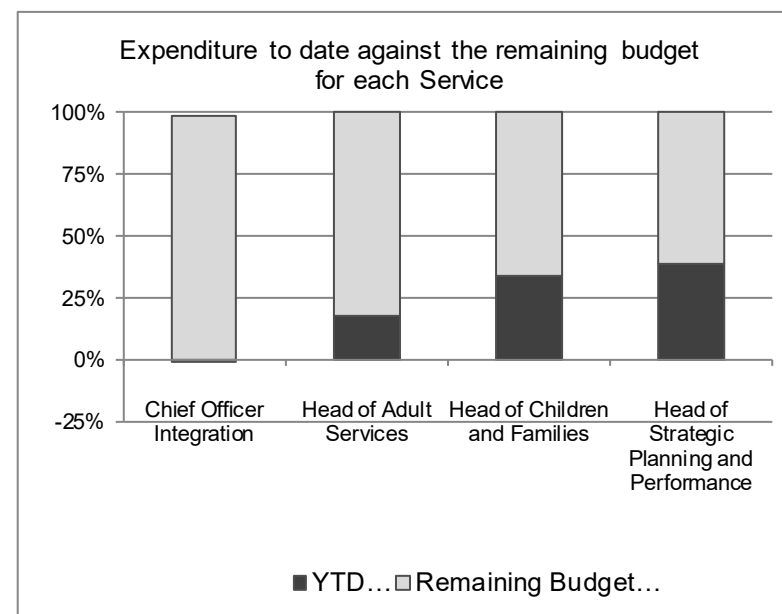
The department is currently forecasting an overspend of £0.021m (0.0%) which is mainly due to high demand for services.

The department has a year to date underspend of £0.189m (1.3%). This is mainly due to an over-recovery of vacancy savings.

### Forecast Outturn Position

Service	Annual Budget £000	Forecast Outturn £000	Current Forecast Variance £000	Previous Forecast Variance £000	Change £000
Chief Officer Integration	2,510	1,216	1,294	1,061	233
Head of Adult Services	54,780	56,547	(1,767)	(1,551)	(216)
Head of Children and Families	15,178	14,734	444	407	37
Head of Strategic Planning and Performance	443	435	8	8	0
<b>Totals</b>	<b>72,911</b>	<b>72,932</b>	<b>(21)</b>	<b>(75)</b>	<b>54</b>

### Year to Date Position



### Key Financial Successes:

Delivered an underspend at the end of 2021/22 after automatic earmarkings and full repayment of £2.759m of debt owed to the Council for prior year deficits. This should allow for future investment and transformation across Social Work with prior year deficits now fully repaid.

<b>Key Financial Challenges:</b>	<b>Proposed Actions to address Financial Challenges:</b>
Deliver the outstanding savings total for 2022/23 of £1.436m (as at August 2022).	Maintain a close working relationship with the HSCP Service Improvement Team in order to quickly and efficiently identify and assess options for delivering the outstanding savings.
Development and delivery of future service redesigns which will be necessary to contain service expenditure within the allocated resource in the medium to long term.	Support from finance to assist strategic managers to look beyond the short term to identify and plan the changes which will be needed to address the expected ongoing budget challenge over the next 3 to 5 years.
Support the HSCP through the recovery from the COVID-19 pandemic. There have been additional costs and pressures across the HSCP as a direct result of the partnership's response to COVID-19. These costs are captured and reported to the Scottish Government via Mobilisation Plans.	Support from finance to assist the service in capturing details of all additional costs associated with the response to COVID-19 to ensure these are included in Scottish Government funding returns.
Use of agency staff to support service delivery across Older People services due to recruitment and retention challenges within the service. Year to date spend £0.663m at August 2022.	Close working relationship to support costing of a recovery route to stabilise service.

**SOCIAL WORK – OBJECTIVE SUMMARY AS AT 31 AUGUST 2022**

Service	Service Area	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Chief Officer Integration	Integration Headquarters	202	216	14	6.5%	446	442	4	0.9%	Outwith reporting criteria
Chief Officer Integration	Social Work Central Support	(231)	462	693	150.0%	2,064	774	1,290	62.5%	The YTD variance is due to underspends on centrally held funds (£340k) and YTD over-recovery on vacancy savings (£261k) combined with YTD underspends on central repairs and Covid-19 funding (£54k). In addition, there are YTD underspends on Audit Fees as a result of timing of invoices. The forecast underspend reflects forecast underspends on centrally held funds (£800k) combined with forecast over-recovery on vacancy savings (£459k) and additional Covid-19 funding to adjust for lost income from clients (£33k).
		<b>(29)</b>	<b>678</b>	<b>707</b>	<b>156.5%</b>	<b>2,510</b>	<b>1,216</b>	<b>1,294</b>	<b>63.4%</b>	
Head of Strategic Planning & Performance	Management & Central Costs	154	149	(5)	(3.4%)	414	407	7	1.7%	Outwith reporting criteria
Head of Strategic Planning & Performance	Service Development	19	19	0	0.0%	29	28	1	3.4%	Outwith reporting criteria
		173	168	(5)	(3.4%)	443	435	8	5.1%	
Head of Health and Community Care	Management & Central Costs	139	143	4	2.8%	258	241	17	6.6%	Outwith reporting criteria
Head of Health and Community Care	Older People	7,812	7,778	(34)	(0.4%)	37,102	37,228	(126)	(0.3%)	Outwith reporting criteria. The forecast overspend reflects demand for Care Home Placements (£449k) and Respite (£194k). This is partially offset by a forecast underspend across Homecare (£519k) based on



										current known commitments for the service. However, the Homecare underspend of £519k includes a significant forecast overspend on staff costs, including a forecast overspend on Agency Staff costs (£631k).
		<b>7,951</b>	<b>7,921</b>	<b>(30)</b>	<b>(0.4%)</b>	<b>37,360</b>	<b>37,469</b>	<b>(109)</b>	<b>(0.3%)</b>	
Head of Acute and Complex Care	Learning Disabilities	784	134	(650)	(485.1%)	12,249	13,660	(1,411)	(11.5%)	The YTD overspend is due to demand for services within Supported Living. This is partially offset by underspends on staff payroll costs in Day Services and YTD spend on Respite and Residential Placement due to a combination of the impact of rates increases on invoice timing and timing of demand for placements. The forecast overspend reflects higher than budgeted demand for services in Supported Living (£841k) and Joint Residential (£559k).
Head of Acute and Complex Care	Management & Central Costs	38	48	10	20.8%	125	120	5	4.0%	The YTD underspend is as a result of budget profiling on Staff Training costs.
Head of Acute and Complex Care	Mental Health	130	84	(46)	(54.8%)	2,404	2,493	(89)	(3.7%)	Outwith reporting criteria. The forecast overspend reflects higher than budgeted demand for services in Supported Living (£32k) and Residential Placements (£57k).
Head of Acute and Complex Care	Physical Disability	720	633	(87)	(13.7%)	2,642	2,805	(163)	(6.2%)	The YTD overspend is due to demand for services within Supported Living partially offset by YTD underspends on Residential Placements due to the impact of rates increases on invoice timing. The forecast overspend reflects higher than budgeted demand for services in Supported Living (£68k), Residential Placements (£78k) and Respite (£19k).
		<b>1,672</b>	<b>899</b>	<b>(773)</b>	<b>(532.7%)</b>	<b>17,420</b>	<b>19,078</b>	<b>(1,658)</b>	<b>(17.4%)</b>	

Head of Children & Families	Child Protection	1,035	1,055	20	1.9%	3,307	3,280	27	0.8%	Outwith reporting criteria
Head of Children & Families	Children with a Disability	302	313	11	3.5%	905	894	11	1.2%	Outwith reporting criteria
Head of Children & Families	Criminal Justice	60	108	48	44.4%	88	79	9	10.2%	The YTD underspend is as a result of staff turnover and vacancies combined with additional income received for provision of Structured Deferred Sentences and Bail Supervision in 2021/22 (not accrued). The forecast underspend is on payroll costs as a result of staff turnover and vacancies.
Head of Children & Families	Looked After Children	2,697	2,852	155	5.4%	7,637	7,212	425	5.6%	The YTD underspend is due to underspends in Adoption and Fostering due to demand for these services combined with underspends on residential placements and additional income in the Hostels for provision of meals. The forecast underspend reflects demand for Fostering and Adoption services combined with demand for Residential Placements as well as over-recovery of income across Supporting Young People Leaving Care for UASC activity from the Home Office. This is partially offset by overspends in the Children's Houses on payroll costs.
Head of Children & Families	Management & Central Costs	1,068	1,124	56	5.0%	3,241	3,269	(28)	(0.9%)	The YTD variance is as a result of staff vacancies which have yet to be transferred to vacancy savings combined with YTD underspends on staff travel. The forecast variance is outwith reporting criteria.
		<b>5,162</b>	<b>5,452</b>	<b>290</b>	<b>5.3%</b>	<b>15,178</b>	<b>14,734</b>	<b>444</b>	<b>2.9%</b>	
<b>GRAND TOTAL</b>		<b>14,929</b>	<b>15,118</b>	<b>189</b>	<b>1.3%</b>	<b>72,911</b>	<b>72,932</b>	<b>(21)</b>	<b>(0.0%)</b>	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget.

A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or actual or forecast income is less than budget.

An explanation is given for any variance which exceeds £50,000 or 10%.

## SOCIAL WORK – SUBJECTIVE SUMMARY AS AT 31 AUGUST 2022

Subjective Category	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Employee	11,360	11,394	34	0.3%	30,790	31,007	(217)	(0.7%)	The YTD underspend is outwith reporting criteria. The forecast overspend is due to overspends in Residential Units (both children and adults) as a result of use of bank staff and Homecare due to use of agency staff. This is partially offset by the forecast over-recovery on vacancy savings (£459k).
Premises	361	313	(48)	(15.3%)	1,149	1,278	(129)	(11.2%)	The YTD overspend arises mainly due to overspends on rental charges and refuse collections (due to budget profiling) partially offset by YTD underspends on central repairs costs. The forecast overspend is as a result of Supported Living rental costs in Learning Disability and utility costs at the Hostels.
Supplies & Services	813	742	(71)	(9.6%)	1,256	1,431	(175)	(13.9%)	The YTD overspend reflects slippage on the achievement of budget savings. The forecast overspend is mainly due to forecast slippage on budget savings (£119k) combined with overspends on catering purchases, staff subsistence at Tigh a Rudha and cost of prepared meals at Ardfenaig.
Transport	204	266	62	23.3%	630	593	37	5.9%	The YTD underspend is due to various travel underspends across the service which is to be expected due to the changes to travel habits as a result of Covid-19 and the current level of staffing vacancies across the service. The forecast year end outturn reflects the continued reduction in travel costs across the service and an expectation that different ways of working will continue to reduce future spending on travel.
Third Party	19,546	19,398	(148)	(0.8%)	61,672	62,461	(789)	(1.3%)	Both the YTD and forecast full year overspend reflects the higher than budgeted demand for purchased care services in Older People and Learning Disability.
Income	(17,355)	(16,995)	360	(2.1%)	(22,586)	(23,838)	1,252	(5.5%)	Both the YTD and forecast over recovery of income is mainly due to increased income from fees, charges and recharges.
<b>Totals</b>	<b>14,929</b>	<b>15,118</b>	<b>189</b>	<b>1.3%</b>	<b>72,911</b>	<b>72,932</b>	<b>(21)</b>	<b>(0.0%)</b>	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

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An explanation is given for any variance which exceeds £50,000 or 10%.

## SOCIAL WORK – RED VARIANCES AS AT 31 AUGUST 2022

Service Area	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Social Work Central Support	2,064	774	1,290	62.5%	The forecast underspend reflects forecast underspends on centrally held funds (£800k) combined with forecast over-recovery on vacancy savings (£459k) and additional Covid-19 funding to adjust for lost income from clients (£33k).
Looked After Children	7,637	7,212	425	5.6%	The forecast underspend reflects demand for Fostering and Adoption services combined with demand for Residential Placements as well as over-recovery of income across Supporting Young People Leaving Care for UASC activity from the Home Office. This is partially offset by overspends in the Children's Houses on payroll costs
Older People	37,102	37,228	(126)	(0.3%)	The forecast overspend reflects demand for Care Home Placements (£449k) and Respite (£194k). This is partially offset by a forecast underspend across Homecare (£519k) based on current known commitments for the service. However, the Homecare underspend of £519k includes a significant forecast overspend on staff costs, including a forecast overspend on Agency Staff costs (£631k).
Physical Disability	2,642	2,805	(163)	(6.2%)	The forecast overspend reflects higher than budgeted demand for services in Supported Living (£68k), Residential Placements (£78k) and Respite (£19k).
Learning Disability	12,249	13,660	(1,411)	(11.5%)	The forecast overspend reflects higher than budgeted demand for services in Supported Living (£841k) and Joint Residential (£559k).
Mental Health	2,404	2,493	(89)	(3.7%)	The forecast overspend reflects higher than budgeted demand for services in Supported Living (£32k) and Residential Placements (£57k).

A red variance is a forecast variance which is greater than +/- £50,000.

## MONITORING OF SAVINGS – AS AT 31 AUGUST 2022

New policy savings were identified for the three year period 2022-23 to 2024-25 and these were agreed by Council in February 2022. Council agreed to policy savings of £0.280m in 2022-23 rising to £0.286m by 2024-25.

The position of historical policy saving options is as follows:

- 2021/22 – those not delivered or that have further increase in value in 2022-23 onwards total £0.732m
- 2020/21 – those not delivered total £0.050m
- 2019/20 – all delivered
- 2018/19 - those not delivered total £0.498m

The 2022-23 savings have been removed from departmental budgets, however, it is important to monitor whether the saving has actually been delivered to ensure that costs are not continuing resulting in an overspend by the end of the year. It is also important to ensure that any preparatory work required to deliver savings in future years is on track.

There are four savings categorised as having a potential shortfall and one currently delayed as summarised below:

<b>Saving</b>	<b>Saving Agreed</b>	<b>Status</b>	<b>Detail</b>	<b>Shortfall/ Delayed Value</b>
TB07 – Depots	Feb-18	Potential Shortfall - there is a risk that the original saving will not be achieved in full.	Create one main depot in key areas to reduce costs – it has become apparent that the operating costs of the single redeveloped site in each town will increase, reducing the anticipated saving. Work ongoing on a depot consolidation scheme in Lochgilphead and work is progressing to outline various funding options for discussion. A project is also underway for Bowmore	£107,500
TB13b Roads and Amenity Services charging (non-statutory services)	Feb-18	Potential Shortfall - there is a risk that the original saving will not be achieved in full.	The original proposal was to introduce charges for providing lighting design and increase charges by 20% for road construction consents, skips, scaffolds, hoarding, permits and licences. Whilst some additional income has been generated through third party works, opportunities are expected to be limited over the foreseeable future due to staff shortages and other competing demands	£100,000
TB12b Stadiums	Feb-18	Potential Shortfall - there is a risk that the original saving will not be achieved in full.	Discussions had stalled with partners in the Oban and Lorn area with regard to Mossfield stadium to create a sports Hub, attract external funding to improve facilities and therefore attract additional events to the arena. The users group has now reconvened and will be reporting to the steering group. It should be noted there is generally a downturn in usage of pitches partly due to more clubs booking all weather pitches at high schools and the loss of a well established club disbanding which will result in the loss of income.	£20,000

DEG05 – Building Standards	Feb-20	Potential Shortfall - there is a risk that the original saving will not be achieved in full.	Building market has slowed due to the increase in cost and availability of some materials. Reservations that the type of applications we receive may not realise sufficient additional income using the BCIS guide.	£50,000
TB09 – Public Conveniences	Feb-18	Delayed - The full saving will not be achieved in line with the original estimated timescale.	Tender returns have been received significantly over the available budget and work is underway to profile different options to take this scheme forward in whole or in part.	£24,000

All policy saving options previously agreed are noted in the table below for information.



Template Ref	Saving Agreed	Service	Savings Option	2022-23	2022-23	Status of Implementation
				£000	FTE	
<b>Chief Executive's Unit</b>						
FS02	Feb-22	Financial Services	Reduction of vacant 0.4FTE Local Tax Assistant role	10.0	0.40	Delivered
<b>Executive Director Douglas Hendry</b>						
PROP01	Feb-21	Commercial Services	Rationalisation of the Council's property estate over a three year programme to identify properties which can either be disposed of or used to generate commercial income	294.20	4.0	Still to be Implemented
TB17	Feb-18	Commercial Services	Identify opportunities for office rationalisation and raising income	121.50	0.0	On Track to be Delivered
CS01	Feb-22	Commercial Services	Climate Change & Resource Efficiency	63.0	0.00	On Track to be Delivered
CS03	Feb-22	Commercial Services	Stretch Targets for One Council Income & Events	20.0	0.00	On Track to be Delivered
ED5	Feb-21	Education	Review and reduce Clerical Support Entitlement using updated school rolls.	121.00	5.7	Delivered
ED01	Feb-22	Education	Removal of Community Learning Development Manager Post	66.5	1.00	Delivered
<b>Executive Director Kirsty Flanagan</b>						
CSS03	Feb-22	Customer Support Services	Restructure of CSP/Registration Team at Helensburgh Civic Centre	19.0	0.50	On Track to be Delivered
DEG01	Feb-22	Development and Economic Growth	Crown Estate Administration Contribution to Project Delivery	101.0	0.00	On Track to be Delivered
DEG05(a)	Feb-20	Development and Economic Growth	Raise additional fees by adopting the current Building Cost Information Service (BCIS) guide for the cost of building work. Regular service users have been informed of this change.	50.00	0.0	Potential Shortfall
DEG02	Feb-21	Development and Economic Growth	Reduction to overtime budget in the provision of fire cover at the airports for weather delayed flights. Arrangements are in place that staff no longer remain at the airport and there is a cut-off period.	22.00	0.0	On Track to be Delivered
DEG07	Feb-21	Development and Economic Growth	Additional income through fees and charges for s64 Non-Material Amendment Submissions, non e-planning application submissions and property history searches	20.00	0.0	Delivered
DEG10	Feb-21	Development and Economic Growth	Maximise income through additional private water supplies income from risk assessments of supplies and introducing a new charge for the provision of shellfish movement documents	17.50	0.0	Delivered
TB07	Feb-18	Roads and Infrastructure Services	Create one main depot in key areas to reduce costs	172.50	0.0	Potential Shortfall
TB13b	Feb-18	Roads and Infrastructure Services	Roads & Amenity Services charging (non-statutory services)	150.00	0.00	Potential Shortfall
R&I17	Feb-21	Roads and Infrastructure Services	Public transport fare scale increase	76.00	0.0	On Track to be Delivered
R&I03	Feb-21	Roads and Infrastructure Services	Administrative support - rationalise across service	50.00	2.0	On Track to be Delivered
R&I05	Feb-21	Roads and Infrastructure Services	Design service fees - bringing in line with industry standards and reduce cost of consultancy. Two posts created as a spend to save	50.00	-2.0	On Track to be Delivered
R&I09	Feb-21	Roads and Infrastructure Services	Road inspections find and fix - reduce reactive work by proactivity. Moving to AI technology as technology develops	40.00	1.0	On Track to be Delivered
TB12b	Feb-18	Roads and Infrastructure Services	Review charges for stadiums to enable improvement work	30.00	0.0	Potential Shortfall
R&I04	Feb-21	Roads and Infrastructure Services	Fees and charges - commercial waste, TTROs, permits/licenses. Access to debt recovery systems will assist. One post created as a spend to save	25.00	-1.0	On Track to be Delivered
TB09	Feb-18	Roads and Infrastructure Services	Public Conveniences - Progress sustainable models including turnstiles and franchising; establish simpler asset transfer process	24.00	0.0	Delayed
R&I16	Feb-21	Roads and Infrastructure Services	Introduce new fees for electric vehicle charging	16.00	0.0	On Track to be Delivered
R&I15	Feb-21	Roads and Infrastructure Services	Emergency services support and fuel provision from our fuel supplies	0.50	0.0	Still to be Implemented
<b>TOTAL</b>				<b>1,559.7</b>	<b>11.6</b>	

**FINANCIAL RISKS ANALYSIS 2022-23**

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**1 EXECUTIVE SUMMARY**

- 1.1 The main purpose of this report is to provide a summary of the key financial risks facing the Council.
- 1.2 A number of Council wide risks, both revenue and capital have been identified along with risks for each department and service of the Council. For each departmental risk the financial impact has been quantified and the likelihood assessed based on the standard risk matrix.
- 1.3 There are 5 Council wide revenue risks identified for 2022-23 currently amounting to £2.058m.
- 1.4 There are currently 42 departmental risks totalling £5.745m. Of the 42 departmental risks, one is categorised as almost certain and 7 are categorised as likely.
- 1.5 The financial risks are monitored routinely and actions put in place to continue to mitigate the risks.

**FINANCIAL RISKS ANALYSIS 2022-23**

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**2. INTRODUCTION**

- 2.1 This report outlines the process and approach developed in carrying out a financial risks analysis and provides a note of the current assessment of financial risks for 2022-23.

**3 DETAIL**

**3.1 Introduction**

- 3.1.1 The Council is currently in a period of significant financial challenge. In developing its budget to address both restricted resources and cost and demand pressures there are a number of financial risks the Council needs to consider and manage.

- 3.1.2 There are a number of risks that affect the income or expenditure across the whole council and these have been identified. Financial risks have been considered by each department and service of the Council.

- 3.1.3 For each risk, the financial impact has been quantified and the likelihood assessed based on the standard risk matrix as follows:

- 1 – Remote
- 2 – Unlikely
- 3 – Possible
- 4 – Likely
- 5 – Almost Certain

- 3.1.4 The Argyll and Bute Integrated Joint Board (IJB) with responsibility for Social Work and a range of Health services was established and came into effect on 1 April 2016. The IJB is responsible for financial and strategic oversight of these services. It is the responsibility of the IJB to consider the individual financial risks associated with Integration Services and they are therefore not contained within this report. A Council wide risk has been included in respect of the IJB being unable to deliver the social care service within the budget allocated.

**3.2 Council Wide Risks**

**Revenue**

- 3.2.1 Utility costs remain a volatile area and it is difficult to accurately predict how the prices could vary. The outturn in respect of utilities for 2021-22 was an underspend of £0.310m which was partly due to fixed price contracts that had

been secured which have now expired. With the volatility of utilities pricing it is very difficult to predict the impact going forward but a financial risk based on a 20% variation in utility costs amounts to £0.706m.

- 3.2.2 The estimated level of council tax income is based on current and forecast Band D equivalents and non-payment rates. This reflects our most recent experience in terms of the council tax base and likely collection rates. A 1% variation in council tax income amounts to approximately £0.553m.
- 3.2.3 At the budget meeting on 24 February 2022, the Council agreed 6 new policy savings options that would deliver savings over the period 2022-23 to 2024-25. The savings to be delivered in 2022-23 amount to £0.280m. Whilst the Council have a good track record in delivering savings, a 10% shortfall on this savings target would amount to £0.028m.
- 3.2.4 In respect of the Health and Social Care Partnership, it is the responsibility of the Chief Officer and Chief Financial Officer to manage the HSCP financial position. If an overspend is forecast, a budget recovery plan will be prepared and submitted to the IJB, the Council and NHS Highland. Where recovery plans are unsuccessful and an overspend occurs at the financial year end, and the HSCP has insufficient reserves to meet the overspend, then the partners will be required to make additional payments to the HSCP. Whilst any additional payments by the Council and NHS Highland will be deducted from future years funding, there is still a financial risk that the Council may have to pay out additional monies in year. As at 31 August 2022, the net HSCP outturn in 2022-23 is estimated to be a £0.521m overspend (£0.021m from Social Work and £0.500m from Health).
- 3.2.5 There is an ongoing requirement to fund unavoidable inflationary cost increases in areas like fuel, food etc. This has been predominantly caused by the lack of availability of supply of labour and materials as a result of the COVID-19 pandemic, the UK exit from the European Union, Russia's invasion of Ukraine and sanctions on Russian owned entities. The Bank of England are currently forecasting that inflation will continue to rise until around Quarter 1 of 2023 where after they forecast that it will start to fall. We will continue to closely monitor the situation and update our financial forecasts using the best information available to us.
- 3.2.6 The Council wide risks are noted within the table below.

<b>Description</b>	<b>Likelihood</b>	<b>Assessed Financial Impact £000</b>
Energy costs increase by 20% greater than anticipated	3	706
1% variation in Council Tax Income	2	553
10% shortfall on Savings Options	2	28
IJB refer to Council for additional funding to deliver social work services	3	21
1% variation of General Inflation Risk	4	750
<b>Total</b>		<b>2,058</b>

## **Capital**

- 3.2.7 The finance settlement announcement on 20 December 2021 provided details of the Local Government funding for 2022-23 and there is therefore certainty as to what our funding is in respect of General Capital Grant and the specific capital grants already distributed.
- 3.2.8 The capital plan for 2022-23 includes an estimate of £1.387m in respect of capital receipts. This is based on an assessment provided by the Special Projects Team in January 2022. A 10% variation equates to £0.139m and this would require to be managed across the capital programme.
- 3.2.9 General feedback from Scotland Excel and the Project Managers indicates that price increases and uncertainty are being experienced as well as disruptions to the supply chain and longer lead times, particularly in relation to the construction sector and material availability. This can be attributed to a number of factors such as the COVID-19 pandemic, UK exit from the European Union, invasion of Ukraine and sanctions on Russian owned entities to name a few.
- 3.2.10 The increased rate of inflation impacts costs such as energy prices, labour, packaging and transport. These all have an effect on the overall contract price and make it extremely challenging to manage expenditure and the availability of supply.
- 3.2.11 While it has been possible to estimate the impact of these pressures on some projects, and therefore include those projections within the capital monitoring report, for others it has been more difficult and an overspend has not been forecast at this stage but there are likely to be further significant financial impacts not yet reported within the following projects:
- Rothesay Pavilion
  - Harbour Investment Programme
  - Helensburgh Waterfront Development
  - Universal Free School Meals
- 3.2.12 For those liabilities/risks to the capital programme that were known at the start of 2022-23 it was agreed at the budget meeting in February 2022 to use amounts from the Unallocated General Fund, the 2021-22 Revenue Surplus, COVID-19 specific funding and additional borrowing to mitigate these risks.

## **3.3 Departmental/Service Risks**

- 3.3.1 The detail of each departmental financial risk is included within Appendix 1. The following table provides a summary of the number of risks within each department and likelihood category with the financial impact.

Department	1 - Remote		2 - Unlikely		3 - Possible		4 - Likely		5 - Almost Certain		Total	
	No	£000	No	£000	No	£000	No	£000	No	£000	No	£000
Chief Executive's Unit	1	125	0	0	2	115	0	0	1	500	4	740
Executive Director Douglas Hendry	2	20	7	545	9	870	4	380	0	0	22	1,815
Executive Director Kirsty Flanagan	3	160	3	240	8	1,735	3	1,155	0	0	16	3,240
<b>Total</b>	<b>6</b>	<b>305</b>	<b>10</b>	<b>785</b>	<b>18</b>	<b>2,620</b>	<b>7</b>	<b>1,535</b>	<b>1</b>	<b>500</b>	<b>42</b>	<b>5,745</b>

3.3.2 The current top three risks in terms of the financial impact are noted in the table below.

SERVICE	TITLE OF RISK	DESCRIPTION OF RISK	LIKELIHOOD	FINANCIAL IMPACT £000
Roads and Infrastructure Services	Roads Maintenance - Bridges, Culverts & Sea Defences	Extreme localised weather may result in loss of bridge, culvert, road or sea defence.	3	750
Roads and Infrastructure Services	Residual Waste H&L and Tiree	There is a potential increase to tipping fees and haulage costs for H&L residual waste. The Council's supplier Barr Environmental (contract to end of 2023) lost a tribunal relating to the underpayment of landfill tax, which may have led to the Council having to source alternatives at a higher cost. Barr appealed the decision which was heard in the Spring and they won the case which should have reduced or eliminated this financial risk. However, the Scottish Government laid an Amendment Order on Friday 1 July 2022 which came into force at 1700 on 1 July which indicates that Landfill tax will be due on materials previously not chargeable and we have now received notification of an increase in the cost which officers are currently assessing	4	655
Financial Services	Council Tax Debt Collection Recovery	Recovery of debt becomes more difficult to pursue in the current economic climate. This is in relation to historical debt that has accumulated over many years therefore any adverse collection rates will impact on the year end debt provision as opposed to the in-year financial position, hence no forecast variance has been reported within the current year.	5	500

### 3.3.3 The other risks classified as likely are:

SERVICE	TITLE OF RISK	DESCRIPTION OF RISK	LIKELIHOOD	FINANCIAL IMPACT £000
Roads and Infrastructure Services	Roads Materials - Bitumen	Increased cost of asphalt material due to price of crude oil rising. Discussions emerging from the industry about possible rationing of bitumen which, if applied, will affect our programmes due to availability	4	400
Commercial Services	Catering Costs – Changes to Food and Drink in Schools Standards	The Scottish Government reviewed the regulations that govern the food and drinks currently provided in schools. The proposed changes were published in June 2019 and were implemented from Easter 2021. The revised standards focus on reducing sugar, reducing red and red processed meat and increasing fibre. Thus far, there has been an increase in costs and a reduction in demand for school meals.	4	150
Commercial Services	Catering Purchases	Increased supplier charges. This estimate does not include the additional risk to food costs and uptake from the changes to food and drink standards in schools.	4	100
Legal and Regulatory Support	Contract RPI for NPDO and Hub Schools	Increase in RPI would result in higher costs.	4	100
Roads and Infrastructure Services	Street Lighting	Age of lighting stock requires greater maintenance as health and safety becomes a consideration.	4	100
Legal and Regulatory Support	Licensing	Reduced numbers of licensing applications leading to reduced income.	4	30

## 3.4 Changes to Financial Risks since last report

3.4.1 There have been three changes to the departmental risks since the financial risks report was presented to the Policy and Resources Committee on 11 August 2022, as follows:

- The risk in relation to Contract RPI for NPDO and Hub Schools has been upgraded from Unlikely to Likely due to the RPI continuing to increase greatly increasing the likelihood of additional costs.
- The risk in relation to Licensing has increased from Possible to Likely due to the ongoing cost of living crisis which could impact the number of licencing applications and reduce income.
- The risk in relation to increases in Insurance Costs has been increased from Unlikely to Possible reflecting the impact on the insurance market of COVID-19 and flooding claims.
- The likelihood in relation to than one by-election being required outwith the standard election cycle has been increased from Unlikely to Possible to reflect the recent increase of by-elections.
- The likelihood and value in relation to planning fee shortfalls has been reduced from Possible to Remote and from £0.100m to £0.050m. This is due to income levels currently looking positive so the risk of under-recovery has reduced.

3.4.2 There has been one change to the council wide risks since the financial risks report was presented to the Policy and Resources Committee on 11 August 2022, as follows:

- The risk of an increase in the pay award has been removed as negotiations are at an advanced stage and the current offer is out to ballot. There will definitely be a pressure which will be reported within the budget monitoring reports once it is known.

### **3.5 Monitoring of Financial Risks**

3.5.1 Financial risks will be reviewed and monitored on a two monthly basis and will be included in the pack of financial reports submitted to Policy and Resources Committee.

## **4 CONCLUSION**

4.1 This report summarises the key financial risks facing the Council. There are a number of Council wide risks and 42 departmental risks identified; one is categorised as almost certain and 7 are categorised as likely. The financial risks are monitored routinely and actions put in place to continue to mitigate the risks.

## **5 IMPLICATIONS**

5.1	Policy -	None.
5.2	Financial -	The financial value of each risk is included within the appendix.
5.3	Legal -	None.
5.4	HR -	None.
5.5	Fairer Scotland Duty -	None.
5.5.1	Equalities – protected characteristics -	None.
5.5.2	Socio-economic Duty -	None.
5.5.3	Islands -	None.



5.6	Climate Change -	None.
5.7	Risk -	Financial risks are detailed within the appendix.
5.8	Customer Service -	None.

**Kirsty Flanagan**  
**Section 95 Officer**  
**9 September 2022**

**Policy Lead for Finance and Commercial Services - Councillor Gary Mulvaney**

**APPENDICES**

Appendix 1 – Detail of Department/Service financial risks

For further information contact Anne Blue, Head of Financial Services  
[anne.blue@argyll-bute.gov.uk](mailto:anne.blue@argyll-bute.gov.uk)

APPENDIX 1

DEPARTMENT/SERVICE FINANCIAL RISKS AS AT 31 AUGUST 2022

DEPARTMENT	SERVICE	TITLE OF RISK	DESCRIPTION OF RISK	MITIGATING ACTIONS IN PLACE	As at 30 June 2022		As at 31 August 2022	
					LIKELIHOOD	FINANCIAL IMPACT £000	LIKELIHOOD	FINANCIAL IMPACT £000
Chief Executive's Unit	Financial Services	Council Tax Debt Collection Recovery	Recovery of debt becomes more difficult to pursue in the current economic climate. This is in relation to historical debt that has accumulated over many years therefore any adverse collection rates will impact on the year end debt provision as opposed to the in-year financial position, hence no forecast variance has been reported within the current year.	Robust monitoring of arrangements with debt collection agency and performance against target collection rates.	5	500	5	500
Chief Executive's Unit	Financial Services	Housing Benefit Subsidy	Loss of Housing Benefit Subsidy due to exceeding LA error threshold.	Processes in place for handling of claims accurately and efficiently.	1	125	1	125
Chief Executive's Unit	Financial Services	Sundry Debt Recovery	Recovery of debt becomes more difficult to pursue in the current economic climate.	Robust monitoring of arrangements with debt collection agency. Joint working with Legal Services to assist services with the recovery of aged debt.	3	85	3	85
Chief Executive's Unit	Financial Services	Non-Domestic Rates Relief	Risk of demand changing due to legislative changes outwith our control or new charitable businesses.	Outwith direct management control.	3	30	3	30
Executive Director Douglas Hendry	Commercial Services	Property - Central Repairs	Increased demands on central repairs as a result of the decrease in capital funding available and increases in supplier/contractor charges.	Joint strategy with procurement colleagues to reduce potential impact of supplier/contractor charges. Close monitoring of central repairs budgets and commitments and instructing only essential repairs.	3	300	3	300
Executive Director Douglas Hendry	Commercial Services	Catering Costs – Changes to Food and Drink in Schools Standards	The Scottish Government reviewed the regulations that govern the food and drinks currently provided in schools. The proposed changes were published in June 2019 and were implemented from Easter 2021. The revised standards focus on reducing sugar, reducing red and red processed meat and increasing fibre. Thus far, there has been an increase in costs and a reduction in demand for school meals.	There is a need to work with Education colleagues to ensure the maximum uptake of school meals in secondary schools is achieved. This is very challenging given the reduction in secondary school meal uptake due to COVID.	4	150	4	150
Executive Director Douglas Hendry	Commercial Services	Catering Costs - Provision of Meals to Early Years Children	The Children and Young People (Scotland) Act places duties on Councils to provide meals in an Early Years setting to entitled children where sessions span over lunch time. The total quantum of funding of £1.2m may not be sufficient to fund the additional costs depending on uptake and the additional costs to support the meal provision in partner provider settings.	Joint strategy with Education colleagues to implement requirements and closely monitor financial implications. Costs likely to be contained within overall early years funding allocation.	2	100	2	100
Executive Director Douglas Hendry	Commercial Services	Catering Purchases	Increased supplier charges. This estimate does not include the additional risk to food cost and uptake from the changes to food and drink standards in schools.	Joint strategy with procurement colleagues to reduce potential impact. Control food wastage/portion controls.	4	100	4	100

APPENDIX 1

DEPARTMENT/SERVICE FINANCIAL RISKS AS AT 31 AUGUST 2022

DEPARTMENT	SERVICE	TITLE OF RISK	DESCRIPTION OF RISK	MITIGATING ACTIONS IN PLACE	As at 30 June 2022		As at 31 August 2022	
					LIKELIHOOD	FINANCIAL IMPACT £000	LIKELIHOOD	FINANCIAL IMPACT £000
Executive Director Douglas Hendry	Commercial Services	Catering - Implementation of Universal Free School Meals in Primary Schools	The Scottish Government may not give the local authority adequate funds to support the policy	Catering Manager sits on National Operational Delivery Group	2	100	2	100
Executive Director Douglas Hendry	Commercial Services	Surplus Properties	Ongoing market difficulties lead to increased numbers of surplus properties, there are residual running costs associated with surplus properties.	One Council property team now in place.	3	50	3	50
Executive Director Douglas Hendry	Commercial Services	Leisure Service Level Agreements	Increase in RPI resulting in requests for additional funding.	Monitoring annual alteration to contract RPI rate and mitigation through financial forecasting and review of existing budget.	2	25	2	25
Executive Director Douglas Hendry	Commercial Services	Rental Income from Properties	Due to current economic climate there may be reduced ability to recover rental income from leased properties or place suitable tenants in properties as leases come to an end.	Management of leasehold properties by Estates team, any issues with debt recovery being dealt with in line with Council debt recovery policy.	2	20	2	20
Executive Director Douglas Hendry	Education	Central Repairs	Increased demands on budget as a result of increase in statutory and emergency repairs and increases in supplier/contractor charges.	Regular liaison with Property Services re prioritisation and commitment of in-year spend.	2	100	2	100
Executive Director Douglas Hendry	Education	ASN Support	Demand for ASN support continues to increase, resulting in an additional resource requirement. The effect of COVID-19 has further increased demand on this service.	Scottish Government has given additional funding for "additional support needs priority for learning" and this has been built into the budget, this will help reduce the demand risk	3	100	3	100
Executive Director Douglas Hendry	Education	Pre-Five Units - retention of partner providers	Failure in the commissioning or retention of pre-five partner provider units to deliver 1140 hours would result in an increased pressure on the Council to deliver the service.	Annual financial appraisal; Support network; Short-term cash injections.	3	100	3	100
Executive Director Douglas Hendry	Education	Legislative Requirements - Children and Young People (Scotland) Act - ELC 1140 hours	The Council has been required to deliver 1140 hours of Early Learning and Childcare since August 2021. The Scottish Government has committed to funding this and the Council has altered the implementation plan to align it to the Scottish Government funding profile. A risk remains that actual costs of delivery exceed the Government Grant in any given year. For example, if child numbers are higher than estimated, this may require additional staffing which has not been built into the staffing model funded by Scottish Government.	Continuous monitoring and review of the implementation plan, usage and resources.	3	100	3	100

APPENDIX 1

DEPARTMENT/SERVICE FINANCIAL RISKS AS AT 31 AUGUST 2022

DEPARTMENT	SERVICE	TITLE OF RISK	DESCRIPTION OF RISK	MITIGATING ACTIONS IN PLACE	As at 30 June 2022		As at 31 August 2022	
					LIKELIHOOD	FINANCIAL IMPACT £000	LIKELIHOOD	FINANCIAL IMPACT £000
Executive Director Douglas Hendry	Education	Legislative Requirements - Education (Scotland) Act	Education (Scotland) Act 2000 was enacted March 2016. This places additional requirements on Councils to carry out assessments of the need for the provision of Gaelic Medium Primary Education (GMPE) and the duty to support and promote Gaelic Education. May lead to additional staffing requirements.	Monitoring developments of the implementation of the Act and statutory guidance produced and adhered too.	3	50	3	50
Executive Director Douglas Hendry	Legal and Regulatory Support	Hub DBDA/DBFM Schools - Litigation	Increased risk of the requirement to litigate to conclude final capital contract payments due.	Monitoring claims and mitigation through robust challenge of any additional claims.	2	150	2	150
Executive Director Douglas Hendry	Legal and Regulatory Support	Contract RPI for NPDO and Hub Schools	Increase in RPI would result in higher costs.	Monitoring annual alteration to contract RPI rate and mitigation through financial forecasting and review of existing budget.	2	100	4	100
Executive Director Douglas Hendry	Legal and Regulatory Support	NPDO - Reduction in insurance savings within NPDO Schools	Increase in insurance costs as a result of Covid-19 and flood claims.	Monitoring annual alteration to contract insurance rate and mitigation through financial forecasting and review of existing budget.	2	75	3	75
Executive Director Douglas Hendry	Legal and Regulatory Support	Legal Services - Litigation	Increased number of litigation cases.	Ensure Legal Services are gateway to access all legal advice and that advice is sought at earliest opportunity.	3	50	3	50
Executive Director Douglas Hendry	Legal and Regulatory Support	NPDO/Hub DBFM contract management efficiencies	Reduction in ability to generate contract management efficiencies.	Monitoring annual efficiencies generated and mitigation through robust contract management and application of contract specifications/requirements.	2	50	2	50
Executive Director Douglas Hendry	Legal and Regulatory Support	Elections	More than 1 by-election required outwith standard election cycle.	Outwith direct management control.	2	45	3	45
Executive Director Douglas Hendry	Legal and Regulatory Support	Licensing	Reduced numbers of licensing applications leading to reduced income.	Monitoring of trends and reporting the financial impact in the budget monitoring.	3	30	4	30
Executive Director Douglas Hendry	Legal and Regulatory Support	Children's Panel	Increased number of referrals increasing costs through increases in the running costs.	Maximise the use of council facilities/resources for panel session in the first instance.	1	10	1	10
Executive Director Douglas Hendry	Legal and Regulatory Support	Legal Services	Failure to minimise Council wide use of external legal advice.	Ensure legal services are gateway to access all legal advice.	1	10	1	10
Executive Director Kirsty Flanagan	Customer Support Services	Software Licences	Potential risk of being under licensed for software which will be identified via software audits which would incur additional costs.	ICT security and compliance officer in post and duties include review of systems to ensure fully licenced.	2	100	2	100
Executive Director Kirsty Flanagan	Development and Economic Growth	Environmental Health- export certificates	Downturn in requests for export certificates as a result of UK withdrawal from EU, changes to international trading agreements or business economy. Reduction in demand creates a budget pressure on environmental health budget.	Monitor income and resources required for export health certificates/attestations required to support the export market. Continue with food safety regulation activities associated and support at 3rd country audits. Pursue debt rigorously with key customers through seeking regular payments.	2	130	2	130

APPENDIX 1

DEPARTMENT/SERVICE FINANCIAL RISKS AS AT 31 AUGUST 2022

DEPARTMENT	SERVICE	TITLE OF RISK	DESCRIPTION OF RISK	MITIGATING ACTIONS IN PLACE	As at 30 June 2022		As at 31 August 2022	
					LIKELIHOOD	FINANCIAL IMPACT £000	LIKELIHOOD	FINANCIAL IMPACT £000
Executive Director Kirsty Flanagan	Development and Economic Growth	Dangerous Buildings interventions	Building Standards having to deal with an increasing level of dangerous building work which has significant financial implications for Council.	Monitor activity and seek to recover costs from the owner.	3	100	3	100
Executive Director Kirsty Flanagan	Development and Economic Growth	Planning fees reduced by Scottish Government	Scottish Government reducing planning fees due to poor performance by the Planning Authority. Details of national Planning Performance Co-ordinator and Fee Reform still awaited.	Maintain high levels of performance as articulated by performance markers detailed in Planning Performance Framework annual report.	1	100	1	100
Executive Director Kirsty Flanagan	Development and Economic Growth	Planning fee shortfalls	Due to downturn in economic / building activity, in particular renewable energy development and other major developments could lead to planning fee income shortfalls leading to revenue budget pressures.	Current income levels are looking more positive, however, we are dependent on some high value applications coming in which if don't materialise, will impact the overall position. Will continue to monitor Development Management income and expenditure tightly and investigate further income generation streams.	3	100	1	50
Executive Director Kirsty Flanagan	Development and Economic Growth	Building Warrant fee shortfalls	Due to loss of commercial income and downturn in economic / building activity, building warrant fee income shortfalls leading to revenue budget pressures.	Continue to monitor Building Standards income and expenditure tightly and investigate further income generation streams.	3	100	3	100
Executive Director Kirsty Flanagan	Development and Economic Growth	Homelessness Temporary Accommodation Income	Unpredictable number of Homeless applications. Inability to recover rent. Increase costs of property maintenance and tenancy change over.	Provision of Housing Options information and advice service to minimise number of applicants proceeding to full homeless application. Implementation of Rapid Rehousing Plan.	3	50	3	50
Executive Director Kirsty Flanagan	Development and Economic Growth	Animal Health	Carrying out livestock seizure to protect welfare of the animals	Monitor activity and seek to recover costs from the disposal of the animals.	1	10	1	10
Executive Director Kirsty Flanagan	Development and Economic Growth	Airfields and Air Services - usage	The PSO for the existing air service to Coll and Colonsay operating from Connel Airport is due for renewal in October 2023. Possibility that this will create a budget pressure for a new contract to be established to serve the needs of the island communities.	Tenders have been received and are currently at the evaluation process with Procurement. Once this process is complete, a more definitive position will be known.	2	10	2	10
Executive Director Kirsty Flanagan	Roads and Infrastructure Services	Roads Maintenance - Bridges, Culverts & Sea Defences	Extreme localised weather may result in loss of bridge, culvert, road or sea defence. The recent storm damage to Bute Sea Wall is likely to cost in excess of £1m to repair so the value on this risk has been updated for 22-23 in recognition of the potential costs associated with this risk	Routine inspections to deal with potential weak areas - based on a stitch in time repair regime.	3	750	3	750

APPENDIX 1

DEPARTMENT/SERVICE FINANCIAL RISKS AS AT 31 AUGUST 2022

DEPARTMENT	SERVICE	TITLE OF RISK	DESCRIPTION OF RISK	MITIGATING ACTIONS IN PLACE	As at 30 June 2022		As at 31 August 2022	
					LIKELIHOOD	FINANCIAL IMPACT £000	LIKELIHOOD	FINANCIAL IMPACT £000
Executive Director Kirsty Flanagan	Roads and Infrastructure Services	Residual Waste H&L and Tiree	There is a potential increase to tipping fees and haulage costs for H&L residual waste. The Council's supplier Barr Environmental (contract to end of 2023) lost a tribunal relating to the underpayment of landfill tax, which may have led to the Council having to source alternatives at a higher cost. Barr appealed the decision which was heard in the Spring and they won the case which should have reduced or eliminated this financial risk. However, the Scottish Government laid an Amendment Order on Friday 1 July 2022 which came into force at 1700 on 1 July which indicates that Landfill tax will be due on materials previously not chargeable and we have now received notification of an increase in the cost which officers are currently assessing	Officers currently assessing the potential impact on the Council.	4	655	4	655
Executive Director Kirsty Flanagan	Roads and Infrastructure Services	Roads Materials - Bitumen	Increased cost of asphalt material due to price of crude oil rising. Discussions emerging from the industry about possible rationing of bitumen which, if applied, will affect our programmes due to availability	Increased costs are currently being managed but with further increases likely, this is being closely monitored by managers to evaluate the impact.	4	400	4	400
Executive Director Kirsty Flanagan	Roads and Infrastructure Services	Winter Maintenance	Adverse weather conditions which require greater than budgeted number of gritting runs.	Monitor weather conditions and apply gritting policy to minimise costs.	3	365	3	365
Executive Director Kirsty Flanagan	Roads and Infrastructure Services	Roads Maintenance - Roads Network	Adverse weather conditions result in deterioration of the road network necessitating greater spend on repair of defects.	Manage maintenance budgets to ensure that spend is prioritised to deal with safety defects.	3	230	3	230
Executive Director Kirsty Flanagan	Roads and Infrastructure Services	Street Lighting	Age of lighting stock requires greater maintenance as health and safety becomes a consideration.	Manage maintenance budgets to ensure that spend is prioritised to deal with safety defects.	4	100	4	100
Executive Director Kirsty Flanagan	Roads and Infrastructure Services	Ferry Services - income	Changes to ferry services resulting in reduced passenger income.	Closely monitor passenger number information coming from CalMac to identify any emerging trends with reducing passenger numbers.	3	40	3	40
					<b>42</b>	<b>5,795</b>	<b>42</b>	<b>5,745</b>

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**CAPITAL BUDGET MONITORING REPORT – 31 AUGUST 2022**

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**1.0 EXECUTIVE SUMMARY**

1.1 This report provides an update on the position of the capital budget as at 31 August 2022. The report provides information on the financial position in respect of the capital plan and also the performance in terms of delivery of capital plan projects.

**1.2 Financial Position:**

- **Current Year to Date** – actual net expenditure to date is £10,954k compared to a budget for the year to date of £10,857k giving rise to an overspend for the year to date of £97k (0.9%).
- **Forecast Outturn for 2022-23** – forecast net expenditure for the full financial year is £47,714k compared to an annual budget of £48,260k giving rise to a forecast underspend for the year of £546k (1.13%).
- **Total Capital Plan** – forecast total net project costs on the total capital plan are £178,745k compared to a total budget for all projects of £178,526k giving rise to a forecast overspend for the overall capital plan of £219k (0.12%).

**1.3 Project Delivery:**

- **Asset Sustainability** – Out of 92 projects there are 88 projects (96%) on track, 4 projects (4%) off track but recoverable and 0 projects off track (0%).
- **Service Development** - Out of 41 projects there are 34 projects (83%) on track, 6 projects (15%) off track but recoverable and 1 project (2%) off track.
- **Strategic Change** – Out of 27 projects there are 25 projects (93%) on track, 1 project (4%) off track but recoverable and 1 project (4%) off track.

1.4 The Capital Programme is funded by various income streams as detailed in Appendix 5. Additional funding allocated since the last report has come from earmarked reserves for Gartbreck Landfill Site.

1.5 The Council is projecting £1,387k of capital receipts this financial year. To date, no receipts have been received and we are anticipating that we will not receive the full amount budgeted for 2022-23, however, this appears to be a delay rather than a permanent reduction and over the life of the entire capital programme there is no overall impact. This will be closely monitored throughout the year.

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**CAPITAL BUDGET MONITORING REPORT – 31 AUGUST 2022**

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**2.0 INTRODUCTION**

- 2.1 This report provides an update on the position of the capital budget as at 31 August 2022. The report provides information on the financial position in respect of the capital plan and also the performance in terms of delivery of capital plan projects.
- 2.2 Following the decision at Policy and Resources Committee on 9 December 2021, the Rothesay Pavilion project is on pause whilst potential funding options are being considered. The financial information included within this report therefore excludes amounts relating to Rothesay Pavilion.
- 2.3 A £1m cost pressure was identified during 2021-22 in relation to repairs to the A884 Ardbeg Sea Wall, where severe storm damage resulted in failure of the sea wall on Bute. Emergency works were carried out and a permanent solution is currently being developed. Additional funding of £1m was allocated for this purpose at the Council meeting on 24 February 2022 however there remains a risk that costs will exceed this. It was agreed at Environment, Development and Infrastructure Committee on 2 June 2022 that the Chair would approach the Scottish Government with a view to securing additional resources to support the scheme.
- 2.4 Project Managers were asked to identify specific Covid-19 impacts on the capital programme. At the budget meeting on 25 February 2021, the Council agreed to provide £2.5m of funding and following agreement at the Policy and Resources Committee on 14 October 2021, this, plus a further £0.146m, was added to the capital programme.
- Furthermore, at the budget meeting on 24 February 2022, an additional £3.9m was set aside for future capital contract increases. This includes up to £1.2m for Campbeltown Flood Scheme, the final costs of which are estimated to be £15.215m. The Scottish Government will fund 80% of scheme costs with the Council expected to contribute an estimated £3.043m.
- 2.5 The impact of the pandemic along with the UK exit from the European Union, the Russian invasion of Ukraine and sanctions on Russian owned entities has seen significant price increases as well as disruptions to the supply chain and longer lead in times. The increased rate of inflation impacts costs such as energy prices, labour, packaging and transport. These all have an effect on the overall contract price and make it extremely challenging to manage expenditure and the availability of supply.

As a result of this it should be noted that there are likely to be other significant financial impacts which are not quantifiable at this stage, as follows:

- Rothesay Pavilion – project currently paused due to increased costs as a result of the main contractor being placed into administration in March 2020.



- Harbour Investment Programme – likely to be contractual cost increases in future years (expected to be funded from increased fees and charges).
- Helensburgh Waterfront Development – commercial negotiations are ongoing with the main contractor to determine the financial impact.
- Universal Free School Meals – delayed roll out to P6 and P7 and uncertain capital funding levels available from Scottish Government (delay not mentioned as part of Resource Spending Review).
- Other general construction inflationary increases.

### 3.0 RECOMMENDATIONS

- 3.1 Note the contents of this report and the financial summaries as detailed in Appendix 8 and approve the proposed changes to the capital plan detailed in Appendix 4.

### 4.0 CURRENT YEAR TO DATE FINANCIAL POSITION

#### 4.1 Overall Position

Actual net expenditure to date is £10,954k compared to a budget for the year to date of £10,857k giving rise to an overspend for the year to date of £97k (0.9%).

#### 4.2 Project/Department Position

The table below shows the year to date net expenditure against the year to date budget by project type and service:

<b>Project Type:</b>	<b>Year to Date Budget £'000</b>	<b>Year to Date Actual £'000</b>	<b>Variance £'000</b>
Asset Sustainability	6,284	6,392	(108)
Service Development	1,240	1,225	15
Strategic Change	3,333	3,337	(4)
<b>Total</b>	<b>10,857</b>	<b>10,954</b>	<b>(97)</b>
<b>Service:</b>			
ICT	569	569	0
Education	2,296	2,258	38
Live Argyll	82	141	(59)
Health & Social Care Partnership	75	124	(49)
Shared Offices	44	44	0
Roads & Infrastructure	4,427	4,450	(23)
Development & Economic Growth	577	577	0
CHORD	2,787	2,791	(4)
<b>Total</b>	<b>10,857</b>	<b>10,954</b>	<b>(97)</b>

Material variances are explained in Appendix 1 and there are a number of small variances contributing to the year to date overspend.

## 5.0 FORECAST OUTTURN 2022-23

### 5.1 Overall Position

Forecast net expenditure for the full financial year is £47,714k compared to an annual budget of £48,260k giving rise to a forecast underspend for the year of £546k (1.13%).

### 5.2 Project/Department Position

The table below shows the forecast expenditure and budget for the year by project type and service.

<b>Project Type:</b>	<b>Annual Budget £'000</b>	<b>Forecast Outturn £'000</b>	<b>Forecast Variance COVID- 19 Related £'000</b>	<b>Forecast Variance Non COVID- 19 Related £'000</b>	<b>Forecast Variance £'000</b>
Asset Sustainability	27,240	27,376	0	(136)	(136)
Service Development	4,848	4,700	0	148	148
Strategic Change	16,172	15,638	0	534	534
<b>Total</b>	<b>48,260</b>	<b>47,714</b>	<b>0</b>	<b>546</b>	<b>546</b>
<b>Service:</b>					
ICT	1,367	1,367	0	0	0
Education	6,097	6,135	0	(38)	(38)
Live Argyll	1,208	1,280	0	(72)	(72)
Health & Social Care Partnership	2,107	2,158	0	(51)	(51)
Shared Offices	4,197	4,213	0	(16)	(16)
Roads & Infrastructure	26,595	26,631	0	(36)	(36)
Development & Economic Growth	2,770	2,011	0	759	759
CHORD	3,919	3,919	0	0	0
<b>Total</b>	<b>48,260</b>	<b>47,714</b>	<b>0</b>	<b>546</b>	<b>546</b>

Material variances are explained in Appendix 2 and there are a number of smaller variances contributing to the forecast overspend.

## 6.0 TOTAL PROJECT COSTS

### 6.1 Overall Position

Forecast total net project costs on the total capital plan are £178,745k compared to a total budget for all projects of £178,526k giving rise to a forecast overspend for the overall capital plan of £219k (0.12%).

### 6.2 Project/Department Position

The table below shows the forecast expenditure and budget for the total capital plan by project type and service.

<b>Project Type:</b>	<b>Capital Plan Budget £'000</b>	<b>Forecast Project Costs £'000</b>	<b>Capital Plan Variance COVID-19 Related £'000</b>	<b>Capital Plan Variance Non COVID-19 Related £'000</b>	<b>Total Capital Plan Variance £'000</b>
Asset Sustainability	51,084	51,225	0	(141)	(141)
Service Development	19,337	19,399	0	(62)	(62)
Strategic Change	108,105	108,121	0	(16)	(16)
<b>Total</b>	<b>178,526</b>	<b>178,745</b>	<b>0</b>	<b>(219)</b>	<b>(219)</b>
<b>Service:</b>					
ICT	5,007	5,007	0	0	0
Education	41,833	41,871	0	(38)	(38)
Live Argyll	3,368	3,445	0	(77)	(77)
Health & Social Care Partnership	4,222	4,273	0	(51)	(51)
Shared Offices	21,507	21,523	0	(16)	(16)
Roads & Infrastructure	54,017	54,053	0	(36)	(36)
Development & Economic Growth	4,734	4,735	0	(1)	(1)
CHORD	43,838	43,838	0	0	0
<b>Total</b>	<b>178,526</b>	<b>178,745</b>	<b>0</b>	<b>(219)</b>	<b>(219)</b>

Material variances are explained in Appendix 3 and there are a number of smaller variances leading to the forecast overspend.

## 7.0 TOTAL PROJECT PERFORMANCE

### 7.1 Overall Position

There are 160 projects within the Capital Plan, 147 are Complete or On Target, 11 are Off Target and Recoverable and 2 are Off Track.

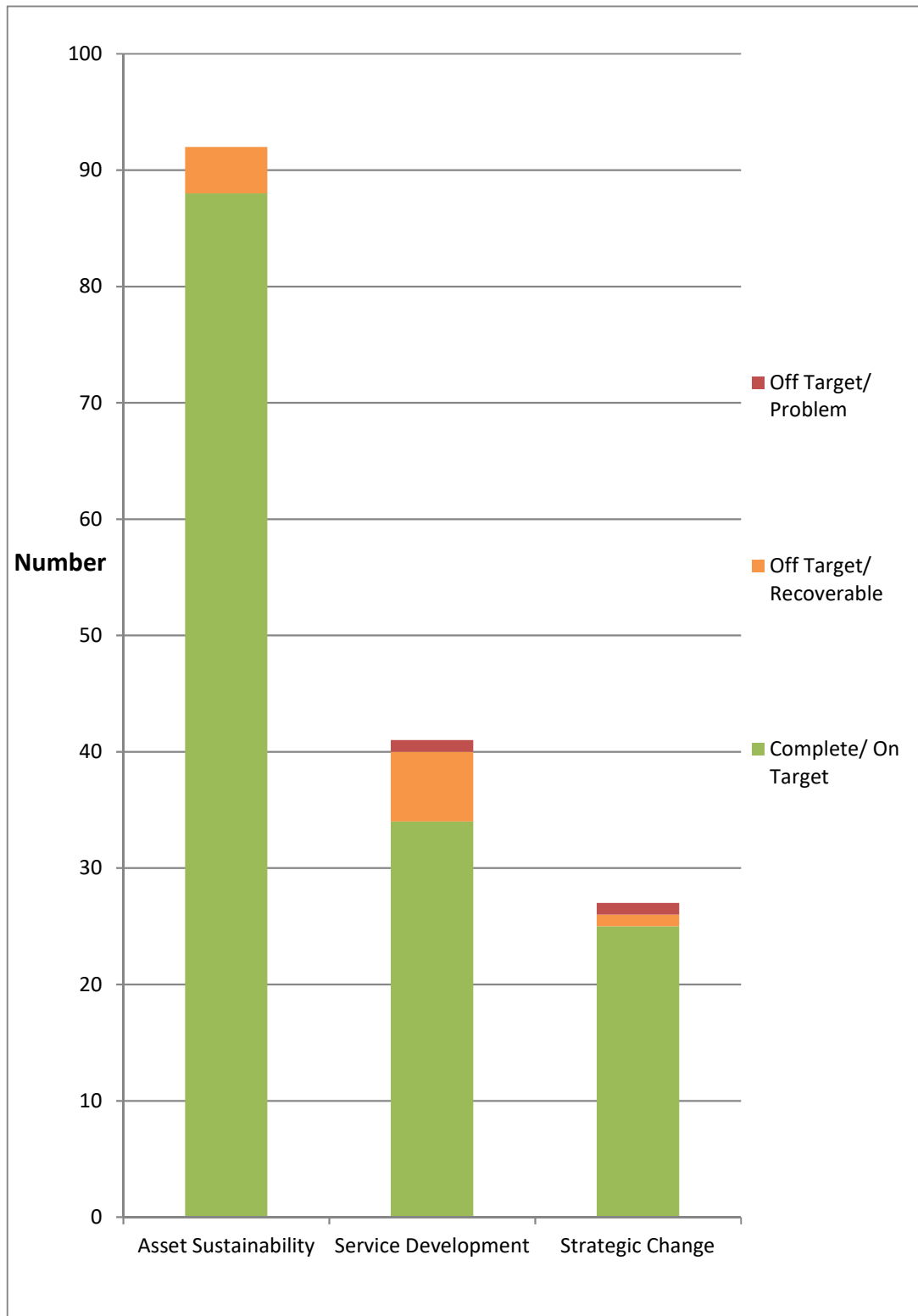
### 7.2 Project Position

The table below shows the Performance Status of the Projects in the Capital Plan.

<b>Project Type:</b>	<b>Complete / On Target</b>	<b>Off Target/ Recoverable</b>	<b>Off Target/ Problem</b>	<b>Total</b>
Asset Sustainability	88	4	0	92
Service Development	34	6	1	41
Strategic Change	25	1	1	27
<b>Total</b>	<b>147</b>	<b>11</b>	<b>2</b>	<b>160</b>
<b>Service:</b>				
ICT	7	0	0	7
Education	29	1	0	30
Live Argyll	25	3	0	28
Health & Social Care Partnership	16	2	0	18
Shared Offices	21	0	0	21
Roads & Infrastructure	31	4	0	35
Development & Economic Growth	14	0	2	16
CHORD	4	1	0	5
<b>Total</b>	<b>147</b>	<b>11</b>	<b>2</b>	<b>160</b>

### 7.3 Chart of Performance Status

The graph provides a view of the Performance Status of the Projects included in the Capital Plan:



## 8.0 OFF TRACK PROJECTS

8.1 The Off Track projects are noted in the table below and variance reports are included in Appendix 6.

<b>Project Type</b>	<b>Project</b>	<b>What is Off Track?</b>	<b>Explanation</b>
Service Development	Ardrishaig North Active Travel	Current Year Expenditure	Contract awarded later than expected due to delays in receiving required documentation and delay in contractor to deploy on site resulting in a delay to expenditure profile. Expenditure has slipped from 2022-23 into 2023-24.
Service Development	TIF - Halfway House Roundabout	Current Year Expenditure	Delays with Planning Applications and ongoing discussions with Scottish Government have resulted in delays in progressing the project and expenditure. Expenditure has slipped from 2022-23 into 2023-24.

## 9.0 STRATEGIC CHANGE PROJECTS

9.1 Appendix 7 gives detailed information in respect of the Strategic Change Projects within the Capital Plan. The appendix gives details of the forecast cost of each project against the approved budget, the start and anticipated completion date of the project and an assessment of the risks of the project and, if these are not green, gives an explanation of the problem.

## 10.0 CHANGES TO CAPITAL PLAN

10.1 The table below shows proposed changes to the Capital Plan at summary level which include slippages, accelerations and virements. Explanations relating to the specific projects involved can be seen in Appendix 4.

The updated capital plan incorporating these proposed changes can be found in Appendix 9.

<b>Department</b>	<b>Prev. Agreed Changes 2022-23</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>Future Years</b>	<b>Total Capital Plan</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Asset Sustainability	73	0	0	0	0	0
Service Development	(151)	(210)	210	0	0	0
Strategic Change	(19,370)	(550)	550	0	0	0
<b>Total</b>	<b>(19,448)</b>	<b>(760)</b>	<b>760</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Service:</b>						
ICT	(151)	0	0	0	0	0
Education	0	0	0	0	0	0
Live Argyll	(27)	0	0	0	0	0
Health & Social Care Partnership	0	0	0	0	0	0
Shared Offices	100	0	0	0	0	0
Roads & Infrastructure	(19,370)	0	0	0	0	0
Development & Economic Growth	0	(760)	760	0	0	0
Major Projects	0	0	0	0	0	0
<b>Total</b>	<b>(19,448)</b>	<b>(760)</b>	<b>760</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 11.0 FUNDING

11.1 The Capital Programme is funded by various income streams as detailed in Appendix 5. Additional funding allocated since the last report has come from earmarked reserves for Gartbreck Landfill Site.

11.2 The Council is projecting £1,387k of capital receipts this financial year. At this early stage in the year no receipts have been received but this will be closely monitored throughout the year and any issues highlighted.

## **12.0 IMPLICATIONS**

- 12.1 Policy – Monitors progress against the capital plan.
- 12.2 Financial – Monitors funding and commitments of the capital plan.
- 12.3 Legal – Available funding may not address all Statutory and Regulatory requirements in relation to Health and Safety.
- 12.4 HR – Available funding may have an impact on the sustainability of the Property Design Team and Infrastructure Design Team.
- 12.5 Fairer Scotland Duty – None.
  - 12.5.1 Equalities – protected characteristics – None.
  - 12.5.2 Socio-economic Duty – None.
  - 12.5.3 Islands – None.
- 12.6 Climate Change – The Council is committed to addressing climate change via projects within the capital plan.
- 12.7 Risk – There are risks around increasing capital contract costs and the level and timing of capital receipts.
- 12.8 Customer Service – None.

**Kirsty Flanagan**  
**Executive Director / Section 95 Officer**  
**4 October 2022**

**Policy Lead for Finance and Commercial Services – Councillor Gary Mulvaney**

**For further information contact: Anne Blue, Head of Financial Services**

## **APPENDICES**

- **Appendix 1** – Year To Date finance variance explanations
- **Appendix 2** – Forecast Outturn variance explanations
- **Appendix 3** – Total Project finance variance explanations
- **Appendix 4** – Changes to Capital Plan and Financial Impact
- **Appendix 5** – Capital Funding
- **Appendix 6** - Off Track project variance reports
- **Appendix 7** - Cumulative spend, completion dates and risks relating to significant capital projects.
- **Appendix 8** - Financial Summary – Overall
  - Financial Summary – Executive Director Kirsty Flanagan
  - Financial Summary – Executive Director Douglas Hendry
- **Appendix 9** - Updated/Revised Capital Plan



**APPENDIX 1 – Year to Date Financial Variance Explanations**

Listed below are the projects where the variance is +/- £50k.

<b>Project</b>	<b>YTD Budget £'000</b>	<b>YTD Actual £'000</b>	<b>(Over)/ Under Variance £'000</b>	<b>Explanation</b>
				No variances +/-£50k for this report.
Other variances under £50k			(97)	Total value of non-material variances less than +/-£50k
<b>Total</b>			<b>(97)</b>	

**APPENDIX 2 – Outturn Variance Explanations**

Listed below are the projects where the current year variance is +/- £50k.

<b>Project</b>	<b>Annual Budget £'000</b>	<b>Outturn £'000</b>	<b>(Over)/ Under Forecast Variance COVID-19 Related £'000</b>	<b>(Over)/ Under Forecast Variance Non COVID-19 Related £'000</b>	<b>Total (Over)/ Under Forecast Variance £'000</b>	<b>Explanation</b>
Ardrishaig North Active Travel	880	670	0	210	210	Contract awarded later than expected due to delays in receiving required documentation and delay in contractor to deploy on site resulting in a delay to expenditure profile. Expenditure has slipped from 2022-23 into 2023-24
TIF - Halfway House Roundabout	597	47	0	550	550	Delays with Planning Applications and ongoing discussions with Scottish Government have resulted in delays in progressing the project and expenditure. Expenditure has slipped from 2022-23 into 2023-24
Other variances under £50k			0	(214)	(214)	Total value of non-material variances less than +/- £50k.
<b>Total</b>			<b>0</b>	<b>546</b>	<b>546</b>	

**APPENDIX 3 – Total Project Finance Variances**

Listed below are the projects where the total project variance is +/- £50k.

<b>Project</b>	<b>Capital Plan Budget £'000</b>	<b>Forecast Project Costs £'000</b>	<b>(Over)/ Under Forecast Variance COVID-19 Related £'000</b>	<b>(Over)/ Under Forecast Variance Non COVID-19 Related £'000</b>	<b>Total (Over)/ Under Forecast Variance £'000</b>	<b>Explanation</b>
						No variances +/-£50k for this report.
Other variances under £50k				(219)	(219)	Total value of non-material variances less than +/- £50k. Project Managers are working to reduce these small individual overspends by identifying underspends elsewhere within the capital plan.
<b>Total</b>				<b>(219)</b>	<b>(219)</b>	

**APPENDIX 4 – Changes to Capital Plan and Financial Impact**
**OVERALL COST CHANGES**

Project	2022-23 £'000	2023-24 £'000	2024-25 £'000	Future Years £'000	Total Capital Plan £'000	Recommendation	Explanation
						No overall cost changes this reporting period.	
<b>Total Cost Changes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		

**SLIPPAGES AND ACCELERATIONS**

Project	2022-23 £'000	2023-24 £'000	2024-25 £'000	Future Years £'000	2022-23 Slippage Related to COVID-19 £'000	2022-23 Slippage Related to Non COVID-19 £'000	Total 2022-23 £'000	Recommendation	Explanation
Ardrishaig North Active Travel	(210)	210	0	0	0	(210)	(210)	Slip budget into future years.	Contract awarded later than expected due to delays in receiving required documentation and delay in contractor to deploy on site resulting in a delay to expenditure profile. Expenditure has slipped from 2022-23 into 2023-24
TIF - Halfway House Roundabout	(550)	550	0	0	0	(550)	(550)	Slip budget into future years.	Delays with Planning Applications and ongoing discussions with Scottish Government have resulted in delays in progressing the project and expenditure. Expenditure has slipped from 2022-23 into 2023-24
<b>Total Slippages and Accelerations</b>	<b>(760)</b>	<b>760</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(760)</b>	<b>(760)</b>		
<b>Net Impact of Changes</b>	<b>(760)</b>	<b>760</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(760)</b>	<b>(760)</b>		

**CAPITAL PROGRAMME FUNDING**

	2022-23					2023-24					2024-25				
	Estimated Capital Funding	Carry Forwards from 21-22	Slippage / Acceleration	Additional Funding	Updated Capital Funding Available	Estimated Capital Funding	Carry Forwards from 21-22	Slippage / Acceleration	Additional Funding	Updated Capital Funding Available	Estimated Capital Funding	Carry Forwards from 21-22	Slippage / Acceleration	Additional Funding	Updated Capital Funding Available
General Capital Grant	9,569	0	0	0	9,569	9,569	0	0	0	9,569	9,569	0	0	0	9,569
Transfer to Revenue for Private Sector Housing Grant (PSHG)	-1,033	0	0	0	-1,033	-1,033	0	0	0	-1,033	-1,033	0	0	0	-1,033
Capital Receipts	1,387	0	0	0	1,387	1,095	0	0	0	1,095	0	0	0	0	0
Flooding Allocation	155	0	0	0	155	155	0	0	0	155	155	0	0	0	155
Ring Fenced Capital Grant	4,656	2,722	0	268	7,646	0	5,728	0	0	5,728	0	0	0	0	0
Restricted Funding	1,486	609	-210	1,714	3,599	1,150	0	210	0	1,360	0	0	0	0	0
Funded by Reserves	3,145	4,388	-1,256	1,146	7,423	36	172	-75	0	133	0	0	1,331	0	1,331
Additional Funding from Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Harbour Investment Programme	31,180	2,484	-18,114	0	15,550	16,900	0	6,125	0	23,025	31,600	0	-3,400	0	28,200
Prudential Borrowing	15,528	3,352	-628	0	18,252	5,006	-1,429	628	0	4,205	27	0	0	0	27
Loans Fund Review	0	4,025	0	0	4,025	0	0	0	0	0	0	0	0	0	0
COVID Funding	1,640	2,167	0	0	3,807	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>67,713</b>	<b>19,747</b>	<b>-20,208</b>	<b>3,128</b>	<b>70,380</b>	<b>32,878</b>	<b>4,471</b>	<b>6,888</b>	<b>0</b>	<b>44,237</b>	<b>40,318</b>	<b>0</b>	<b>-2,069</b>	<b>0</b>	<b>38,249</b>

**BREAKDOWN OF ADDITIONAL FUNDING**

Additional Funding	2022-23	2023-24	Source	Reported
C'town Museum LA income	40		Live Argyll	Jun-22
H&L/Rosneath Cycleways	140		SPT	Jun-22
Nature Restoration Fund	238		Scottish Government	Jun-22
Rothesay Pontoons	315		Grant Funding	Jun-22
Ardrihaig North	280		Grant Funding	Jun-22
Lismore Ferry	7		External Income	Jun-22
Lochgilphead PS Demolition	11		Reserves	Jun-22
Fleet Management	499		Reserves	Jul-22
Roads Reconstruction	958		STTS	Jul-22
Gartrecfk Landfill	640		Reserves	Aug-22
<b>Total</b>	<b>3,128</b>	<b>0</b>		

<b>OFF TRACK PROJECT</b>		<b>Appendix 6</b>
<b>Project Name:</b> Ardrishaig North Public Realm	<b>Project Manager:</b> Anna Watkiss	<b>Risk:</b> <b>Low</b>
<b>Initial Start Date:</b> Design work commenced 2018/19, contract award 21/6/2022	<b>Proposed End Date:</b> April 2023	
<b>How was this project initially funded?</b> Tarbert and Lochgilphead Regeneration Fund	<b>Please detail any additional funding.</b> Green Infrastructure Fund, Crown Estate Scotland, HiTrans	
<b>Previously Reported Committee and Date:</b>	<b>Next Reported Committee and Date:</b>	
<p><b>Why is the project classified as off target?</b></p> <p>Levels of expenditure have not been as expected and fall outside the tolerances, the project is now expected to be ongoing into 2023/24 financial year.</p>		
<p><b>What has caused the issue outlined above?</b></p> <p>The contract was awarded later than expected (21 June 2022 rather than the early May) due to delays in receiving required documentation and the contractor has taken longer to deploy to site than anticipated. This has all impacted the expected timescales for spend. We expect that this will change again as we are awaiting a spend profile from the contractor in terms of their anticipated billing of costs.</p>		
<p><b>What action will be taken to rectify this issue?</b></p> <p>Timescales for the project will be monitored and cost profiles adjusted in order to ensure that they are as accurate as possible.</p>		
<p><b>What are the implications of the action proposed?</b></p> <p>None anticipated</p>		

**OFF TRACK PROJECT**

Appendix 6

**Project Name:** TiF Halfway House Roundabout**Project Manager:** Adrian Jackson-Stark**Risk:** Low**Initial Start Date:** 2022**Proposed End Date:** 2024**How was this project initially funded?** TiF Prudential Borrowing**Please detail any additional funding.** n/a**Previously Reported Committee and Date:****Next Reported Committee and Date:****Why is the project classified as off target?**

Levels of expenditure have not been as expected and fall outside the tolerances, the project is now expected to commence in 2023/24 financial year.

**What has caused the issue outlined above?**

Delays with Planning Applications and ongoing discussions with Scottish Government have resulted in delays in progressing the project and expenditure. Studies are currently underway to determine scope of works in order to progress as soon as discussions have been finalised.

**What action will be taken to rectify this issue?**

Timescales for the project will be monitored closely and updated as discussions and studies progress.

**What are the implications of the action proposed?**

Budget slipped from 2022-23 in to 2023-24.

Strategic Change Projects - Cumulative Spend, Start/Finish Dates and Project Risks

APPENDIX 7

Strategic Change Projects	Capital Expenditure				Dates		Risks	
	Prior Years Spend £'000	Current Year Forecast £'000	Total Project Forecast £'000	Total Project Budget £'000	Project Start Date	Estimated Completion Date	Project Risks Identified	Explanation
TIF - Halfway House Roundabout	0	47	640	640	tbc	tbc	Red	Delays due to discussions with Scottish Government and Planning Consents delays.
CHORD Oban	7,129	651	7,905	7,905	27/10/2016	31/03/2022	Amber	Issues with contract close out impacting on timescales.
Harbour Investment Programme	1,802	15,550	91,292	91,292	01/04/2017	31/03/2028	Green	
Campbelltown Flood Scheme	181	9,098	15,215	15,215	01/08/2016	31/03/2023	Green	
Dunoon Primary	7,170	304	10,869	10,869	18/12/2014	30/04/2020	Green	Physically complete - negotiations with contractor delaying payment of final sums outstanding.
Kirn Primary School	9,878	99	10,119	10,119	24/04/2014	31/10/2017	Green	Physically complete - negotiations with contractor delaying payment of final sums outstanding.
Replacement of Oban High	2,496	136	3,250	3,250	24/04/2014	31/01/2019	Green	Physically complete - negotiations with contractor delaying payment of final sums outstanding.
Street Lighting LED Replacement	2,700	791	3,900	3,900	01/08/2016	31/12/2022	Green	Tender for final package of works still to be awarded.
Helensburgh Office Rationalisation	11,500	310	11,838	11,838	25/04/2013	31/12/2022	Green	Project subject to legal dispute.
CHORD Dunoon	12,238	55	12,522	12,522	03/02/2012	09/03/2018	Green	Main contract complete and retentions paid. Landscaping and remediation works ongoing but issues with water ingress may require works in 22-23.
Helensburgh Waterfront Development	1,387	2,895	22,557	22,557	01/04/2017	31/03/2024	Green	Additional funding awarded resulting in increased budget. Budget to be reprofiled.
Kilmory Business Park Phase 2AA	0	141	150	150	01/02/2022	01/09/2023	Green	Development Agreement still to be concluded.
Carbon Management Business Cases	201	60	261	261	01/02/2014	31/12/2022	Green	Budget to be reprofiled pending development of new projects.
Carbon Management - Group Heating Conversion Project	1,938	10	1,948	1,948	01/02/2016	31/12/2022	Green	Complete.
Carbon Management - Non Education	14	21	50	50	01/04/2015	31/12/2022	Green	Projects being determined.
NPDO Schools Solar PV Panel Installations	761	183	944	944	26/06/2014	31/12/2022	Green	Budget to be reprofiled pending development of new projects.
Non NPDO Schools Solar PV Panel Installations	400	88	488	488	20/03/2014	31/12/2022	Green	Budget to be reprofiled pending development of new projects.
Carbon Management Capital Property Works 2016/17	19	20	39	39	01/02/2016	31/12/2022	Green	Budget to be reprofiled pending development of new projects.
Oil to Gas Heating Conversions	182	5	187	187	01/02/2012	31/12/2022	Green	Budget to be reprofiled pending development of new projects.
Dunoon Pier OBC	2,844	0	2,844	2,844	03/02/2012	26/02/2016	Green	Project complete.
Campbelltown Office Rationalisation	595	1	596	596	01/02/2015	31/03/2019	Green	Complete.
TIF - Oban Airport Business Park	447	101	590	590	22/01/2015	31/12/2022	Green	
Campbelltown Schools Redevelopment	1,649	76	2,130	2,130	16/02/2012	30/11/2018	Green	Physically complete - negotiations with contractor delaying payment of financial sums outstanding.
CHORD - Helensburgh	6,483	28	6,557	6,557	29/09/2011	30/04/2015	Green	Main contract complete. Art project originally proposed for 21-22 now slipped into 22-23.
TIF - North Pier Extension	214	0	214	214	06/12/2017	06/12/2021	Green	Complete.
TIF - Lorn/Kirk Road	1,959	1	2,170	2,170	22/01/2015	31/03/2021	Green	Complete.
Carbon Management Fuel Conversions	107	0	107	107	01/02/2014	31/03/2019	Green	Complete.
Kilmory Biomass Carbon Management	956	0	956	956	20/09/2012	31/03/2019	Green	Complete.
<b>Strategic Change Total</b>	<b>75,250</b>	<b>30,671</b>	<b>210,338</b>	<b>210,338</b>				

Project Risk Classifications:

**Green** - Risks can be managed and are viewed as stable or reducing.

**Amber** - Risks are increasing but are still manageable.

**Red** - Risks are increasing or have increased to such an extent they may affect delivery of the project.



ARGYLL AND BUTE COUNCIL - CAPITAL PLAN MONITORING REPORT - OVERALL COUNCIL  
 FINANCIAL SUMMARY - NET EXPENDITURE

Appendix 8  
 31 August 2022

	Current Financial Year To Date			Full Year This Financial Year			Total Project Costs		
	Budget £000s	Actual £000s	(Over)/Under Variance £000s	Budget £000s	Forecast £000s	(Over)/Under Variance £000s	Budget £000s	Forecast £000s	(Over)/Under Variance £000s
<b>EXPENDITURE</b>									
<b>Asset Sustainability Projects</b>									
Executive Director Douglas Hendry	1,464	1,572	(108)	10,003	10,139	(136)	19,032	19,173	(141)
Executive Director Kirsty Flanagan	4,820	4,820	0	19,627	19,627	0	34,442	34,442	0
<b>Asset Sustainability Total</b>	<b>6,284</b>	<b>6,392</b>	<b>(108)</b>	<b>29,630</b>	<b>29,766</b>	<b>(136)</b>	<b>53,474</b>	<b>53,615</b>	<b>(141)</b>
<b>Service Development Projects</b>									
Executive Director Douglas Hendry	567	567	0	1,242	1,267	(25)	15,144	15,169	(25)
Executive Director Kirsty Flanagan	742	765	(23)	7,652	7,479	173	33,099	33,136	(37)
<b>Service Development Total</b>	<b>1,309</b>	<b>1,332</b>	<b>(23)</b>	<b>8,894</b>	<b>8,746</b>	<b>148</b>	<b>48,243</b>	<b>48,305</b>	<b>(62)</b>
<b>Strategic Change Projects</b>									
Campbeltown Schools Redevelopment	38	38	0	76	76	0	2,130	2,130	0
Dunoon Primary	257	257	0	304	304	0	10,869	10,869	0
Replacement of Oban High	96	96	0	136	136	0	3,250	3,250	0
Kirn Primary School	65	65	0	99	99	0	10,119	10,119	0
Carbon Management - Non Education	0	0	0	21	21	0	50	50	0
Carbon Management Business Cases	0	0	0	60	60	0	261	261	0
NPDO Schools Solar PV Panel Installations	0	0	0	183	183	0	944	944	0
Non NPDO Schools Solar PV Panel Installations	0	0	0	88	88	0	488	488	0
Carbon Management Fuel Conversions	0	0	0	0	0	0	107	107	0
Carbon Management Capital Property Works 2016/17	0	0	0	20	20	0	39	39	0
Carbon Management - Group Heating Conversion Project	0	0	0	10	10	0	1,948	1,948	0
Kilmory Biomass Carbon Management	0	0	0	0	0	0	956	956	0
Oil to Gas Heating Conversions	0	0	0	5	5	0	187	187	0
Campbeltown Office Rationalisation	0	0	0	1	1	0	596	596	0
Helensburgh Office Rationalisation	10	10	0	310	310	0	11,838	11,838	0
Clean Energy	0	0	0	551	567	(16)	729	745	(16)
Clean Energy 2022-23	0	0	0	500	500	0	500	500	0
Campbeltown Flood Scheme	31	31	0	9,098	9,098	0	15,215	15,215	0
Street Lighting LED Replacement	49	49	0	791	791	0	3,900	3,900	0
Harbour Investment Programme	186	186	0	15,550	15,550	0	91,292	91,292	0
TIF - Lorn/Kirk Road	0	0	0	1	1	0	2,170	2,170	0
TIF - North Pier Extension	0	0	0	0	0	0	214	214	0
TIF - Oban Airport Business Park	0	0	0	101	101	0	590	590	0
TIF - Halfway House Roundabout	0	0	0	597	47	550	640	640	0
CHORD - Helensburgh	0	0	0	28	28	0	6,557	6,557	0
CHORD Dunoon	4	4	0	55	55	0	12,522	12,522	0
CHORD Oban	0	0	0	651	651	0	7,905	7,905	0
Helensburgh Waterfront Development	2,760	2,760	0	2,895	2,895	0	22,557	22,557	0
HWD - FFE (Funded by LA)	5	5	0	344	344	0	350	350	0
Kilmory Business Park Phase 2AA	18	18	0	141	141	0	150	150	0
Dunoon Pier OBC	0	0	0	0	0	0	2,844	2,844	0
<b>Strategic Change Total</b>	<b>3,519</b>	<b>3,519</b>	<b>0</b>	<b>32,616</b>	<b>32,082</b>	<b>534</b>	<b>211,917</b>	<b>211,933</b>	<b>(16)</b>
<b>Total Expenditure</b>	<b>11,112</b>	<b>11,243</b>	<b>(131)</b>	<b>71,140</b>	<b>70,594</b>	<b>546</b>	<b>313,634</b>	<b>313,853</b>	<b>(219)</b>
<b>INCOME</b>				<b>71,140</b>	<b>70,594</b>				
<b>Asset Sustainability</b>									
Executive Director Douglas Hendry	0	0	0	0	0	0	0	0	0
Executive Director Kirsty Flanagan	0	0	0	(2,390)	(2,390)	0	(2,390)	(2,390)	0
<b>Asset Sustainability Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(2,390)</b>	<b>(2,390)</b>	<b>0</b>	<b>(2,390)</b>	<b>(2,390)</b>	<b>0</b>
<b>Service Development Projects</b>									
Executive Director Douglas Hendry	0	(38)	38	0	0	0	(7,771)	(7,771)	0
Executive Director Kirsty Flanagan	(69)	(69)	0	(4,046)	(4,046)	0	(21,135)	(21,135)	0
<b>Service Development Total</b>	<b>(69)</b>	<b>(107)</b>	<b>38</b>	<b>(4,046)</b>	<b>(4,046)</b>	<b>0</b>	<b>(28,906)</b>	<b>(28,906)</b>	<b>0</b>
<b>Strategic Change Projects</b>									
Helensburgh Office Rationalisation	0	0	0	0	0	0	(349)	(349)	0
Dunoon Primary	0	0	0	0	0	0	(137)	(137)	0
Campbeltown Flood	0	0	0	0	0	0	(270)	(270)	0
Harbour PB	(186)	(186)	0	(15,550)	(15,550)	0	(91,292)	(91,292)	0
01 TIF - Lorn/Kirk Road	0	0	0	(699)	(699)	0	(2,717)	(2,717)	0
H'burgh CHORD Public Realm Imprv	0	0	0	0	0	0	(570)	(570)	0
Helensburgh Waterfront Development	0	0	0	(195)	(195)	0	(6,493)	(6,493)	0
HWD - FFE (Funded by LA)	0	4	(4)	0	0	0	(350)	(350)	0
CHORD - Dunoon Waterfront	0	0	0	0	0	0	(10)	(10)	0
CHORD - Oban	0	0	0	0	0	0	(1,624)	(1,624)	0
<b>Strategic Change Total</b>	<b>(186)</b>	<b>(182)</b>	<b>(4)</b>	<b>(16,444)</b>	<b>(16,444)</b>	<b>0</b>	<b>(103,812)</b>	<b>(103,812)</b>	<b>0</b>
<b>Total Income</b>	<b>(255)</b>	<b>(289)</b>	<b>34</b>	<b>(22,880)</b>	<b>(22,880)</b>	<b>0</b>	<b>(135,108)</b>	<b>(135,108)</b>	<b>0</b>
<b>Net Total</b>	<b>10,857</b>	<b>10,954</b>	<b>(97)</b>	<b>48,260</b>	<b>47,714</b>	<b>546</b>	<b>178,526</b>	<b>178,745</b>	<b>(219)</b>

MONITORING REPORT										Appendix 8
FINANCIAL SUMMARY NET EXPENDITURE - EXECUTIVE DIRECTOR KIRSTY FLANAGAN										31 August 2022
	Current Financial Year To Date			Full Year This Financial Year			Total Project Costs			
	Budget £000s	Actual £000s	(Over)/Under Variance £000s	Budget £000s	Year End Forecast £000s	(Over)/Under Variance £000s	Budget £000s	Forecast £000s	(Over)/Under Variance £000s	
<b>EXPENDITURE</b>										
<b>Asset Sustainability Projects</b>										
Flood Prevention	3	3	0	474	474	0	1,084	1,084	0	
Coastal Protection	0	0	0	20	20	0	200	200	0	
Coastal Change Adaptation	0	0	0	159	159	0	159	159	0	
Bute Sea Wall Repairs	25	25	0	750	750	0	750	750	0	
Helensburgh Flood Mitigation	0	0	0	432	432	0	432	432	0	
Bridge Strengthening	57	57	0	1,349	1,349	0	2,049	2,049	0	
Local Bridge Maintenance Fund	4	4	0	1,237	1,237	0	5,447	5,447	0	
Roads Reconstruction	3,356	3,356	0	9,433	9,433	0	16,294	16,294	0	
Roads Reconstruction - Helensburgh CHORD	0	0	0	47	47	0	47	47	0	
Roads Reconstruction - Oban CHORD	0	0	0	3	3	0	3	3	0	
Helensburgh CHORD - Signage etc	0	0	0	10	10	0	10	10	0	
Lighting	0	0	0	740	740	0	1,040	1,040	0	
Environmental Projects	0	0	0	734	734	0	934	934	0	
Play Park Refurbishment	0	0	0	155	155	0	155	155	0	
Public Convenience Upgrades	0	0	0	82	82	0	82	82	0	
Footway Improvements	147	147	0	269	269	0	269	269	0	
Glengorm - Capping	0	0	0	82	82	0	82	82	0	
Glengorm - Cell and Transfer Station (PB)	705	705	0	1,200	1,200	0	1,200	1,200	0	
EV Quick Chargers	0	0	0	93	93	0	93	93	0	
Tobermory Car Park	56	56	0	951	951	0	951	951	0	
Active Travel	0	0	0	500	500	0	500	500	0	
Bin Replacement Programme	0	0	0	100	100	0	100	100	0	
Server Sustainability	4	4	0	187	187	0	251	251	0	
PC Replacement	461	461	0	522	522	0	522	522	0	
Telecomms Network	2	2	0	98	98	0	98	98	0	
Block Allocation - ICT	0	0	0	0	0	0	1,690	1,690	0	
<b>Asset Sustainability Total</b>	<b>4,820</b>	<b>4,820</b>	<b>0</b>	<b>19,627</b>	<b>19,627</b>	<b>0</b>	<b>34,442</b>	<b>34,442</b>	<b>0</b>	
<b>Service Development Projects</b>										
Preliminary design for Regional Transport projects	0	0	0	16	16	0	221	221	0	
Campbeltown Old Quay	0	0	0	43	43	0	1,424	1,424	0	
Fleet Management - Prudential Borrowing	0	0	0	2,187	2,187	0	4,861	4,861	0	
Fleet Management	0	0	0	499	499	0	3,358	3,358	0	
Lismore Ferry	13	19	(6)	13	19	(6)	666	672	(6)	
Millpark Depot Demolition	0	0	0	0	0	0	126	126	0	
Oban Depot Development Project	0	17	(17)	0	17	(17)	2,100	2,117	(17)	
Lochgilthead Depot Rationalisation	0	0	0	(10)	0	(10)	19	29	(10)	
Jackson's Quarry Refurbishment	0	0	0	(2)	0	(2)	283	285	(2)	
Witchburn Road Demolition	0	0	0	(1)	0	(1)	157	158	(1)	
Safe Streets, Walking and Cycling (CWSS)	0	0	0	544	544	0	2,878	2,878	0	
SPT - bus infrastructure	0	0	0	0	0	0	1,405	1,405	0	
Cycleways - H&L (FSPT)	0	0	0	240	240	0	3,112	3,112	0	
Helensburgh Public Realm - Arts Strategy Fund	0	0	0	51	51	0	53	53	0	
Town Centre Funds	536	536	0	1,054	1,055	(1)	3,876	3,877	(1)	
Dunoon Cycle Bothy	71	71	0	266	266	0	279	279	0	
Dunoon STEM Hub	11	11	0	603	603	0	608	608	0	
Ardriashaig North Active Travel	0	0	0	880	880	210	880	880	0	
Nature Restoration Fund	0	0	0	346	346	0	346	346	0	
Gibraltar Street Public Realm Improvements	9	9	0	248	248	0	250	250	0	
Hermitage Park	0	0	0	69	69	0	3,314	3,314	0	
Applications Projects	102	102	0	606	606	0	2,883	2,883	0	
<b>Service Development Total</b>	<b>742</b>	<b>765</b>	<b>(23)</b>	<b>7,652</b>	<b>7,479</b>	<b>173</b>	<b>33,099</b>	<b>33,136</b>	<b>(37)</b>	
<b>Strategic Change Projects</b>										
Campbeltown Flood Scheme	31	31	0	9,098	9,098	0	15,215	15,215	0	
Street Lighting LED Replacement	49	49	0	791	791	0	3,900	3,900	0	
Harbour Investment Programme	186	186	0	15,550	15,550	0	91,292	91,292	0	
TIF - Lorn/Kirk Road	0	0	0	1	1	0	2,170	2,170	0	
TIF - North Pier Extension	0	0	0	0	0	0	214	214	0	
TIF - Oban Airport Business Park	0	0	0	101	101	0	590	590	0	
TIF - Halfway House Roundabout	0	0	0	597	47	550	640	640	0	
<b>Strategic Change Total</b>	<b>266</b>	<b>266</b>	<b>0</b>	<b>26,138</b>	<b>25,588</b>	<b>550</b>	<b>114,021</b>	<b>114,021</b>	<b>0</b>	
<b>Total Expenditure</b>	<b>5,828</b>	<b>5,851</b>	<b>(23)</b>	<b>53,417</b>	<b>52,694</b>	<b>723</b>	<b>181,562</b>	<b>181,599</b>	<b>(37)</b>	
<b>INCOME</b>										
<b>Asset Sustainability</b>										
EV Quick Chargers	0	0	0	(97)	(97)	0	(97)	(97)	0	
Glengorm Caspina/New Cell - Prudential Borrowing	0	0	0	(560)	(560)	0	(560)	(560)	0	
Tobermory Car Park	0	0	0	(775)	(775)	0	(775)	(775)	0	
<b>Asset Sustainability Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(2,390)</b>	<b>(2,390)</b>	<b>0</b>	<b>(2,390)</b>	<b>(2,390)</b>	<b>0</b>	
<b>Service Development Projects</b>										
Applications Projects	0	0	0	(46)	(46)	0	(437)	(437)	0	
Safe Streets, Walking and Cycling	0	0	0	(550)	(550)	0	(2,483)	(2,483)	0	
SPT	0	0	0	0	0	0	(1,243)	(1,243)	0	
Cycleways - H&L (FSPT)	0	0	0	(240)	(240)	0	(3,212)	(3,212)	0	
Town Centre Funds	0	0	0	(382)	(382)	0	(1,794)	(1,794)	0	
Dunoon STEM Hub	0	0	0	(100)	(100)	0	(608)	(608)	0	
Ardriashaig North Active Travel	(50)	(50)	0	(50)	(50)	0	(50)	(50)	0	
Dunoon Cycle Bothy	0	0	0	(209)	(209)	0	(279)	(279)	0	
Gibraltar Street Public Realm Improvements	0	0	0	0	0	0	(250)	(250)	0	
Hermitage Park	0	0	0	0	0	0	(3,245)	(3,245)	0	
Fleet Management - PB	0	0	0	(2,187)	(2,187)	0	(4,861)	(4,861)	0	
Fleet Management	(8)	(8)	0	0	0	0	0	0	0	
Lochgilthead Depot Rationalisation	0	0	0	(1)	(1)	0	(1)	(1)	0	
Millpark Depot Demolition Insurance	0	0	0	0	0	0	(53)	(53)	0	
Oban Depot - Mill Park Insurance Claim	0	0	0	0	0	0	(1,681)	(1,681)	0	
Oban Depot - Appin Depot Sale	0	0	0	(150)	(150)	0	(150)	(150)	0	
Lismore Ferry	(11)	(11)	0	(131)	(131)	0	(631)	(631)	0	
Witchburn Road Demolition	0	0	0	0	0	0	(157)	(157)	0	
<b>Service Development Total</b>	<b>(69)</b>	<b>(69)</b>	<b>0</b>	<b>(4,046)</b>	<b>(4,046)</b>	<b>0</b>	<b>(21,135)</b>	<b>(21,135)</b>	<b>0</b>	
<b>Strategic Change Projects</b>										
Campbeltown Flood	0	0	0	0	0	0	(270)	(270)	0	
Harbour PB	(186)	(186)	0	(15,550)	(15,550)	0	(91,292)	(91,292)	0	
01 TIF - Lorn/Kirk Road	0	0	0	(639)	(639)	0	(2,717)	(2,717)	0	
<b>Strategic Change Total</b>	<b>(186)</b>	<b>(186)</b>	<b>0</b>	<b>(16,249)</b>	<b>(16,249)</b>	<b>0</b>	<b>(94,279)</b>	<b>(94,279)</b>	<b>0</b>	
<b>Total Income</b>	<b>(255)</b>	<b>(255)</b>	<b>0</b>	<b>(22,685)</b>	<b>(22,685)</b>	<b>0</b>	<b>(117,804)</b>	<b>(117,804)</b>	<b>0</b>	
<b>Net Departmental Total</b>	<b>5,573</b>	<b>5,596</b>	<b>(23)</b>	<b>30,732</b>	<b>30,009</b>	<b>723</b>	<b>63,758</b>	<b>63,795</b>	<b>(37)</b>	

MONITORING REPORT

Appendix 8

FINANCIAL SUMMARY NET EXPENDITURE - EXECUTIVE DIRECTOR DOUGLAS HENDRY

31 August 2022

	Current Financial Year To Date			Full Year This Financial Year			Total Project Costs		
	Budget £000s	Actual £000s	Variance £000s	Budget £000s	Forecast £000s	Variance £000s	Budget £000s	Forecast £000s	Variance £000s
<b>EXPENDITURE</b>									
<b>Asset Sustainability</b>									
Education	1,273	1,273	0	4,281	4,307	(26)	10,761	10,787	(26)
Live Argyll	82	141	(59)	1,200	1,259	(59)	2,086	2,150	(64)
Health and Social Care Partnership	75	124	(49)	2,053	2,104	(51)	2,922	2,973	(51)
Shared Offices	34	34	0	2,469	2,469	0	3,263	3,263	0
<b>Asset Sustainability Total</b>	<b>1,464</b>	<b>1,572</b>	<b>(108)</b>	<b>10,003</b>	<b>10,139</b>	<b>(136)</b>	<b>19,032</b>	<b>19,173</b>	<b>(141)</b>
<b>Service Development Projects</b>									
Ardreishaig Primary Pre 5 Unit	0	0	0	0	0	0	2	2	0
Bowmore Primary School - Pre 5 Unit	0	0	0	0	0	0	149	149	0
Clyde Cottage - 600 hour provision	0	0	0	23	23	0	579	579	0
Craignish Primary School - Pre 5 Extension	0	0	0	0	0	0	400	400	0
Iona Primary School - Pre 5 Unit	0	0	0	0	0	0	490	490	0
Islay High and Rosneath Primary School Pitches	0	0	0	(12)	0	(12)	707	719	(12)
Lochgoilhead Primary School - Pre 5 Unit	0	0	0	0	0	0	391	391	0
Park Primary Extension/Pre Fives Unit	0	0	0	0	0	0	341	341	0
Sandbank Gaelic Pre Five Unit	0	0	0	0	0	0	491	491	0
Bunessan Primary School - Gaelic Medium Improvements	0	0	0	0	0	0	120	120	0
Early Learning and Childcare	0	0	0	0	0	0	850	850	0
Early Learning and Childcare - 1140 Hours	564	564	0	1,036	1,036	0	7,751	7,751	0
CO2 Monitoring - Covid Mitigation in Schools	3	3	0	116	116	0	192	192	0
Early Learning and Childcare - 1140 Hours - CFCR	0	0	0	0	0	0	111	111	0
Bowmore Primary School - Gaelic Medium Grant	0	0	0	38	38	0	38	38	0
Riverside Leisure Centre Refurbishment	0	0	0	(13)	0	(13)	1,232	1,245	(13)
Dunclutha Childrens Home	0	0	0	54	54	0	1,300	1,300	0
<b>Service Development Total</b>	<b>567</b>	<b>567</b>	<b>0</b>	<b>1,242</b>	<b>1,267</b>	<b>(25)</b>	<b>15,144</b>	<b>15,169</b>	<b>(25)</b>
<b>Strategic Change Projects</b>									
Campbeltown Schools Redevelopment	38	38	0	76	76	0	2,130	2,130	0
Dunoon Primary	257	257	0	304	304	0	10,869	10,869	0
Replacement of Oban High	96	96	0	136	136	0	3,250	3,250	0
Kilm Primary School	65	65	0	99	99	0	10,119	10,119	0
Carbon Management - Non Education	0	0	0	21	21	0	50	50	0
Carbon Management Business Cases	0	0	0	60	60	0	261	261	0
NPDO Schools Solar PV Panel Installations	0	0	0	183	183	0	944	944	0
Non NPDO Schools Solar PV Panel Installations	0	0	0	88	88	0	488	488	0
Carbon Management Fuel Conversions	0	0	0	0	0	0	107	107	0
Carbon Management Capital Property Works 2016/17	0	0	0	20	20	0	39	39	0
Carbon Management - Group Heating Conversion Project	0	0	0	10	10	0	1,948	1,948	0
Kilmory Biomass Carbon Management	0	0	0	0	0	0	956	956	0
Oil to Gas Heating Conversions	0	0	0	5	5	0	187	187	0
Campbeltown Office Rationalisation	0	0	0	1	1	0	596	596	0
Helensburgh Office Rationalisation	10	10	0	310	310	0	11,838	11,838	0
Clean Energy	0	0	0	551	567	(16)	729	745	(16)
Clean Energy 2022-23	0	0	0	500	500	0	500	500	0
CHORD Oban	0	0	0	651	651	0	7,905	7,905	0
CHORD - Helensburgh	0	0	0	28	28	0	6,557	6,557	0
CHORD Dunoon	4	4	0	55	55	0	12,522	12,522	0
Helensburgh Waterfront Development	2,760	2,760	0	2,895	2,895	0	22,557	22,557	0
HWD - FFE (Funded by LA)	5	5	0	344	344	0	350	350	0
Kilmory Business Park Phase 2AA	18	18	0	141	141	0	150	150	0
Dunoon Pier OBC	0	0	0	0	0	0	2,844	2,844	0
<b>Strategic Change Total</b>	<b>3,253</b>	<b>3,253</b>	<b>0</b>	<b>6,478</b>	<b>6,494</b>	<b>(16)</b>	<b>97,896</b>	<b>97,912</b>	<b>(16)</b>
<b>Total Expenditure</b>	<b>5,284</b>	<b>5,392</b>	<b>(108)</b>	<b>17,723</b>	<b>17,900</b>	<b>(177)</b>	<b>132,072</b>	<b>132,254</b>	<b>(182)</b>
<b>INCOME</b>									
<b>Asset Sustainability</b>									
Education	0	0	0	0	0	0	0	0	0
Live Argyll	0	0	0	0	0	0	0	0	0
<b>Asset Sustainability Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Service Development Projects</b>									
Sandbank Gaelic Pre Five Unit	0	0	0	0	0	0	(485)	(485)	0
Bunessan Primary School - Gaelic Medium Improvements	0	0	0	0	0	0	(30)	(30)	0
Early Learning and Childcare	0	0	0	0	0	0	(918)	(918)	0
Early Years 1140 Hours	0	0	0	0	0	0	(6,300)	(6,300)	0
CO2 Monitoring - Covid Mitigation in Schools	0	(38)	38	0	0	0	0	0	0
Bowmore Primary School - Gaelic Medium Grant	0	0	0	0	0	0	(38)	(38)	0
<b>Service Development Total</b>	<b>0</b>	<b>(38)</b>	<b>38</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(7,771)</b>	<b>(7,771)</b>	<b>0</b>
<b>Strategic Change</b>									
Helensburgh Office Rationalisation	0	0	0	0	0	0	(349)	(349)	0
Dunoon Primary School	0	0	0	0	0	0	(137)	(137)	0
H'burgh CHORD Public Realm Imprv	0	0	0	0	0	0	(570)	(570)	0
Helensburgh Waterfront Development	0	0	0	(195)	(195)	0	(6,493)	(6,493)	0
HWD - FFE (Funded by LA)	0	4	(4)	0	0	0	(350)	(350)	0
CHORD - Dunoon Waterfront	0	0	0	0	0	0	(10)	(10)	0
CHORD - Oban	0	0	0	0	0	0	(1,624)	(1,624)	0
<b>Strategic Change Total</b>	<b>0</b>	<b>4</b>	<b>(4)</b>	<b>(195)</b>	<b>(195)</b>	<b>0</b>	<b>(9,533)</b>	<b>(9,533)</b>	<b>0</b>
<b>Total Income</b>	<b>0</b>	<b>(34)</b>	<b>34</b>	<b>(195)</b>	<b>(195)</b>	<b>0</b>	<b>(17,304)</b>	<b>(17,304)</b>	<b>0</b>
<b>Net Departmental Total</b>	<b>5,284</b>	<b>5,358</b>	<b>(74)</b>	<b>17,528</b>	<b>17,705</b>	<b>(177)</b>	<b>114,768</b>	<b>114,950</b>	<b>(182)</b>

**CAPITAL PLAN 2022-23**  
**Overall Summary**

**APPENDIX 9**

<b>Service</b>	<b>Previous Years £000's</b>	<b>2022-23 £000s</b>	<b>2023-24 £000s</b>	<b>2024-25 £000s</b>	<b>2025-26 £000s</b>	<b>2026-27 £000s</b>	<b>Total £000s</b>
Education	36,575	6,097	4,843	2,226	0	0	49,741
Shared Offices	16,687	4,197	544	428	0	0	21,856
ICT	2,126	1,413	1,134	771	0	0	5,444
RIS	21,128	47,004	35,592	33,968	17,811	0	155,503
DEG	15,435	4,240	940	0	0	0	20,615
HSCP	1,246	2,107	441	428	0	0	4,222
Live Argyll	1,274	1,208	458	428	0	0	3,368
CHORD	48,486	4,114	285	0	0	0	52,885
<b>Overall Total</b>	<b>142,957</b>	<b>70,380</b>	<b>44,237</b>	<b>38,249</b>	<b>17,811</b>	<b>0</b>	<b>313,634</b>

Category	Service	Project	Previous	2022-23	2023-24	2024-25	2025-26	2026-27	Total
			Years	£000s	£000s	£000s	£000s	£000s	£000s
Asset Sustainability	Education	Asbestos Control/Removal Works	0	7	0	0	0	0	7
		Block Allocation - Education	0	2,716	4,231	2,226	0	0	9,173
		Digital Inclusion 20-21	0	9	0	0	0	0	9
		Free School Meals	0	14	0	0	0	0	14
		Homeless Houses - Housing Quality Standard	0	1	0	0	0	0	1
		Internal Refurbishment Budget	0	7	0	0	0	0	7
		Lochgilphead Primary School Demolition	0	7	0	0	0	0	7
		Pre-5's/Nurseries	0	1	0	0	0	0	1
		Primary Schools	0	1,030	23	0	0	0	1,053
		School Houses - Housing Quality Standard	0	26	0	0	0	0	26
		Secondary Schools	0	463	0	0	0	0	463
<b>Asset Sustainability Total</b>			<b>0</b>	<b>4,281</b>	<b>4,254</b>	<b>2,226</b>	<b>0</b>	<b>0</b>	<b>10,761</b>
Service Development	Education	Ardrishaig Primar School - Pre Five Extension	2	0	0	0	0	0	2
		Bowmore Primary School - Gaelic Medium Grant	0	38	0	0	0	0	38
		Bowmore Primary School - Pre Five Unit	149	0	0	0	0	0	149
		Bunessan Primary School - Gaelic Medium Improvements	120	0	0	0	0	0	120
		Clyde Cottage - 600 hours provision	556	23	0	0	0	0	579
		CO2 Monitoring - Covid Mitigation in Schools	76	116	0	0	0	0	192
		Craignish Primary School - Pre Five Extension (600 hours funding)	400	0	0	0	0	0	400
		Early Learning and Childcare	850	0	0	0	0	0	850
		Early Learning and Childcare - 1140 Hours	6,696	1,036	19	0	0	0	7,751
		Early Learning and Childcare - 1140 Hours - CFCR	111	0	0	0	0	0	111
		Iona Primary School - Pre Five Unit (600 hours funding)	490	0	0	0	0	0	490
		Islay High & Rosneath PS Pitches	719	-12	0	0	0	0	707
		Lochgailhead Primary School - Pre Five Unit (600 hours funding)	391	0	0	0	0	0	391
		Park Primary Extension and Pre Fives Unit	341	0	0	0	0	0	341
		Sandbank Gaelic Pre Five Unit	491	0	0	0	0	0	491
<b>Service Development Total</b>			<b>11,392</b>	<b>1,201</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,612</b>
Strategic Change	Education	Campbeltown Schools Redevelopment	2,054	76	0	0	0	0	2,130
		Dunoon Primary School	10,365	304	200	0	0	0	10,869
		Kirn Primary School	10,020	99	0	0	0	0	10,119
		Replacement of Oban High School	2,744	136	370	0	0	0	3,250
<b>Strategic Change Total</b>			<b>25,183</b>	<b>615</b>	<b>570</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,368</b>
<b>Overall Total</b>			<b>36,575</b>	<b>6,097</b>	<b>4,843</b>	<b>2,226</b>	<b>0</b>	<b>0</b>	<b>49,741</b>

Category	Service	Project	Previous	2022-23	2023-24	2024-25	2025-26	2026-27	Total
			Years £000's	£000s	£000s	£000s	£000s	£000s	£000s
Asset Sustainability	Shared Offices	Argyll House, Dunoon	0	12	0	0	0	0	12
		Asbestos Capital Property Works	0	51	0	0	0	0	51
		Block Allocation	0	0	236	398	0	0	634
		Bowmore Area Office	0	76	0	0	0	0	76
		Burnett Building	0	110	0	0	0	0	110
		Capital Property Works	0	38	0	0	0	0	38
		Fire Risk Assessment Works	0	14	0	0	0	0	14
		Hill Street Dunoon Rewire	0	33	0	0	0	0	33
		Kilmory Castle	0	1,368	43	0	0	0	1,411
		Legionella Control Works	0	215	0	0	0	0	215
		Manse Brae District Office	0	1	0	0	0	0	1
		Manse Brae Roads Office	0	2	0	0	0	0	2
		Our Modern Workspace	0	549	87	30	0	0	666
<b>Asset Sustainability Total</b>			<b>0</b>	<b>2,469</b>	<b>366</b>	<b>428</b>	<b>0</b>	<b>0</b>	<b>3,263</b>
Strategic Change	Shared Offices	Campbeltown Office Rationalisation	595	1	0	0	0	0	596
		Carbon Management - Group Heating Conversion Project (Prudentia	1,938	10	0	0	0	0	1,948
		Carbon Management Business Cases (FPB)	201	60	0	0	0	0	261
		Carbon Management Capital Property Works 16/17	19	20	0	0	0	0	39
		Carbon Management Fuel Conversions (FPB)	107	0	0	0	0	0	107
		Cleaner Energy	0	551	178	0	0	0	729
		Cleaner Energy 2022-23	0	500	0	0	0	0	500
		Helensburgh Office Rationalisation (FPB,REC)	11,528	310	0	0	0	0	11,838
		Kilmory Biomass Project OBC (FPB,REV)	956	0	0	0	0	0	956
		Non-NPDO Schools PV Panel Installations	400	88	0	0	0	0	488
		NPDO Schools Solar PV Panel Installations	761	183	0	0	0	0	944
Oil to Gas Heating Conversions (FPB)	182	5	0	0	0	0	187		
<b>Strategic Change Total</b>			<b>16,687</b>	<b>1,728</b>	<b>178</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,593</b>
<b>Overall Total</b>			<b>16,687</b>	<b>4,197</b>	<b>544</b>	<b>428</b>	<b>0</b>	<b>0</b>	<b>21,856</b>

**CAPITAL PLAN 2022-23**  
**Major Projects**

**APPENDIX 9**

Category	Service	Project	Previous	2022-23	2023-24	2024-25	2025-26	2026-27	Total
			Years £000's	£000s	£000s	£000s	£000s	£000s	£000s
Strategic Change	CHORD	CHORD - Dunoon	12,467	55	0	0	0	0	12,522
		CHORD - Helensburgh -Public Realm Imprv	6,529	28	0	0	0	0	6,557
		CHORD - Oban	7,254	651	0	0	0	0	7,905
		Helensburgh Waterfront Development	19,377	2,895	285	0	0	0	22,557
		HWD - FFE	6	344	0	0	0	0	350
		Kilmory Business Park Phase 2AA	9	141	0	0	0	0	150
		OBC for Dunoon Pier	2,844	0	0	0	0	0	2,844
<b>Strategic Change Total</b>			<b>48,486</b>	<b>4,114</b>	<b>285</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>52,885</b>
<b>Overall Total</b>			<b>48,486</b>	<b>4,114</b>	<b>285</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>52,885</b>

Category	Service	Project	Previous	2022-23	2023-24	2024-25	2025-26	2026-27	Total
			Years £000's	£000s	£000s	£000s	£000s	£000s	£000s
<b>Asset Sustainability</b>	<b>ICT</b>	Block Allocation - ICT	0	0	919	771	0	0	1,690
		PC Replacement	0	522	0	0	0	0	522
		Server Sustainability	0	187	64	0	0	0	251
		Telecomms Network	0	98	0	0	0	0	98
<b>Asset Sustainability Total</b>		<b>0</b>	<b>807</b>	<b>983</b>	<b>771</b>	<b>0</b>	<b>0</b>	<b>2,561</b>	
<b>Service Development</b>	<b>ICT</b>	Applications Projects	2,126	606	151	0	0	0	2,883
<b>Service Development Total</b>			<b>2,126</b>	<b>606</b>	<b>151</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,883</b>
<b>Overall Total</b>			<b>2,126</b>	<b>1,413</b>	<b>1,134</b>	<b>771</b>	<b>0</b>	<b>0</b>	<b>5,444</b>



Category	Service	Project	Previous	2022-23	2023-24	2024-25	2025-26	2026-27	Total
			Years £000's	£000s	£000s	£000s	£000s	£000s	£000s
Asset Sustainability	RIS	Bin Replacement Programme	0	100	0	0	0	0	100
		Bridge Strengthening	0	1,349	350	350	0	0	2,049
		Bute Sea Wall Repairs	0	750	0	0	0	0	750
		Coastal Change Adaptation	0	159	0	0	0	0	159
		Coastal Protection	0	20	80	100	0	0	200
		Environmental Projects	0	734	100	100	0	0	934
		EV Quick Chargers	0	93	0	0	0	0	93
		Flood Prevention	0	474	305	305	0	0	1,084
		Footway Improvements	0	269	0	0	0	0	269
		Glengorm - Capping	0	82	0	0	0	0	82
		Glengorm - Cell and Transfer Station (PB)	0	1,200	0	0	0	0	1,200
		Helensburgh CHORD - Signage etc	0	10	0	0	0	0	10
		Helensburgh Flood Mitigation	0	432	0	0	0	0	432
		Investment in Active Travel	0	500	0	0	0	0	500
		Lighting	0	740	150	150	0	0	1,040
		Local Bridge Maintenance Fund	0	1,237	4,210	0	0	0	5,447
		Play Park Renewal	0	155	0	0	0	0	155
		Public Convenience Upgrades	0	82	0	0	0	0	82
		Roads Reconstruction	0	9,433	3,449	3,412	0	0	16,294
		Roads Reconstruction - Helensburgh CHORD	0	47	0	0	0	0	47
Roads Reconstruction - Oban CHORD	0	3	0	0	0	0	3		
Tobermory Car Park	0	951	0	0	0	0	951		
<b>Asset Sustainability Total</b>			<b>0</b>	<b>18,820</b>	<b>8,644</b>	<b>4,417</b>	<b>0</b>	<b>0</b>	<b>31,881</b>
Service Development	RIS	Campbeltown Old Quay	1,381	43	0	0	0	0	1,424
		Fleet Management	2,859	499	0	0	0	0	3,358
		Fleet Management - Prudential Borrowing	2,674	2,187	0	0	0	0	4,861
		Jackson's Quarry Refurbishment	285	-2	0	0	0	0	283
		Lismore Ferry Replacement	618	13	15	20	0	0	666
		Lochgilphead Depot Rationalisation	29	-10	0	0	0	0	19
		Mill Park Depot Demolition	126	0	0	0	0	0	126
		Oban Depot Development	2,100	0	0	0	0	0	2,100
		Preliminary design for Regional Transport projects (tif)	205	16	0	0	0	0	221
		Witchburn Road Demolition	158	-1	0	0	0	0	157
<b>Service Development Total</b>			<b>10,435</b>	<b>2,745</b>	<b>15</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>13,215</b>
Strategic Change	RIS	Campbeltown Flood Scheme	878	9,098	3,908	1,331	0	0	15,215
		Harbour Investment Programme PB	6,706	15,550	23,025	28,200	17,811	0	91,292
		Street Lighting LED Replacement	3,109	791	0	0	0	0	3,900
<b>Strategic Change Total</b>			<b>10,693</b>	<b>25,439</b>	<b>26,933</b>	<b>29,531</b>	<b>17,811</b>	<b>0</b>	<b>110,407</b>
<b>Overall Total</b>			<b>21,128</b>	<b>47,004</b>	<b>35,592</b>	<b>33,968</b>	<b>17,811</b>	<b>0</b>	<b>155,503</b>

Category	Service	Project	Previous	2022-23	2023-24	2024-25	2025-26	2026-27	Total
			Years £000's	£000s	£000s	£000s	£000s	£000s	£000s
Service Development	DEG	Ardrishaig North Active Travel	0	670	210	0	0	0	880
		Cycleways - H&L (FSPT)	2,722	240	150	0	0	0	3,112
		Dunoon Cycle Bothy	13	266	0	0	0	0	279
		Dunoon STEM Hub	5	603	0	0	0	0	608
		Gibraltar Street Public Realm Improvements	2	248	0	0	0	0	250
		Helensburgh Public Realm - Arts Strategy Fund	2	51	0	0	0	0	53
		Hermitage Park	3,245	69	0	0	0	0	3,314
		Nature Restoration Fund	0	346	0	0	0	0	346
		Safe Streets, Walking and Cycling (CWSS)	2,334	544	0	0	0	0	2,878
		SPT - bus infrastructure	1,405	0	0	0	0	0	1,405
		Town Centre Funds	2,792	1,054	30	0	0	0	3,876
<b>Service Development Total</b>			<b>12,520</b>	<b>4,091</b>	<b>390</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17,001</b>
Strategic Change	DEG	01 TIF - Lorn/Kirk Road	2,169	1	0	0	0	0	2,170
		05 TIF - North Pier Extension	214	0	0	0	0	0	214
		09 TIF - Oban Airport Business Park	489	101	0	0	0	0	590
		TIF - Halfway House Roundabout	43	47	550	0	0	0	640
<b>Strategic Change Total</b>			<b>2,915</b>	<b>149</b>	<b>550</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,614</b>
<b>Overall Total</b>			<b>15,435</b>	<b>4,240</b>	<b>940</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,615</b>

Category	Service	Project	Previous	2022-23	2023-24	2024-25	2025-26	2026-27	Total
			Years £000's	£000s	£000s	£000s	£000s	£000s	£000s
Asset Sustainability	HSCP	Ardfenaig	0	125	0	0	0	0	125
		Block Allocation	0	0	10	170	0	0	180
		Capital Property Works	0	139	0	0	0	0	139
		Digitalising telecare	0	100	0	0	0	0	100
		Dunoon Hostel	0	0	0	0	0	0	0
		Eadar Glinn	0	196	0	0	0	0	196
		Glencruitten Hostel	0	75	0	0	0	0	75
		Gortonvogie	0	431	421	258	0	0	1,110
		Greenwood/Woodlands	0	224	0	0	0	0	224
		Kilmory Castle Top Floor Toilet Refurb	0	-2	0	0	0	0	-2
		Shellach View	0	0	0	0	0	0	0
		Struan Lodge Boiler	0	252	0	0	0	0	252
		Thomson Home Rothesay	0	125	0	0	0	0	125
Tigh An Rudha HFE	0	372	10	0	0	0	382		
<b>Asset Sustainability Total</b>			<b>0</b>	<b>2,053</b>	<b>441</b>	<b>428</b>	<b>0</b>	<b>0</b>	<b>2,922</b>
Service Development	HSCP	Dunclutha Childrens Home	1,246	54	0	0	0	0	1,300
<b>Service Development Total</b>			<b>1,246</b>	<b>54</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,300</b>
<b>Overall Total</b>			<b>1,246</b>	<b>2,107</b>	<b>441</b>	<b>428</b>	<b>0</b>	<b>0</b>	<b>4,222</b>

Category	Service	Project	Previous	2022-23	2023-24	2024-25	2025-26	2026-27	Total
			Years £000's	£000s	£000s	£000s	£000s	£000s	£000s
Asset Sustainability	Live Argyll	Aqualibrium	0	95	220	80	0	0	395
		Campbeltown Museum - Burnet Bldg	0	40	0	0	0	0	40
		Capital Property Works	0	602	0	-5	0	0	597
		Inveraray CARS	0	21	0	0	0	0	21
		Kintyre Community Education Centre - Lift Shaft Refurbishment	0	38	0	0	0	0	38
		Lochgilphead Library Relocation	0	0	0	0	0	0	0
		Riverside Leisure Centre - Cladding Upgrade	0	46	0	0	0	0	46
		Riverside Leisure Centre - Spa Pool Upgrade	0	80	60	0	0	0	140
		Rothesay Swimming Pool	0	0	40	0	0	0	40
		The Moat Centre - Gym Store	0	-2	0	50	0	0	48
		Victoria Halls, Helensburgh	0	40	0	0	0	40	
<b>Asset Sustainability Total</b>			<b>0</b>	<b>1,200</b>	<b>458</b>	<b>428</b>	<b>0</b>	<b>0</b>	<b>2,086</b>
<b>Service Development</b>	<b>Live Argyll</b>	Riverside Leisure Centre Refurbishment	1,245	-13	0	0	0	0	1,232
<b>Service Development Total</b>			<b>1,245</b>	<b>-13</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,232</b>
<b>Strategic Change</b>	<b>Live Argyll</b>	Carbon Management	29	21	0	0	0	0	50
<b>Strategic Change Total</b>			<b>29</b>	<b>21</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50</b>
<b>Overall Total</b>			<b>1,274</b>	<b>1,208</b>	<b>458</b>	<b>428</b>	<b>0</b>	<b>0</b>	<b>3,368</b>

**TREASURY MANAGEMENT MONITORING REPORT – 31 AUGUST 2022**

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**1. EXECUTIVE SUMMARY**

- 1.1. This report sets out the Council's treasury management position for the period 1 July 2022 to 31 August 2022 and includes information on:
  - Overall borrowing position
  - Borrowing activity
  - Investment activity
  - Economic background
  - Interest rate forecast
  - Prudential Indicators
- 1.2. Estimated borrowing is below the Capital Financing Requirement for the period to 31 August 2022, at this stage in the financial year capital expenditure is below target. Due to delays caused by the COVID-19 pandemic capital expenditure has been relatively low over the last twelve months however there is an expectation this will increase back up again over 2022-23 which will continue to be monitored closely.
- 1.3. The net movement in external borrowing in the period 1 July 2022 to 31 August 2022 was a decrease of £3.496m.
- 1.4. The levels of investments were £117.4m at 31 August 2022. The rate of return achieved was 1.802% which compares favourably with the target SONIA rate which was 1.641%.
- 1.5. The Council has significant cash balances which are invested in accordance with its Annual Treasury Management Strategy on the basis of security first, liquidity second and then return. The high cash levels are largely due to significant COVID-19 funding received from the Scottish Government at the end of 2020-21 and in to 2021-22 which the Council has committed for specific COVID-19 purposes in addition to slippage within the capital programme resulting in a slower rate of spend.

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**TREASURY MANAGEMENT MONITORING REPORT – 31 AUGUST 2022**


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**2. INTRODUCTION**

2.1. This report sets out the Council's treasury management position for the period 1 July 2022 to 31 August 2022 and includes information on:

- Overall borrowing position
- Borrowing activity
- Investment activity
- Economic background
- Interest rate forecast
- Prudential Indicators

**3. DETAIL****Overall Borrowing Position**

3.1. The table below details the estimated capital financing requirement (CFR) and compares this with the estimated level of external debt at 31 March 2022. The CFR represents the underlying need for the Council to borrow to fund its fixed assets and accumulated capital expenditure.

	<b>Forecast 2022/23 £000</b>	<b>Forecast 2023/24 £000</b>	<b>Forecast 2024/25 £000</b>
CFR at 1 April	309,092	333,276	348,569
Net Capital Expenditure	34,352	26,680	28,232
Less Loans Fund Principal Repayments	(5,353)	(5,507)	(5,788)
Less: NPDO Repayment	(4,815)	(5,880)	(6,038)
<b>Estimated CFR 31 March</b>	<b>333,276</b>	<b>348,569</b>	<b>364,975</b>
Less Funded by NPDO	(116,681)	(117,064)	(112,184)
<b>Estimated Net CFR 31 March</b>	<b>216,595</b>	<b>231,505</b>	<b>252,791</b>
Estimated External Borrowing at 31 March	212,431	236,654	256,650
<b>Gap</b>	<b>4,164</b>	<b>(5,149)</b>	<b>(3,859)</b>

- 3.2. Borrowing is below the Capital Financing Requirement for the period to 31 August 2022. Whilst borrowing rates are still comparatively low the Council has significant cash balances which reduces the need to borrow in the short term.
- 3.3. The Council's Treasury Management Strategy states that any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates.
- 3.4. The Council's estimated net capital financing requirement at 31 August 2022 is £216.6m. The table below shows how this has been financed. £163.6m is funded by loans and there are substantial internal balances of £170.4m of which £117.4m are currently invested, as detailed in section 3.7, leaving a net internal balance of £53m.

	Position at 30/06/22	Position at 31/08/22
	£000	£000
Loans	167,072	163,576
Net Internal Balances	5,357	53,019
<b>Total CFR</b>	<b>172,429</b>	<b>216,595</b>

- 3.5. During the period from 1 July to 31 August 2022, £3.531m of loans were repaid and £0.035m of new borrowing was taken. The analysis of the movement in borrowing is shown in the table below:

	Actual £000
External Loans Repaid 1st July 2022 to 31st August 2022	(3,531)
Borrowing undertaken 1st July 2022 to 31st August 2022	35
<b>Net Movement in External Borrowing</b>	<b>(3,496)</b>

- 3.6. The table below summarises the movement in the level and rate of temporary borrowing at the start and end of the period.

	£000	% Rate
Temp borrowing at 30th June 2022	518	0.55%
Temp borrowing at 31st August 2022	521	0.55%

## Investment Activity

3.8 The average rate of return achieved in the Council's investments to 31 August 2022 was 1.802% compared to the SONIA (Sterling Overnight Index Average) rate for the same period of 1.641% which demonstrates that the Council continues to achieve a reasonable rate of return on its cash investments. At 30 June 2022 the Council had £117.4m of short term investments at an average rate of 1.802%. The table below details the counterparties that the investments were placed with, the maturity date, the interest rate and the credit rating applicable for each counterparty.

Counterparty	Maturity	Amount £000	Interest Rate	Rating S&P
Clydesdale Bank	Instant Access	370	1.65%	Short Term A-2, Long Term A-
Clydesdale Bank	20/09/2022	5,000	1.60%	Short Term A-2, Long Term A-
Toronto Dominion Bank	13/10/2022	5,000	0.50%	Short Term A-1+, Long Term AA-
Close Bros	31/01/2023	2,500	2.00%	Short Term A-1, Long Term A+
AL Ryan Bank	07/12/2022	5,000	1.70%	Short Term A-1, Long Term A+
National Bank of Kuwait	11/04/2023	7,500	2.08%	Short Term A-1, Long Term A
National Bank of Kuwait	17/11/2022	5,000	1.70%	Short Term A-1, Long Term A
Qatar National Bank	21/10/2022	5,000	1.49%	Short Term A-1, Long Term A
Qatar National Bank	13/12/2022	5,000	1.94%	Short Term A-1, Long Term A
Qatar National Bank	10/11/2022	5,000	1.67%	Short Term A-1, Long Term A
AL Ryan Bank	07/12/2022	5,000	1.70%	Short Term A-1, Long Term A+
FADB	10/08/2022	5,000	0.24%	Short Term A-1+, Long Term AA-
FADB	20/01/2023	5,000	1.00%	Short Term A-1+, Long Term AA-
FADB	10/05/2023	5,000	2.11%	Short Term A-1+, Long Term AA-
ANZ	23/02/2023	5,000	3.01%	Short Term A-1+, Long Term AA-
Rotherham Metropolitan Borough Council	10/10/2022	7,500	0.90%	AA
Cheshire West & Chester Council	12/01/2023	2,500	0.90%	AA
Cambridgeshire County Council	22/07/2024	5,000	1.00%	AA
Slough Borough Council	26/05/2023	5,000	2.10%	AA
Slough Borough Council	29/06/2023	5,000	2.10%	AA
Thurrock Borough Council	31/07/2023	5,000	3.00%	AA
MMF- Federated	Call	12,000	1.73%	AAA
MMF - Insight	Call	5,000	1.69%	AAA
<b>Total</b>		<b>117,370</b>		



- 3.9 All investments and deposits are in accordance with the Council's approved list of counterparties and within the limits and parameters defined in the Treasury Management Practices. The counterparty list is constructed based on assessments by leading credit reference agencies adjusted for additional market information available in respect of counterparties.
- 3.10 The Council has significant cash balances which are invested in accordance with its Annual Treasury Management Strategy. This is largely due to significant COVID-19 funding received from the Scottish Government at the end of 2020-21 and in to 2021-22 which the Council has committed for specific COVID-19 purposes. These cash balances are in excess of what is required for normal operating purposes but the economic environment for investments has improved over the last few months with an increase in interest rates, making investing these monies easier than in previous years.

### **Economic and Interest Rate Forecasts**

- 3.11 The latest economic background is shown in Appendix 1 with the interest rate forecast in Appendix 2.

### **Prudential Indicators**

- 3.12 The prudential indicators for 2022-23 are attached in Appendix 3.

## **4. CONCLUSION**

- 4.1 In the period from 1 July 2022 to 31 August 2022, the Council's borrowing decreased by £3.496m, it is currently below the Capital Financing Requirement. There are substantial internal balances, of which £117.4m is currently invested. The investment returns were 1.802% which is above the SONIA target of 1.641%.

## **5. IMPLICATIONS**

- |       |  |   |
|-------|--|---|
| 5.1   | Policy –                                 | None.                                   |
| 5.2   | Financial –                              | Complies with Annual Treasury Strategy. |
| 5.3   | Legal –                                  | None.                                   |
| 5.4   | HR –                                     | None.                                   |
| 5.5   | Fairer Duty Scotland –                   | None.                                   |
| 5.5.1 | Equalities – protected characteristics – | None.                                   |
| 5.5.2 | Socio-economic Duty –                    | None.                                   |
| 5.5.3 | Islands –                                | None.                                   |
| 5.6   | Climate Change –                         | None.                                   |
| 5.7   | Risk –                                   | None.                                   |
| 5.8   | Customer Service –                       | None.                                   |

**Kirsty Flanagan**  
**Section 95 Officer**  
**12 September 2022**

**Policy Lead for Finance and Commercial Services - Councillor Gary Mulvaney**

Appendix 1 – Economic Background  
Appendix 2 – Interest Rate Forecast  
Appendix 3 – Prudential Indicators

For further information contact Anne Blue, Head of Financial Services  
[anne.blue@argyll-bute.gov.uk](mailto:anne.blue@argyll-bute.gov.uk)

**Appendix 1 – Economics Update** (at 06-07-22) Latest update not yet received from Link Group therefore some information may be out of date and will be updated in the next reporting period.

*This section has been provided by Link Group and therefore includes their views and opinions of future trends and events.*

- The second quarter of 2022 saw:
- GDP fall by 0.1% m/m in March and by 0.3% m/m in April;
- An easing rather than a collapse in the composite Purchasing Managers Index (PMI);
- A further rise in Consumer Price Index (CPI) inflation to a new 40-year high of 9.1% in May;
- The first signs that the weakening in economic activity is filtering into a slightly looser labour market;
- Bank Rate rise to 1.25%, taking it to its highest level since the Global Financial Crisis;
- Gilt yields caught up in the global surge in bond yields triggered by May's strong rise in US inflation;
- Rising global bond yields and concerns over growth drive a global sell-off in equity markets.
- Following the 0.1% m/m fall in GDP in March and the 0.3% m/m contraction in April, the economy is now moving towards a recession (two quarters of falling output in a row). Indeed, GDP would need to rise by 0.4-0.5% m/m in both May and June to prevent the economy from contracting in Q2 as a whole. That said, without the joint wind down of the COVID-19 Test and Trace and vaccination programme, GDP would have risen by 0.2% m/m and 0.1% m/m in March and April respectively. That's hardly strong, but it suggests the underlying momentum is not quite as weak as the headline figures imply.
- There is not much evidence that higher inflation and higher interest rates have yet become a big drag on activity. Services output did fall by 0.3% m/m in April. But output in consumer-facing services, conversely, rose by a solid 2.3% m/m in April. And although the Office for National Statistics (ONS) said that some of the 1.0% m/m fall in manufacturing output was linked to the drag on activity from higher prices, it also said that some of the 0.4% m/m drop in construction output in April was a drop back after the boost in the wake of February's Storm Eunice.
- The fact that the composite PMI didn't fall in June also suggests that in Q2 (Apr – June) real GDP has softened rather than collapsed. The S&P Global/CIPS all-sector PMI for June was unchanged from its level of 53.1 in May, signalling tepid but positive growth. According to the Lloyd's barometer, business confidence in May also remained remarkably resilient.
- Despite the fall in the GfK composite measure of consumer confidence to a new record low of -41 in June, April's £1.4bn rise in consumer credit suggests households appear to have turned to credit to support their spending as the cost-of-living squeeze has intensified. Meanwhile, the household saving rate held steady at 6.8% in Q1 in line with its long-term average and we expect households to lower their saving rate further when the bigger falls in real incomes come in Q2 and Q3 to cushion the blow to spending.
- The Chancellor's latest fiscal support of £10.3bn (0.5% of GDP), which comprised £15.3bn of handouts to households, partly funded by a £5bn tax on the profits of oil and gas producers, will help support GDP in the second half of the year. And with the Prime Minister and the Chancellor desperately needing to boost their popularity, some tax cuts may be announced in the Autumn Budget.

- There has been early signs that the recent weakening in economic activity is filtering through into a slightly looser labour market. The unemployment rate edged up from 3.7% in the three months to March to 3.8%. The single-month data showed that employment fell by 254,000 in April and the unemployment rate rose from 3.5% to 4.2%. And the upward march in the number of job vacancies slowed, with the three-month average only rising from 1.296m in April to 1.300m in May. A seasonal adjustment of the single-month data implies that vacancies fell in May for the first time since COVID-19 was rife in December.
- At the same time, a 1.8% m/m fall back in average earnings in April meant that the 3myy rate of earnings eased from 7.0% in March to 6.8% in April. And a lot of the 0.5% m/m rise in earnings excluding bonuses was probably due to the 6.6% rise in the National Living Wage on 1<sup>st</sup> April. The 3myy rate of earnings excluding bonuses stayed at 4.2%.
- That said, conditions in the labour market remain exceptionally tight. The unemployment rate is still close to its recent 47-year low, and there is the same number of unemployed people as job vacancies and at 6.8% in April, the 3myy rate of average earnings is at a 10-year high (although it is still falling in real terms) and is well above the 3.0-3.5% that is broadly consistent with the 2.0% inflation target (assuming that productivity growth is 1.0-1.5%).
- CPI inflation rose from 9.0% in April to a new 40-year high of 9.1% in May and it is not yet close to its peak. The increase in CPI inflation in May was mainly due to a further leap in food price inflation from 6.7% to a 13-year high of 8.5%. With the influence of increases in agricultural commodity prices yet to fully feed into prices on the supermarket shelves, we think that food price inflation will rise above 10% in September. And with two-thirds of the observation period for the Ofgem price cap having now passed, something like a 40% rise in utility prices is pretty much baked in the cake for October. The further rise in core producer price inflation, from 13.9% to 14.8%, suggests that core goods CPI inflation will probably rise to 14% before long. We think that will take CPI inflation to a peak of around 10.5% in October.
- The rise in services CPI inflation from 4.7% in April to 4.9% in May suggests that domestic price pressures are still strengthening.
- There now seems to be an even greater likelihood that second-round effects, whereby high inflation feeds back into higher price and wage expectations, keep inflation higher for longer. For some time, the Monetary Policy Committee (MPC) has placed a lot of weight on the results of the Bank of England's monthly Decision Maker Panel which asks businesses how they expect to change their prices and wages over the next year. May's survey revealed that businesses still expect to raise their selling prices by 6.0% and their wages by 4.8% over the next year. Meanwhile, XpertHR said that pay settlements across the economy stayed at a 30-year high of 4.0% in May. The government appears to be contemplating raising public sector pay by up to 5%. And the 7.1% pay rise granted to some railway workers sets a high bar for the negotiations that led to train strikes across large parts of the country in mid-June.
- The MPC has now increased interest rates five times in as many meetings and raised rates to their highest level since the Global Financial Crisis. Even so, coming after the Fed raised rates by 75 basis points (bps) in June and a handful of other central banks have recently raised rates by 50bps, the Bank of England's action is relatively dovish. The MPC's decision not to follow the Fed and raise rates by more makes some sense. The UK's status as a larger importer of commodities, which have jumped in price, means that households in the UK are now facing a much larger squeeze on their real incomes.
- But the MPC's new guidance is that if there are signs of "more persistent inflationary pressures" it will, "if necessary act forcefully in response". We expect the MPC to continue to

raise rates in steps of 25bps rather than 50bps. We think the MPC will raise rates from 1.25% now to a peak of 2.75% next year. That's higher than the peak of 2.00% forecast by economists, but lower than the peak priced into the financial markets.

- Gilt yields have been caught up in the global surge in bond yields triggered by the surprisingly strong rise in CPI inflation in the US in May. The rises in two-year gilt yields (to a peak of 2.37% on 21<sup>st</sup> June) and 10-year yields (to a peak of 2.62%) took them to their highest level since 2008 and 2014 respectively. And in response to signs that central banks (particularly the US Fed) are going to raise interest rates faster to get on top of inflation, we now think that 10-year gilt yields will reach a peak of 2.70% (up from 2.39% currently) this year and into 2023.
- While the S&P 500 is 8.4% below its level a month ago, the FTSE 100 is 5.7% below it. Part of the sell-off has been driven by the rapid rise in global bond yields and the resulting downward pressure on equity valuations as well as concerns over economic growth.
- Finally, the pound has already weakened from \$1.37 and €1.21 earlier this year to \$1.21 and €1.16. A lot of these moves have been driven by concerns over the outlook for the global economy and the resulting poor performance of risky assets, which has increased the demand for the dollar relative to sterling. If interest rates rise faster and further in the US than in the UK, rate differentials and a worsening in risk appetite will push the pound even lower, from \$1.21 now to \$1.18 by the end of 2022. We don't expect the pound to fall by as much against the euro (from €1.16 to €1.14 next year). But once global inflation and global interest rates peak, the pound will probably benefit from the return of risk appetite. It may rise to \$1.25 by the end of 2023 and to \$1.30 by the end of 2024.

### **MPC meetings 5<sup>th</sup> May and 16<sup>th</sup> June 2022**

- After the Bank of England became the first major western central bank to put interest rates up in this upswing in December, it has quickly followed up its first 0.15% rise by a further four 0.25% rises to 1.25%, in what is very likely to be a series of increases repeated throughout the rest of 2022 and into 2023.
- In May, the MPC voted 6-3 vote in favour of a 0.25% increase, but not only was this the first time in its 25-year history that the MPC had raised rates at four meetings in a row but also three members (Haskel, Mann and Saunders) wanted a 0.5% hike (up from none in March). However, GDP growth was forecast to drop to -0.25% in 2023 (+1.25% previously) and only +0.25% in 2024 (+1.00% previously). Anyone for a recession?
- Nonetheless, over Q2, it is clear central banks in the developed economies have placed the dampening down of inflation pressures front and centre of their primary objectives, even if it comes at the cost of sluggish growth or, indeed, recession (mild ideally but it is very difficult to micro-manage economic performance). The Monetary Policy Committee (MPC) is in step with this approach although, arguably, the UK economy is dragging its feet to a greater extent than that seen in the US.
- What are the key factors for consideration? First, the CPI measure of inflation is already at 9.1%, and the Bank of England anticipates it will peak near to 11% just before Christmas. With the cost-of-living squeeze in full swing by that juncture, and unemployment likely to be ticking upwards, we judge that the Bank will pause following its March 2023 meeting and judge it has done enough so long as inflation starts to fall, albeit at a slow pace. To that extent, we can envisage the MPC waiting a full year before loosening the reins and starting to cut Bank Rate in spring 2024. However, given the number of geopolitical factors that could push this forecast off track, we would caution against taking a strong view on how interest rate

movements evolve and instead focus on optimising balance sheet management and the risk management of investment and debt portfolios.

- Regarding gilt yields, all developed economies have seen a considerable uplift in government bond yields across the whole curve since the start of 2022 and, in many ways, gilts have simply played catch-up of late. To that end, we have revised our PWLB forecasts upward and you will even see we have a 3.7% PWLB rate projected for the 25-year part of the curve in both 2022 and 2023. However, as headline inflation falls back, we project a slow reduction in gilt yields as investors acknowledge that price pressures are gradually coming under control.
- At the 16<sup>th</sup> June MPC meeting, part of the reason for the Committee only seeing a 0.25% hike as necessary is the prevailing weak economic data. The vote was again 6-3 (the same as in May) but the words were more hawkish with the Bank strengthening its forward guidance. It deleted the previous phrase that “some degree of further tightening...may still be appropriate” and replaced it with “the scale, pace and timing of any further increases in Bank Rate will reflect the Committee’s assessment of the economic outlook and inflationary pressures” and that “the Committee will be particularly alert to indications of more persistent inflationary pressures, and will, if necessary, act forcefully in response.”
- Whereas in May two members objected to the guidance that rates will rise further, it appears that all members are behind this new, stronger guidance. However, the growing evidence that firms’ price and wage expectations have become dislodged from the 2.0% target suggest that the Bank is between a rock and a hard place in navigating the appropriate monetary policy response. As always, the economic data will be key to anticipating whether our assumptions remain sound.

## Appendix 2 – Interest Rate Forecast

The Council has appointed Link Group as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1<sup>st</sup> November 2012.

The latest forecast on 21<sup>st</sup> June is compared below to the previous forecast (10<sup>th</sup> May). A comparison of these forecasts shows that PWLB rates have increased generally and show a speed up in the rate of increase in Bank Rate as inflation is now posing a greater risk. The increase in PWLB rates reflects a broad sell-off in sovereign bonds internationally as inflation concerns abound. To that end, the MPC has tightened short-term interest rates with a view to trying to slow the economy sufficiently to keep the secondary effects of inflation – as measured by wage rises – under control, but without pushing the economy into recession.

Our current and previous PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1<sup>st</sup> November 2012.

Link Group Interest Rate View 21.06.22												
	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
<b>BANK RATE</b>	1.75	2.25	2.75	2.75	2.75	2.75	2.50	2.50	2.25	2.25	2.25	2.25
3 month ave earnings	2.00	2.50	2.80	2.80	2.80	2.80	2.60	2.50	2.30	2.30	2.20	2.20
6 month ave earnings	2.50	2.80	3.00	3.00	2.90	2.90	2.80	2.70	2.60	2.50	2.40	2.30
12 month ave earnings	3.10	3.20	3.20	3.20	3.00	2.90	2.80	2.60	2.50	2.40	2.40	2.40
5 yr PWLB	3.20	3.30	3.30	3.30	3.30	3.20	3.10	3.00	3.00	3.00	2.90	2.90
10 yr PWLB	3.40	3.50	3.50	3.50	3.50	3.40	3.30	3.20	3.20	3.20	3.10	3.10
25 yr PWLB	3.70	3.70	3.70	3.70	3.70	3.70	3.60	3.50	3.50	3.40	3.40	3.30
50 yr PWLB	3.40	3.40	3.50	3.50	3.40	3.40	3.30	3.20	3.20	3.10	3.10	3.00

Link Group Interest Rate View 10.5.22													
	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
<b>BANK RATE</b>	1.25	1.50	1.75	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75
3 month ave earnings	1.20	1.50	1.70	2.00	2.00	2.00	2.00	2.00	1.70	1.70	1.70	1.70	1.70
6 month ave earnings	1.60	1.90	2.10	2.20	2.20	2.20	2.20	2.10	2.00	1.90	1.90	1.90	1.90
12 month ave earnings	2.00	2.20	2.30	2.40	2.40	2.30	2.30	2.20	2.20	2.10	2.10	2.10	2.10
5 yr PWLB	2.50	2.50	2.60	2.60	2.60	2.60	2.60	2.60	2.50	2.50	2.50	2.50	2.50
10 yr PWLB	2.80	2.80	2.90	2.90	2.90	2.90	2.90	2.90	2.80	2.80	2.80	2.80	2.80
25 yr PWLB	3.00	3.10	3.10	3.20	3.20	3.20	3.10	3.10	3.00	3.00	3.00	3.00	3.00
50 yr PWLB	2.70	2.80	2.80	2.90	2.90	2.90	2.80	2.80	2.70	2.70	2.70	2.70	2.70

- LIBOR and LIBID rates ceased for new contracts at the end of 2021. In a continuation of our previous forecasts, our money market yield forecasts are based on expected average earnings by local authorities for 3 to 12 months.
- Our forecasts for average earnings are averages i.e., rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short-term cash at any one point in time.

### A SUMMARY OVERVIEW OF THE FUTURE PATH OF BANK RATE

- Our central forecast for interest rates was last updated on 21<sup>st</sup> June and reflected a view that the MPC will be keen to further demonstrate its anti-inflation credentials by delivering a 0.25% increase in Bank Rate in August, September, November, December, February and March i.e., the next six MPC meetings.

- The CPI measure of inflation is now forecast to rise to close to 11% in Q4 2022 and the MPC will be keen to stifle the prospect of average earnings data (6.8% y/y currently including bonuses) providing further upside risk to inflationary factors that are primarily being driven by supply-side shortages.
- When Bank Rate reached 1% in May, the MPC indicated (no earlier than August) that it will also consider the extent to which it implements Quantitative Tightening (QT), primarily the selling of its gilt holdings. However, they are likely to take any such decision cautiously as they are already not refinancing maturing debt.
- Notwithstanding the MPC's clear desire to increase Bank Rate throughout 2022, negative real earnings, the 54% hike in the Ofgem energy price cap from April (to be followed by a potential 40%+ further increase from October), at the same time as employees (and employers) have incurred a 1.25% Health & Social Care Levy, growing commodity and food inflation plus council tax rises - all these factors will hit households' finances hard. However, lower income families will be hit disproportionately hard despite some limited assistance from the Chancellor to postpone the full impact of rising energy costs.
- Given the above outlook, it poses a question as to whether the MPC may shift into protecting economic growth if it flatlines or contracts through 2022. Accordingly, we remain tentative about whether the MPC will increase Bank Rate as far as the market is currently pricing in (3.25% in April 2023).
- In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies, but the on-going conflict between Russia and Ukraine, including the manner in which the West and NATO respond through sanctions and/or military intervention. Currently, oil, gas, wheat and other mainstream commodities have risen significantly in price and central banks will have to balance whether they prioritise economic growth or try to counter supply-side shock induced inflation.
- On the positive side, consumers are estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above increases. However, most of those are held by more affluent people whereas lower income families already spend nearly all their income before these increases hit and have few financial reserves.

## **PWLB RATES**

- The yield curve has steepened considerably through the quarter and PWLB 5 to 50 years Certainty Rates are, generally, in the range of 2.75% to 3.75%.
- We view the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the poor inflation outlook (although we thought that in May and markets went much further than expected in respect of the gilt market sell-off).
- It is difficult to say currently what effect the Bank of England starting to sell gilts will have on gilt yields now that Bank Rate has gone to above 1%. Nothing will be decided before August, however, but the Bank is likely to act cautiously as it has already started on not refinancing maturing debt. A pure roll-off of the peak £875bn gilt portfolio by not refinancing bonds as they mature, would see holdings fall to about £415bn by 2031, which would be about equal to the Bank's pre-pandemic holding.
- Increases in US treasury yields over the next few months could add further upside pressure on gilt yields as they have done since the turn of the year.



### Appendix 3 – Prudential Indicators

PRUDENTIAL INDICATOR	2022-23	2022-23	2023-24	2024-25
<b>(1). EXTRACT FROM BUDGET</b>				
	<b>Forecast Outturn £'000</b>	<b>Original Estimate £'000</b>	<b>Forecast Outturn £'000</b>	<b>Forecast Outturn £'000</b>
<b>Capital Expenditure</b>				
Non - HRA	34,352	51,699	26,680	28,232
<b>TOTAL</b>	<b>34,352</b>	<b>51,699</b>	<b>26,680</b>	<b>28,232</b>
<b>Ratio of financing costs to net revenue stream</b>				
Non - HRA	2.70%	2.70%	4.56%	4.57%
<b>Net borrowing requirement</b>				
brought forward 1 April *	309,092	292,303	333,145	348,569
carried forward 31 March *	333,276	333,145	348,569	364,975
<b>in year borrowing requirement</b>	<b>24,184</b>	<b>40,842</b>	<b>15,424</b>	<b>16,406</b>
<b>In year Capital Financing Requirement</b>				
Non - HRA	24,184	40,842	15,424	16,406
<b>TOTAL</b>	<b>24,184</b>	<b>40,842</b>	<b>15,424</b>	<b>16,406</b>
<b>Capital Financing Requirement as at 31 March</b>				
Non - HRA	333,276	333,145	348,569	364,975
<b>TOTAL</b>	<b>333,276</b>	<b>333,145</b>	<b>348,569</b>	<b>364,975</b>

PRUDENTIAL INDICATOR	2022-23	2023-24	2024-25
(2). TREASURY MANAGEMENT PRUDENTIAL INDICATORS	£'M	£'M	£'M
<b>Authorised limit for external debt -</b>			
borrowing	228	252	272
other long term liabilities	120	121	116
<b>TOTAL</b>	<b>348</b>	<b>373</b>	<b>388</b>
<b>Operational boundary for external debt -</b>			
borrowing	223	247	267
other long term liabilities	117	118	113
<b>TOTAL</b>	<b>340</b>	<b>365</b>	<b>380</b>
<b>Upper limit for fixed interest rate exposure</b>			
Principal re fixed rate borrowing	190%	190%	190%
<b>Upper limit for variable rate exposure</b>			
Principal re variable rate borrowing	60%	60%	60%
<b>Upper limit for total principal sums invested for over 364 days</b> (per maturity date)	£20m	£20m	£20m

Maturity structure of new fixed rate borrowing during 2022/23	upper limit	lower limit
under 12 months	30%	0%
12 months and within 24 months	30%	0%
24 months and within 5 years	30%	0%
5 years and within 10 years	40%	0%
10 years and above	100%	0%

**RESERVES AND BALANCES – UPDATE AS AT 31 AUGUST 2022**

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**1 EXECUTIVE SUMMARY**

- 1.1 The main purpose of this report is to advise Members of the overall level of reserves held by the Council as well as providing detail on the monitoring of the earmarked balances held within the General Fund.
- 1.2 The Council has a total of £364.558m unusable reserves that are not backed with resources. They are required purely for accounting purposes.
- 1.3 At 31 March 2022 the Council had a total of £103.626m of usable reserves. Of this:
- £2.682m relates to the Repairs and Renewals Fund
  - £4.414m relates to Capital Funds
  - £96.530m was held in the General Fund, with £89.433m of this balance earmarked for specific purposes.
- 1.4 Of the earmarked balance of £89.433m:
- £46.510m is invested or committed for major initiatives/capital projects
  - £4.094m has already been drawn down
  - £32.402m is still to be drawn down in 2022-23
  - £6.427m is planned to be spent in future years

Appendix 1 provides further information on the unspent budget earmarkings and Appendix 2 provides further information on the COVID earmarkings.

- 1.5 The Council's General Fund contingency level is set at 2% of net expenditure for 2022-23 which equates to £5.256m. At the beginning of the financial year there was £1.841m of unallocated General Fund Balance (over and above contingency). At the Council meeting on 24 February 2022 it was agreed that the budgeted revenue surplus of £2.482m would be transferred into the general fund. After taking this into consideration and the current forecast outturn for 2022-23, the Council is estimated to have a £4.166m surplus over contingency.

**RESERVES AND BALANCES - UPDATE AS AT 31 AUGUST 2022****2. INTRODUCTION**

- 2.1 This report outlines current balances on the Council's reserves, both usable and unusable. It also provides detail on the monitoring of the earmarked balances within the General Fund.

**3. DETAIL****3.1 Types of Reserves**

- 3.1.1 **Usable Reserves** - Councils have powers to establish certain resource backed reserves which can be used to fund expenditure. The powers of councils to establish reserves are laid out in Schedule 3 of the Local Government (Scotland) Act 1975. These allow councils to establish a Renewal and Repairs Fund, Insurance Fund and Capital Fund. Councils can also establish a Useable Capital Receipts Reserve. The Council must also maintain a General Fund and can earmark balances for specific purposes within the General Fund.

- 3.1.2 **Unusable Reserves** – Councils are also required to establish certain reserves that are not backed by resources. They are required purely for accounting purposes and do not represent resources available for councils to utilise. The Pensions Reserve, Revaluation Reserve, Capital Adjustment Account, Financial Instruments Adjustment Account and Accumulated Absences Account are examples of unusable reserves.

**3.2 Reserve Balances at 31 March 2022**

- 3.2.1 The balances on each type of reserve at 31 March 2022 are set out in the two tables below, per the Unaudited Accounts for 2021-22.

<b>Unusable Reserves</b>	<b>£000</b>
Revaluation Reserve	145,903
Capital Adjustment Account	223,147
Financial Instruments Adjustment Account	(2,198)
Pensions Reserve	4,634
Accumulated Absences Account	(6,928)
<b>Total Unusable Reserves</b>	<b>364,558</b>

<b>Usable Reserves</b>	<b>£000</b>
Repairs and Renewals Fund	2,682
Capital Fund and Usable Capital Receipts Reserve	4,414
General Fund	96,530
<b>Total Usable Reserves</b>	<b>103,626</b>
<b>Total Reserves</b>	<b>468,184</b>

- 3.2.2 The Revaluation Reserve represents the unrealised gains in the valuation of fixed assets. The Capital Adjustment Account represents the difference between depreciation based on proper accounting practice and statutory charges for financing capital expenditure. The Financial Instruments Adjustment Account represents the difference between gains and losses on borrowing and statutory capital financing charges. The Pensions Reserve represents the difference between pension costs based on proper accounting practice and payments made for pension costs. The Accumulated Absences Account represents the costed difference between holiday pay entitlement and actual holidays taken at 31 March.
- 3.2.3 The Repairs and Renewals Fund was established to support funding of renewal and replacement of school equipment. Schools can only draw on the Repairs and Renewals Fund to the extent they have previously paid into the Fund and contributions must be contained within schools devolved budgets.
- 3.2.4 The Capital Fund was established to receive all capital receipts generated by the Council and can be used to support the capital plan or meet the principal repayments on loan charges. The Council decides as part of the budget process each year how it wishes to draw funding from the Capital Fund.
- 3.2.5 The Usable Capital Receipts Reserve relates to the accumulated unspent capital receipts from sale of council houses prior to transfer of the housing stock. The reserve forms part of the Council's Strategic Housing Fund and can only be used for investment in social housing. The reserve will be used in accordance with the approach to investing in housing agreed by the Council in August 2012.

### 3.3 General Fund

- 3.3.1 The General Fund balance at 31 March 2022 can be analysed as follows:

	<b>Balance 31/03/22 £000</b>
Balance on General Fund as at 31 March 2021	78,245
Increase to General Fund balance at end of 2021-22	18,285
Earmarked Balances	(89,433)
Contingency allowance at 2% of net expenditure	(5,256)
<b>Unallocated balance as at 31 March 2022</b>	<b>1,841</b>

- 3.3.2 The General Fund includes balances that the Council has agreed to earmark for specific purposes. Some of these earmarked balances will be spent during the current financial year and some of them will be held over and spent in later years. The table below shows the balance at 31 March 2022, the amounts that are currently invested or set aside for major initiatives, the amount already spent and planned to be spent in the current year, the amount to be spent in future years and any sums no longer required to be earmarked. Appendix 1 provides further details on the breakdown of unspent budget earmarkings.

Officers have reviewed and updated the spending profiles. Appendix 2 provides further details on the breakdown of COVID reserves.

Earmarking Category	Balance 31/03/2022 - per year end published report	Transfers between categories	Invested or committed for major initiatives /capital projects	Drawn-down to 2022-23 Budget as at 31/08/22	Still to be drawn-down in 2022-23	Planned Spend Future Years	Balance no Longer Required
	£000	£000	£000	£000	£000	£000	£000
Strategic Housing Fund	6,590		6,233	357			
Investment in Affordable Housing	3,300		3,300				
Capital Projects	24,722		24,722				
Lochgilphead and Tarbert Regeneration	2,271		2,271				
Support for Rural Growth Deal	1,058		1,058				
Asset Management Investment	2,607		2,607				
Piers and Harbours Investment Fund	1,643		1,643				
Scottish Government Initiatives	3,141				2,754	387	
CHORD	349				150	199	
DMR Schools	1,982			416	1,566		
Energy Efficiency Fund	218				218		
Existing Legal Commitments	475				475		
Unspent Grant	12,834		950	872	10,560	452	
Unspent Third Party Contribution	166			10	156		
Previous Council Decision - Other	4,343	-55	2,069	56	2,163	0	
Redundancy Provision	1,732				500	1,232	
Supporting Organisational Change	1,588			11	489	1,088	
Spend to Save Route Optimisation	100				100		
Timing Delay	499				499		
Hermitage Park	4				4		
COVID-19	9,407		257	1,737	7,354	59	
Unspent Budget	10,404	55	1,400	635	5,414	3,010	
<b>Totals</b>	<b>89,433</b>	<b>0</b>	<b>46,510</b>	<b>4,094</b>	<b>32,402</b>	<b>6,427</b>	<b>0</b>

### 3.4 Unallocated General Fund Balance

3.4.1 The Council's General Fund contingency is set at 2% of net expenditure for 2022-23 and amounts to £5.256m. At the beginning of the financial year there was £1.841m of unallocated General Fund Balance (over and above contingency). After taking into consideration the budgeted allocation to the General Fund agreed by Council on 24 February 22 and the current forecast

outturn position for 2022-23, the Council is forecast to have a £4.166m surplus over contingency.

Heading	Detail	£000
Unallocated General Fund as at 31 March 2022	This is the balance that is unallocated over and above the 2% contingency, which amounts to £5.256m	1,841
Budgeted allocation to General Fund for 2022-23 Budget	Per the Budget Motion at Council on 24 February 2022	2,482
Current Forecast Outturn for 2022-23 as at 31 August 2022		(157)
<b>Estimated Unallocated balance as at 31 March 2023</b>		<b>4,166</b>

3.4.2 Note that the unallocated balance of £4.166m does not take into account the 2022-23 pay award currently in the final stages of negotiation.

### 3.5 Loans Fund Review

3.5.1 At the Council meeting on 27 February 2020, it was agreed that the one-off re-profiling gain of £20.561m generated by the loans fund review should be used partly to create a provision for the increasing principal repayments over the next 10 years (£7.649m) with the remainder of the gain (£12.912m) used to fund the known liabilities/cost pressures. The table below shows what has been drawn down against the one-off gain and the remaining balance.

	Agreed Allocation	Transferred to Earmarked Reserves / 20-21 / 21-22 Budget	Transferred to Earmarked Reserves / 22-23 Budget	Balance Remaining
	£000	£000	£000	£000
Provision for the increasing principal repayments	7,649			7,649
Provision to Support Organisational Change	500	(500)		0
Estimated Cost of 2020-21 redundancies that are part of budget savings proposals	600	(600)		0
Future Redundancies Provision	1,500	(1,500)		0
Spend to Save Route Optimisation	100	(100)		0
Funding Gap in Capital Programme	2,619			2,619
Capital Programme Intolerable Red Risks	574	(574)		0
Campbeltown Flood Prevention Scheme	1,406			1,406
Significant Strategic Change Projects	5,013	(2,856)		2,157

2020-21 Revenue Budget Contribution	600	(600)		0
	<b>20,561</b>	<b>(6,730)</b>		<b>13,831</b>

#### 4. CONCLUSION

- 4.1 The report outlines the overall reserves and balances for the Council covering the purpose and level of each reserve. It also provides detail as to expenditure against earmarked balances held within the General Fund.
- 4.2 As at 31 August 2022 the estimated unallocated General Fund, after taking into consideration the budget motion and forecast outturn for 2022-23 is £4.166m.

#### 5. IMPLICATIONS

- 5.1 Policy - Earmarked funds and funds set aside for delivery of Single Outcome Agreement are available to support Council Policy.
- 5.2 Financial - Outlines the balances held with the Council's usable and unusable reserves.
- 5.3 Legal - None.
- 5.4 HR - None.
- 5.5 Fairer Scotland Duty- None.
- 5.5.1 Equalities – protected characteristics - None.
- 5.5.2 Socio-economic Duty - None.
- 5.5.3 Islands - None.
- 5.6 Climate Change - None.
- 5.7 Risk - A contingency of £5.256m (equivalent to 2% of net expenditure) has been set aside as part of the general fund. This has been subject to a risk assessment.
- 5.8 Customer Service - None.

**Kirsty Flanagan**  
**Section 95 Officer**  
**9 September 2022**

**Policy Lead for Finance and Commercial Services - Councillor Gary Mulvaney**

#### APPENDICES

- Appendix 1 – Earmarked Reserves breakdown of unspent budget  
Appendix 2 – Earmarked Reserves breakdown of COVID earmarkings

For further information contact Anne Blue, Head of Financial Services  
anne.blue@argyll-bute.gov.uk



APPENDIX 1

Earmarked Reserves - Unspent Budget  
As at 31 August 2022

Ref	Department	Service	Description	Opening Balance	Budget Drawdown	New earmarking during 22-23	Remaining Balance	Still to be drawn down in 22-23	Planned to spend in future years	Plans for Use	Amount Planned to be Spent in 2022-23	Amount Planned to be Spent in 2023-24	Amount Planned to be Spent from 2023-24 onwards
001	Chief Executive's Unit	Community Planning	Communities and Partnership Team	8,855	8,004		851	851	0	The funds have originated from externally sourced income due to an employee being seconded to the Scottish Community Development Centre (SCDC). The funds will be used to support the team in relation to meeting its priorities of Building Back Better (Communities), Climate Change and the review of the Argyll and Bute Outcome Improvement Plan.	8,855	0	0
002	Chief Executive's Unit	Community Planning	Gaelic Development	8,235			8,235	8,235	0	To fund Gaelic specific work and project work of the Community Planning Partnership including the development of the new 10 year Outcome Improvement Plan	8,235	0	0
003	Chief Executive's Unit	Financial Services	Financial Systems	114,000	80,252		33,748	33,748	0	To fund the completion of the implementation of the Oracle Fusion Financial Management System, a software update for cash receipting to ensure card payments can still be taken and the procurement and implementation of a new system to manage the requirements of the IFRS16 Leases accounting standard.	114,000	0	0
004	Chief Executive's Unit	Financial Services	Accounting and Budgeting Team Resilience	95,000	64,336		30,664	11,664	19,000	To fund the implementation of a new staffing structure in 2022/23 as agreed at ELT on 12 April 2022. This will provide funding to cover the additional staffing costs in 2022/23 and the training costs over the period 2022/23 to 2026/27	76,000	5,000	14,000
005	Chief Executive's Unit	Financial Services	CIPFA	32,530			32,530	32,530	0	CIPFA Training - To fund the professional training costs for staff undertaking the CIPFA professional accountancy qualification.	32,530	0	0
006	Chief Executive's Unit	Financial Services	Scottish Government Funding - Welfare Reform/Discretionary Housing Payments (agreed at Council February 2014)	18,595			18,595	0	18,595	The Council was allocated additional funding of £550k from the Scottish Government late in 2013-14. This money was allocated to support the Community Learning and Development Team to provide courses to support Universal Credit claimants 2019/2020 to support the recruitment of casual tutors and the purchase and upgrade of laptops. The monies were not utilised however it will now be required to top up the Scottish Welfare Fund and DHP monies for 2022/23 as it is likely that given the current cost of living crisis that more people will be in need of support through these funds	0	18,595	0
007	Executive Director (Douglas Hendry)	Across Services / Education	Digital Projects (Supply Staff Booking System)	35,000			35,000	35,000	0	To deliver a number of Digital Service Transformation Projects, specifically in Education and Customer Support Services, but also to reserve a further amount to support priority digital transformation projects identified in Departmental ICT programmes, that have not yet started due to resource constraints. The specific projects include: Supply Staff Booking System £0.035m, Skype for Business (for Education) £0.030m, Enhancing Curriculum Choice and Equity of Provision £0.080m, Digital Customer Engagement Developments £0.073m, Replacement of Learning Management System £0.030m, Increase in Schools Bandwidth £0.063m and a general provision still to be allocated £0.189m	35,000	0	0
008	Executive Director (Douglas Hendry)	Commercial Services	Rothesay Pavilion Charity	750,000			750,000	375,000	375,000	Agreed at Council meeting February 2020, £750k additional revenue support subject to conditions which seek to minimise the risk to the Council as far as is reasonably practicable including requirement for adequate business and financial management and regular reporting by RPC.	375,000	375,000	0
009	Executive Director (Douglas Hendry)	Commercial Services	Demolition of former Lochgilphead Primary and Rothesay Secondary School	320,000			320,000	320,000	0	To fund the demolition of the former Lochgilphead Primary School and former Rothesay Academy (subject to the removal of the listing).	320,000	0	0
010	Executive Director (Douglas Hendry)	Commercial Services	Rothesay Pavilion Essential repairs	306,400			306,400	306,400	0	Essential repairs to deal with potential health and safety risks and to avoid further deterioration. Budget provision was approved by the Policy and Resources Committee on 21 August 2014.	306,400	0	0
011	Executive Director (Douglas Hendry)	Commercial Services	Estates - NDR Revaluation Appeals	84,688			84,688	84,688	0	The Council agreed to make provision to meet the cost of appealing Non Domestic Rates (NDR) revaluations which will be imposed from 1st April 2017. It was agreed that £150,000 be earmarked from the favourable 2016-17 outturn position to fund these appeals. The balance of £84,688 is still required as NDR valuation appeals have been lodged but have not been heard yet. We will not know the level of savings, and in turn the corresponding charge to us, until the appeals are concluded which should be later on this year. Ryden are awaiting outcome of further citations which will incur fees.	84,688	0	0
012	Executive Director (Douglas Hendry)	Commercial Services	Site Investigation Works	21,013			21,013	21,013	0	For Site Investigation works in relation to Tweeddale Street Car Park, Oban and Oban Airport Business Park to explore commercial opportunities to develop the sites and gain revenue income for Argyll and Bute Council. HUB North were instructed to procure contractors to undertake the site investigations and work commenced in March 2020. This is still ongoing.	21,013	0	0
013	Executive Director (Douglas Hendry)	Commercial Services	Catering and Cleaning Restructure Costs	17,000	17,000		0	0	0	To support the catering and cleaning team restructure	17,000	0	0
014	Executive Director (Douglas Hendry)	Education	Education Transformation Fund	187,526	24,677		162,849	162,849	0	At the Council meeting on 27 February 2020, it was agreed to input £400k into Education Digital Learning. The additional funds have been spent in 20/21 and 21/22, as part of the ongoing transformation work in the Education service, focussing on digital and virtual learning technology and the development of learning clusters. This will continue into 2022/23.	187,526	0	0
015	Executive Director (Douglas Hendry)	Education	Education Learning Estate Condition Surveys	77,440			77,440	77,440	0	To fund the delivery of School Core Facts (SCF) compliant Condition Surveys for prioritised School Buildings.	77,440	0	0
016	Executive Director (Douglas Hendry)	Education	Skype for Business for Education / Digital Projects (Skype for Business)	10,000			10,000	10,000	0	To fund the initial capital costs for the implementation of Skype for Business for Education. This will bring the Education service in line with other council departments and will improve staff collaboration and modernise school telephony to deliver the service more efficiently and cost effectively. A balance has been released back to the general fund because the rollout project is almost complete with only £0.01m expected spend in 22/23.	10,000	0	0
017	Executive Director (Douglas Hendry)	Legal and Regulatory Services	Education Purchasing Officers	210,000			210,000	90,000	120,000	The earmarked funds will be used to fund an education purchasing team within the Procurement Service for two years. The team will embed good procurement practice, train headteachers on current procurement process requirements, develop spend plans that evidence best value.	90,000	120,000	0
018	Executive Director (Douglas Hendry)	Legal and Regulatory Services	NDR - One off contribution to 22/23 Budget	200,000	200,000		0	0	0	To fund one off operational saving CS04 agreed for the 2022/23 budget.	200,000	0	0
019	Executive Director (Douglas Hendry)	Legal and Regulatory Services	NPDO Schools Contract	166,000	166,000		0	0	0	To fund one off operational saving LRS01 agreed for the 2022/23 budget	166,000	0	0

Ref	Department	Service	Description	Opening Balance	Budget Drawdown	New earmarking during 22-23	Remaining Balance	Still to be drawn down in 22-23	Planned to spend in future years	Plans for Use	Amount Planned to be Spent in 2022-23	Amount Planned to be Spent in 2023-24	Amount Planned to be Spent from 2023-24 onwards
020	Executive Director (Douglas Hendry)	Legal and Regulatory Services	Transformation Agenda QIO	100,259	74,274		25,985	-4,015	30,000	Ongoing funding for the QIO post to lead the implementation of the service transformation programme. The QIO will assist the Executive Director to deliver the Council's transformation agenda by developing, analysing and monitoring initiatives and projects which deliver the vision, values and strategic objectives of the Council.	70,259	30,000	0
021	Executive Director (Douglas Hendry)	Legal and Regulatory Services	Digital Projects: Hybrid Council meetings	55,000			55,000	30,000	25,000	Per paper agreed at SMT October 2021 - allocation from Digital Projects (General Provision to be allocated). To fund the costs of livestreaming of Council meetings.	30,000	25,000	0
022	Executive Director (Douglas Hendry)	Legal and Regulatory Services	Councillor IT Equipment	65,000			65,000	65,000	0	To meet the cost of provision of IT equipment for all new Elected Members as a result of the Local Government Election in May 2022.	65,000	0	0
023	Executive Director (Douglas Hendry)	Legal and Regulatory Services	Debt Counselling & Welfare Rights	27,025			27,025	27,025	0	To meet the cost of a Debt Counselling and Welfare Rights Management System.	27,025	0	0
024	Executive Director (Douglas Hendry)	Legal and Regulatory Services	Community Safety Partnership	16,000			16,000	16,000	0	To earmark the Community Safety Partnership funding received for 2021/22 to be used for Community Safety Partnership purposes.	16,000	0	0
025	Executive Director (Kirsty Flanagan)	Customer Support Services	Microsoft 365	300,000			300,000	166,930	133,070	To be added to existing earmarked reserves to meet increasing MS365 licensing costs from 2022/23 onwards	166,930	133,070	0
026	Executive Director (Kirsty Flanagan)	Customer Support Services	Growing our Own and Modern Apprentices	109,150			109,150	109,150	0	Funding earmarked to support trainee development and modern apprenticeship opportunities based on priority workforce risk areas. These areas have been identified and proposals developed. £95,790 to be spent in 22/23 and £13,360 to be spent in 23/24 to fund a graduate trainee and 3 apprentices to deliver trainee development and modern apprenticeship opportunities	109,150	0	0
027	Executive Director (Kirsty Flanagan)	Customer Support Services	Security Operations Centre Subscription	76,455			76,455	0	76,455	There is a requirement to pay for a 3-year subscription at £60,000 per annum with a cost pressure being added to the ICT revenue budget to cover the costs from year 4 onwards. There is unallocated funding of £103,545 from the earmarking created at 2020/21 year end for 'Digital Projects', so the earmarking request for 2021/22 year end is the balance of £76,455		16,455	60,000
028	Executive Director (Kirsty Flanagan)	Customer Support Services	Learning and Development	36,508			36,508	36,508	0	In order to maximise the opportunities and efficiencies of digital learning, this funding will be used to support the extension of digital learning in order to deliver the Digital Learning Strategy, which was approved in FQ4 20/21.	36,508	0	0
029	Executive Director (Kirsty Flanagan)	Customer Support Services	Implementation of Gaelic Language P	30,000			30,000	30,000	0	Agreed at Council Meeting February 2021. Provision of funding for delivery and implementation of the council's Gaelic Language Plan in recognition of the contribution that Gaelic makes to economic growth and to the tourism sector, and to enable delivery of key activities within the plan which currently receive no revenue funding.	30,000	0	0
030	Executive Director (Kirsty Flanagan)	Customer Support Services	Establishing HR Service Centre	30,000			30,000	18,000	12,000	To facilitate the implementation of technical efficiency improvements and new processes	18,000	12,000	0
031	Executive Director (Kirsty Flanagan)	Customer Support Services	Business Development Training	27,601			27,601	27,601	0	This budget is funding ongoing leadership development, coaching, action learning sets and commissioned training including Priority Management.	27,601	0	0
032	Executive Director (Kirsty Flanagan)	Development and Economic	Oban TIF (Tax Incremental Financing)	709,700			709,700	116,000	593,700	Will be used to fund the TIF Programme office for a further 3 years as well as the programme office for Rural Growth Deal beyond the funding that was agreed at Council for this in February 2021.	116,000	116,000	477,700
033	Executive Director (Kirsty Flanagan)	Development and Economic	Strategic Events & Festivals	115,764			115,764	115,764	0	At the Council meeting on 25 February 21, a decision was taken to agree £90k funding for Events and Festivals for 22-23, in order that the application process can commence during 21-22 and that this agreed figure be augmented by any underspend remaining from the 20-21 financial year. At 24 February 22, decision made to agree £90k for 23-24, in order that the application process can commence during 22-23 and that this agreed figure be augmented by any underspend remaining from the 21-22 financial year	115,764		0
034	Executive Director (Kirsty Flanagan)	Development and Economic	Island Post	50,461			50,461	50,461	0	To fund a temporary post at LGE11 to assist with the National Islands Plan Implementation Route Map 2020-2025	50,461	0	0
035	Executive Director (Kirsty Flanagan)	Development and Economic	Royal National Mod	40,000			40,000	20,000	20,000	One off funding allocation for the Royal National Mod agreed as part of the budget setting process for 2019-20. Grant contract issued. Proposed payment of £20k per annum starting 2020/21 (2023/24 final payment of £20k)	20,000	20,000	0
036	Executive Director (Kirsty Flanagan)	Roads & Infrastructure	Waste Variation Monies	1,492,997			1,492,997	640,000	852,997	This would be used to fund/part-fund various waste infrastructure projects that will support the council's compliance with the 2025 ban on the Landfill of Biodegradable Municipal Waste, including the development of landfill cell construction works at Gartbreck.	640,000	426,000	426,997
037	Executive Director (Kirsty Flanagan)	Roads & Infrastructure	Climate Change	500,000			500,000	500,000	0	At the Council meeting on 27 February 20, it was agreed to input £500k budget to mitigate the impacts of weather related damage and climate change with specific emphasis on gully cleaning and drainage improvements. Spend has been delayed due to COVID and the intention is to spend the funds on 2 Gully Motors plus staff over next 2 years. Vehicles are on order and expected to be delivered in early 2022-23.	500,000		0
038	Executive Director (Kirsty Flanagan)	Roads & Infrastructure	3G pitches / Tarbert Sports Pitches	427,286			427,286	89,373	337,913	In November 2018, the Council agreed to a maintenance funding package to be progressed for a number of 3G pitches including Tarbert. This funding will provide an estimated 6.5 years' worth of ongoing maintenance up to 2025-26.	89,373	337,913	0
039	Executive Director (Kirsty Flanagan)	Roads & Infrastructure	Green Transport Initiatives	400,000			400,000	400,000	0	At the Council meeting on 27 February 20, it was agreed to input £400k in Green transport, investment in footway and cycle path maintenance supporting the healthy wellbeing and green agenda. Spend has been delayed due to COVID and this will be taken forward in 21-22. £260k Footways Reconstruction programme now agreed across the four areas, £140k Ardrishaig North Project.	400,000		0
040	Executive Director (Kirsty Flanagan)	Roads & Infrastructure	Waste Strategy	363,000			363,000	125,000	238,000	To fund/part-fund various waste projects that will support the council's compliance with the 2025 ban on the Landfill of Biodegradable Municipal Waste.	125,000	119,000	119,000
041	Executive Director (Kirsty Flanagan)	Roads & Infrastructure	Waste Management	256,753			256,753	256,753	0	Will be used towards long term waste management strategy/model, including but not limited to scoping work for the creating of a waste transfer station at Helensburgh.	256,753	0	0
042	Executive Director (Kirsty Flanagan)	Roads & Infrastructure	Replacement Signage and Bins	135,366			135,366	135,366	0	Replacing key road signage. This will help to reduce future budget pressures for replacement of signs and would also help to enhance the streetscape and general appearance of the area. The bulk of Road signs have been delivered and installation is now in progress and will be completed during 2022-23.	135,366	0	0
043	Executive Director (Kirsty Flanagan)	Roads & Infrastructure	Kintyre Recycling Redundancy Costs	36,000			36,000	36,000	0	To fund redundancy costs associated with Kintyre Recycling.	36,000	0	0
044	Executive Director (Kirsty Flanagan)	Roads & Infrastructure	Amenity Services introduction of mar	28,099			28,099	28,099	0	Delay with introduction of amenity time recording system, spend unlikely to be incurred until 2022-23 for handheld devices and software.	28,099	0	0
045	Non Departmental	Non Departmental	Underwriting development of Rothes	1,000,000			1,000,000	1,000,000	0	Funding to meet additional costs identified as necessary for the refurbishment of Rothesay Pavilion.	1,000,000	0	0
046	Non Departmental	Non Departmental	Loans Fund	385,279			385,279	385,279	0	At the Council Budget meeting on 24 February 2022, Saving F501, a Loans Fund Management/Operational saving for 22/23 budget of £0.500m was agreed with at least £0.200m to come from underspends in 21/22. The underspend position for 21/22 is £0.385m and this has to be earmarked to help offset the saving.	385,279	0	0
047	Non Departmental	Non Departmental	Utilities	283,000			283,000	283,000	0	To contribute towards the expected adverse impact on the 2022/23 budget of utility costs inflation as per Budget Pack	283,000	0	0

Ref	Department	Service	Description	Opening Balance	Budget Drawdown	New earmarking during 22-23	Remaining Balance	Still to be drawn down in 22-23	Planned to spend in future years	Plans for Use	Amount Planned to be Spent in 2022-23	Amount Planned to be Spent in 2023-24	Amount Planned to be Spent from 2023-24 onwards
048	Non Departmental	Non Departmental	Digital Projects (General Provision to	103,545			103,545	103,545	0	To deliver a number of Digital Service Transformation Projects, specifically in Education and Customer Support Services, but also to reserve a further amount to support priority digital transformation projects identified in Departmental ICT programmes, that have not yet started due to resource constraints. The specific projects include: Supply Staff Booking System £0.035m, Skype for Business (for Education) £0.030m, Enhancing Curriculum Choice and Equity of Provision £0.080m, Digital Customer Engagement Developments £0.073m, Replacement of Learning Management System £0.030m, Increase in Schools Bandwidth £0.063mand a general provision still to be allocated £0.189m. Further allocation to Hybrid Council Meetings agreed October 2021 (£0.085m). There is a proposal for 2021-22 year end to use the balance of this earmarking towards the Security Operations Centre Subscription unspent budget request - per Appendix 2.1l	103,545	0	0
049	Non Departmental	Non Departmental	Community Resilience Fund	76,447			76,447	76,447	0	Fund established in 2012/13 to be spent over more than one year. Fund reduced at the Council meeting on 11 February 2016	76,447	0	0
050	Non Departmental / Chief Executive	Across Services / Chief Exec	Information Management (Balance o	209,844			209,844	209,844	0	To support a number of initiatives in respect of improving the Council's information management in line with the transformation agenda and increasing the pace of change as outlined in the BV Review. The planned initiatives include: Estates Survey work £122k, Digitalisation of Title Deeds £92k, document management and workflow system for Planning, Building Standards and Environmental Health £77k and a balance of funding to explore information management solutions in a strategic and coherent way £209k	209,844	0	0
051	Non Departmental / Executive Direct	Across Services / Commercial	Information Management (Estates Su	12,697			12,697	12,697	0	To support a number of initiatives in respect of improving the Council's information management in line with the transformation agenda and increasing the pace of change as outlined in the BV Review. The planned initiatives include: Estates Survey work £122k, Digitalisation of Title Deeds £92k, document management and workflow system for Planning, Building Standards and Environmental Health £77k and a balance of funding to explore information management solutions in a strategic and coherent way £209k	12,697	0	0
052	Non Departmental / Executive Direct	Across Services / Legal and R	Information Management (Digitalisat	92,000			92,000	61,000	31,000	To support a number of initiatives in respect of improving the Council's information management in line with the transformation agenda and increasing the pace of change as outlined in the BV Review. The planned initiatives include: Estates Survey work £122k, Digitalisation of Title Deeds £92k (delay on spending due to COVID-19), document management and workflow system for Planning, Building Standards and Environmental Health £77k and a balance of funding to explore information management solutions in a strategic and coherent way £209k	61,000	31,000	0
053	Non Departmental / Executive Direct	Across Services / Customer	Digital Projects (Digital Customer Eng	73,000			73,000	73,000	0	To deliver a number of Digital Service Transformation Projects, specifically in Education and Customer Support Services, but also to reserve a further amount to support priority digital transformation projects identified in Departmental ICT programmes, that have not yet started due to resource constraints. The specific projects include: Supply Staff Booking System £0.035m, Skype for Business (for Education) £0.030m, Enhancing Curriculum Choice and Equity of Provision £0.080m, Digital Customer Engagement Developments £0.073m, Replacement of Learning Management System £0.030m, Increase in Schools Bandwidth £0.063m and a general provision still to be allocated £0.189m	73,000	0	0
054	Non Departmental / Executive Direct	Across Services / Customer	Digital Projects (Increase in Schools B	63,455			63,455	63,455	0	To deliver a number of Digital Service Transformation Projects, specifically in Education and Customer Support Services, but also to reserve a further amount to support priority digital transformation projects identified in Departmental ICT programmes, that have not yet started due to resource constraints. The specific projects include: Supply Staff Booking System £0.035m, Skype for Business (for Education) £0.030m, Enhancing Curriculum Choice and Equity of Provision £0.080m, Digital Customer Engagement Developments £0.073m, Replacement of Learning Management System £0.030m, Increase in Schools Bandwidth £0.063m and a general provision still to be allocated £0.189m	63,455	0	0
055	Non Departmental / Executive Direct	Across Services / Customer	Digital Projects (Replacement Learnin	11,470			11,470	11,470	0	To deliver a number of Digital Service Transformation Projects, specifically in Education and Customer Support Services, but also to reserve a further amount to support priority digital transformation projects identified in Departmental ICT programmes, that have not yet started due to resource constraints. The specific projects include: Supply Staff Booking System £0.035m, Skype for Business (for Education) £0.030m, Enhancing Curriculum Choice and Equity of Provision £0.080m, Digital Customer Engagement Developments £0.073m, Replacement of Learning Management System £0.030m, Increase in Schools Bandwidth £0.063m and a general provision still to be allocated £0.189m	11,470	0	0
056	Non Departmental / Executive Direct	Across Services / Developme	Information Management (Documen	57,491			57,491	57,491	0	To support a number of initiatives in respect of improving the Council's information management in line with the transformation agenda and increasing the pace of change as outlined in the BV Review. The planned initiatives include: Estates Survey work £122k, Digitalisation of Title Deeds £92k, document management and workflow system for Planning, Building Standards and Environmental Health £77k and a balance of funding to explore information management solutions in a strategic and coherent way £209k	57,491	0	0
				<b>10,458,934</b>	<b>634,543</b>	<b>0</b>	<b>9,824,391</b>	<b>6,941,661</b>	<b>2,882,730</b>		<b>7,576,204</b>	<b>1,785,033</b>	<b>1,097,697</b>

APPENDIX 2

COVID Earmarkings  
As at 31 August 2022

Ref	Department	Service	Description	Opening Balance	Budget Drawdown	Released back to General Fund	New earmarking during 22-23	Remaining Balance	Still to be drawdown in 22-23	Planned to spend in future years	Plans for Use	Amount Planned to be Spent in 2022-23	Amount Planned to be Spent in 2023-24	Amount Planned to be Spent from 2023-24 onwards
001	Chief Executive's Unit	Community Planning	Community Planning - temp post to support communities	55,000				55,000	55,000	0	As agreed at Policy & Resources committee on 9 December 2021, allocation of £0.055m to a post to support the economic and social recovery together with the building back stronger themes.	55,000	0	0
002	Chief Executive's Unit	Community Planning	COVID-19 - Test and Protect Support	44,047	10,000			34,047	34,047	0	Funding provided in relation to the Local Self-Isolation Assistance Service. The Community Planning and Development Team will work with community groups to support their community response and resiliency to Test and Protect and COVID-19 impacts	44,047	0	0
003	Chief Executive's Unit	Financial Services	LACER Fund	797,720				797,720	797,720	0	The Council meeting on 28 April 2022, it was agreed that Local Authority Covid Economic Recovery (LACER) Funding is to be used to distribute Scotland Loves Local cards to CTR recipients. This will take place in June 2022 giving Economic Development time to encourage the Co-op to sign up to accept the cards.	797,720	0	0
004	Chief Executive's Unit	Financial Services	Housing Benefits Private	673,867				673,867	673,867	0	Specific funding allocation for DHP to support tenants financially affected by the COVID-19 outbreak to sustain their tenancies. It is expected there will continue to be pressure on this budget going into 22-23	673,867	0	0
005	Chief Executive's Unit	Financial Services	Flexible Food Fund	510,573	134,285			376,288	376,288	0	Financial Insecurity funding from Scottish Government routed into the Argyll and Bute Flexible Food Fund (ABFFF) is aimed at tackling financial insecurity for adults and families across Argyll and Bute. ABFFF offers financial support and wider confidential professional help to anyone suffering hardship. Working in partnership with the Community Food Forum, Bute Advice Centre and AllEnergy, households with low incomes and no access to cash savings can apply for immediate financial support. The Fund will help support daily living expenses. If the claimant engages with these services, a second payment will be made to contribute to a further months daily living expenses. In the period from 10 January 2021 to 30 April 2022 client gain in extra benefits income for families was £1.45 million with 1,090 families had been supported. The project has been extended to 31 March 2023 and this money will be used to support it.	510,573	0	0
006	Chief Executive's Unit	Financial Services	Flexible Funding for Supporting People while at Tier 4 COVID	167,983	42,961			125,022	125,022	0	Funding to strengthen local authority responses to meet emerging needs and support people in their communities struggling with the restrictions and guidance at all protection levels, particularly those at risk through health and social inequalities; this support could cover the same types of support currently delivered including information and advice, access to food and medicines, and practical and emotional support; and, administration costs to support delivery (e.g. strengthening the National Assistance Helpline) and liaison and co-ordination with 3rd sector. It will be for Local Government to use this funding flexibly for this purpose.	167,983	0	0
007	Chief Executive's Unit	Financial Services	Self Isolated Support Grant	16,000				16,000	16,000	0	Unspent admin funding for processing Self Isolation Support Grants. Monies will be fully utilised in 2022/2023 to support the further administration of the grant until 31 March 2023.	16,000	0	0
008	Chief Executive's Unit	Financial Services	Test and Protect Extension	9,929				9,929	9,929	0	Funding provided in relation to the Local Self-Isolation Assistance Service. This will be used to support the recruitment of 0.5FTE LGE6 temp post to assist with call volumes in the Scottish Welfare Fund team in 2022/23	9,929	0	0
009	Executive Director (Douglas Hendry)	Education	Logistics Funding - Safe Opening of Schools	940,605	15,117			925,488	925,488	0	SG Funding to ensure the safe opening and operation of schools. Includes transport, PPE, Cleaning and expansion of estate.	940,605	0	0
010	Executive Director (Douglas Hendry)	Education	Additional Teaching/Support in Schools/Digital Devices/Family Home Learning Support Fund - £45m Grant - £45m	488,310	488,310			0	0	0	Continuation of funding for additional staffing, teachers, support staff, additional devices for pupils and additional family/home learning programmes.	488,310	0	0
011	Executive Director (Douglas Hendry)	Education	COVID 19 - Education Recovery - Additional Staff in School and ELC settings	373,346	373,346			0	0	0	To employ a variety of school staff to meet the needs of children and young people in their local areas and ensure that levels of teaching and support staff in schools can be maintained in the 2021-22 academic year. Funding will also be used to support the transition from ELC to primary school.	373,346	0	0
012	Executive Director (Douglas Hendry)	Education	Education to Support Young People	321,816	243,124			78,692	19,452	59,240	As agreed at the Council Meeting on 25 February 2021 with an original allocation of £0.600m. Agrees to fund a package of measures to boost the wellbeing and build back the resilience of young people, in particular those most vulnerable, following the Covid-19 pandemic, including counselling and increased provision of childcare for children under three. Notes that the Scottish Government is yet to confirm details of funding for similar initiatives and, should our investment in children's wellbeing qualify for this funding, the balance will be re-allocated to the Recovery and Renewal Fund.	262,576	59,240	0
013	Executive Director (Douglas Hendry)	Education	Recruitment of Additional Teachers and Support Staff in Schools	136,715	136,715			0	0	0	Fund additional teachers and support staff.	136,715	0	0
014	Executive Director (Douglas Hendry)	Education	EDU - Community Mental Health and Wellbeing Support to Children and Young People - Pandemic Funding	49,756				49,756	49,756	0	Scottish Government/COSLA Initiative to support the work under the Children and Young People's Mental Health and Wellbeing Programme grant split in 2020-21 with £183,750 of the fund utilised by local collaborative partnerships for supporting children, families and carers through the pandemic. The Scottish Government has agreed for the balance to be spent in 2022/23.	49,756	0	0
015	Executive Director (Douglas Hendry)	Legal and Regulatory Services	Welfare Rights Support	172,000				172,000	172,000	0	As agreed at the Council Meeting on 25 February 2021 - an allocation of £0.172m. As part of our focus on Improving Opportunities for People and Communities, agrees to provide additional resources to proactively support people experiencing poverty and hardship, by investing in two additional Welfare Rights support staff for two years.	172,000	0	0
016	Executive Director (Douglas Hendry)	Legal and Regulatory Services	LACER Funding - Advice Services	130,000	130,000			0	0	0	Local Authority COVID Economic Recovery (LACER) Funding for Welfare Rights - ALI Energy, Bute Advice, Citizens Advice	130,000	0	0
017	Executive Director (Kirsty Flanagan)	Customer Support Services	Self Isolated Support / Self Isolated Support Grant (HR)	115,000				115,000	115,000	0	These were monies that were provided by Scotgov to fund additional overtime and resources for Shielding/Caring for People and Test and Protect activities, however low infection rates and therefore demand in A&B meant that this was not required in 2020/21 or 2021-22. The 2021-22 funding of £43,000 will be used for Recovery related activities including the recruitment of a Temporary Additional Web Developer to implement the improvements identified by customers in the Customer Engagement Consultation and to mainstream the Coronavirus page content back in to Business as usual. Another portion will be used to fund the Digital Receptionist solution as part of safe re-opening of offices. The 2021-22 funding of £72,000 will be used to fund consultancy and development of RPA (robotic process automation) software which will build automation within HR workflows and processes. This will improve efficiency and accuracy.	115,000	0	0
018	Executive Director (Kirsty Flanagan)	Development and Economic Growth	Staycation and Marketing Argyll and Bute	592,013	106,368			485,645	485,645	0	As agreed at the Council Meeting on 25 February 2021 with an original allocation of £0.800m. This will include provision of additional waste disposal facilities and other facilities that will be informed by the Motorhome and Informal Camping Survey.	592,013	0	0

Ref	Department	Service	Description	Opening Balance	Budget Drawdown	Released back to General Fund	New earmarking during 22-23	Remaining Balance	Still to be drawdown in 22-23	Planned to spend in future years	Plans for Use	Amount Planned to be Spent in 2022-23	Amount Planned to be Spent in 2023-24	Amount Planned to be Spent from 2023-24 onwards
019	Executive Director (Kirsty Flanagan)	Development and Economic Growth	Tackling Digital Exclusion Top-Up Fund	250,000				250,000	250,000	0	As agreed at the Council Meeting on 25 February 2021. Establishes the Tackling Digital Exclusion Top Up Fund to support communities and in some cases individuals that are missing out on national programmes due to logistics and economies of scale. While vouchers are available from the UK and Scottish Governments in some cases these do not cover the full cost of infrastructure builds.	250,000	0	0
020	Executive Director (Kirsty Flanagan)	Development and Economic Growth	LACER Funding (Small Business Development Grant)	200,000				200,000	200,000	0	Local Authority COVID Economic Recovery Fund grant. This funding will provide funding of between £500 and £5,000 to help existing micro and small businesses to improve their resilience or growth via projects to implement green initiatives, implement digital development, implement marketing improvements and improve efficiency/innovation.	200,000	0	0
021	Executive Director (Kirsty Flanagan)	Development and Economic Growth	LACER Funding (Sector Support Grant)	150,000				150,000	150,000	0	Local Authority COVID Economic Recovery Fund grant. This will provide funding, either part of the small business development grant or standalone, to help micros and small business to implement projects that contribute to the sector as well as benefitting the business, for example: Tourism and hospitality, food and drink or retail. With option to provide additional business support to hard hit areas including Bute and Kintyre where unemployment remains higher than average - support via specialist advice, locally tailored grants to meet local priorities and targeted marketing activity.	150,000	0	0
022	Executive Director (Kirsty Flanagan)	Development and Economic Growth	LACER Funding (New Enterprise Support Grant)	120,000				120,000	120,000	0	Local Authority COVID Economic Recovery Fund grant. This funding would provide £3,000 grants to help new businesses start up and establish.	120,000	0	0
023	Executive Director (Kirsty Flanagan)	Development and Economic Growth	Staycation Investment per budget pack February 22	100,000				100,000	100,000	0	As agreed at Council on 24 February 2022. Staycation investment £0.100m. Augments the 2021/22 £0.5m staycation initiative with an additional investment of £100k, including support for community groups and partners in the provision of facilities which can support increasing staycation visitor numbers during the 2022/23 season.	100,000	0	0
024	Executive Director (Kirsty Flanagan)	Development and Economic Growth	Economic Development - temp post to support economic recovery	55,000				55,000	55,000	0	As agreed at Policy & Resources committee on 9 December 2021, allocation of £0.055m to a post to support the economic and social recovery together with the building back stronger themes.	55,000	0	0
025	Executive Director (Kirsty Flanagan)	Development and Economic Growth	EH Covid Posts	41,145				41,145	41,145	0	Funding for 2 posts for 2 years and not recruited until late 20-21	41,145	0	0
026	Executive Director (Kirsty Flanagan)	Development and Economic Growth	LACER Funding (Shop Local)	40,000				40,000	40,000	0	Local Authority COVID Economic Recovery Fund grant. This funding would provide funding to continue the Shop Local scheme into 2022-23 and 2023-14, buying additional cards and allow the cards to gather momentum and support local businesses.	40,000	0	0
027	Executive Director (Kirsty Flanagan)	Development and Economic Growth	Tenant Hardship Fund	30,000				30,000	30,000	0	Grant received from Scottish Government to support tenants suffering hardship due to COVID-19. Claims have been made and Housing are in the process of paying these out and all claims will be settled during 2022-23.	30,000	0	0
028	Executive Director (Kirsty Flanagan)	Development and Economic Growth	LACER Funding (Gypsy Travellers)	10,000				10,000	10,000	0	Local Authority COVID Economic Recovery Fund grant. This funding would pay for MECOPP (Minority Ethnic Carers of People Project) to engage with the Gypsy Travellers community on the important subject of the cost of living increases, fuel poverty and the impact of factors such as their remote rural locations and the facilities available to them for everyday living have on their livelihoods	10,000	0	0
029	Non Departmental	Across Departments	COVID Cost Pressures Beyond 2021/22	370,000				370,000	370,000	0	As agreed at the Council Meeting on 25 February 2021 (£2.5m) with the value reduced to £0.370m based on more up to date projections at year end 2021-22. Allocation of COVID funding to projected 22/23 Revenue Cost Pressures	370,000	0	0
030	Non Departmental	Non Departmental	Recovery and Renewal Fund	1,547,000				1,547,000	1,547,000	0	As agreed at Council on 24 February 2022, Recovery and Renewal Fund £1.547m. This is provision for future recovery, regeneration and renewal, as well as any future pressures which may arise following the Covid-19 pandemic through a dedicated Recovery and Renewal Fund. Proposals for use of this fund to be brought forward by officers to the Policy and Resources Committee. To include in the first instance options for maximising Argyll and Bute's potential as a green, connected staycation destination of choice, requesting that officers bring to the Environment, Development and Infrastructure Committee a report on use of external funding sources and other opportunities for improving the electric vehicle charging network.	1,547,000	0	0
031	Non Departmental	Non Departmental	Unallocated Admin Support Grant	411,285				411,285	411,285	0	Funding to support the delivery of the Business Grants to local businesses, partially used during 20/21 and 21/22 but a balance remains to be carried forward and used in future years	411,285	0	0
032	Non Departmental	Non Departmental	Capital pressure	257,000				257,000	257,000	0	Pressure identified on the 20-21 COSLA COVID costs spreadsheets - requires to be earmarked to be drawn down when required against the Capital Plan	257,000	0	0
033	Non Departmental	Non Departmental	Levelling up Fund bids per P&R February 22	150,000				150,000	150,000	0	As agreed at Policy & Resources committee on 17 February 2022, an allocation of up to £0.150m to support Levelling Up Fund bids	150,000	0	0
034	Non Departmental	Non Departmental	CHARTS per budget pack February 22	75,000	50,000			25,000	25,000	0	As agreed at Council on 24 February 2022, investment in CHARTS £0.075m. To support the organisation in delivering targeted support, in communities, to the culture, arts and heritage sector as part of its plans to contribute to overall economic recovery.	75,000	0	0
035	Non Departmental	Non Departmental	CHARTS	7,000	7,000			0	0	0	As agreed at the Council Meeting on 25 February 2021. Allocation of COVID funding to CHARTS £0.067m, with the balance of £0.007m being carried to 2022/23. The allocation is to ensure that Argyll and Bute's culture, heritage and arts sector can make a contribution to our overall recovery and renewal.	7,000	0	0
				<b>9,408,110</b>	<b>1,737,226</b>	<b>0</b>	<b>0</b>	<b>7,670,884</b>	<b>7,611,644</b>	<b>59,240</b>		<b>9,348,870</b>	<b>59,240</b>	<b>0</b>