ARGYLL AND BUTE COUNCIL **COUNCIL**

FINANCIAL SERVICES **29 JUNE 2023**

REVENUE BUDGET MONITORING – FOR THE YEAR 2022-23

1. EXECUTIVE SUMMARY

1.1 The main purpose of this report is to advise Members of the revenue budget position of the Council as at the end of financial year 2022-23. The report also summarises the movement in the General Fund balance.

1.2 The performance against budget for financial year 2022-23 was an overall underspend, before earmarking requests, of £7.936m (2.56%). The earmarking requests amount to £4.610m and, if approved, will result in an overall underspend of £3.326m (1.07%).

1.3 It should be noted that the key reasons for the underspend of £7.936m were a one off Treasury Gain as a result of the repayment of loans at a discounted price and interest in excess of anticipated levels due to unexpected interest rate growth. If it were not for these one off unexpected gains the underspend, prior to earmarking requests, would have been significantly smaller (£0.613m).

1.4 Social Work, managed by the Health and Social Care Partnership (HSCP), were underspent by £4.634m and this amount is added to the creditor on the balance sheet as money owing to the HSCP by the Council which creates a nil variance on the revenue monitoring.

1.5 The General Fund Balance has moved from £96.081m at the end of financial year 2021-22 to £86.409m at the end of 2022-23. The movement represents a decrease of £9.672m as spend from reserves has been high this year, particularly within the Capital Projects earmarking.

1.6 There is a separate report that details the earmarked reserves which outlines proposals to earmark a total of £79.466m from the General Fund balance, leaving £6.943m unallocated. Of this £5.691m is required to be held as the General Fund contingency, leaving an unallocated balance of £1.252m.

1.7 There have been 8 virements of revenue budget over £0.200m in the period January to March 2023 for approval.

ARGYLL AND BUTE COUNCIL **COUNCIL**

FINANCIAL SERVICES **29 JUNE 2023**

REVENUE BUDGET MONITORING – FOR THE YEAR 2022-23

2. INTRODUCTION

2.1 This report summarises the revenue budget position of the Council as at the end of the financial year 2022-23. The overall revenue budget monitoring statement for the Council is attached as Appendix 1 and departmental outturn summaries are attached as Appendix 2.

3. RECOMMENDATIONS

3.1 Members to consider the revenue budget monitoring position as at the end of financial year 2022-23.

3.2 Members to note that the unallocated balance within the General Fund as at 31 March 2023, after taking into account the contingency, amounts to £1.252m.

3.3 Members to approve the revenue virements over £0.200m between January and March 2023.

4. DETAIL

4.1 Final Outturn Variance (Un-audited)

4.1.1 The performance against budget for the financial year 2022-23 was an overall underspend, before earmarking requests, of £7.936m (2.56%). It should be noted that the key reasons for the overall underspend were a one off Treasury Gain as a result of the repayment of loans at a discounted price and interest in excess of anticipated levels due to unexpected interest rate growth. If it were not for these unexpected gains, the underspend would have been significantly smaller (£0.613m) and would not have allowed for unspent budget earmarking requests to be proposed. The earmarking requests amount to £4.610m and, if approved, will result in an overall underspend of £3.326m (1.07%). A summary of the final outturn position is noted within the table below.

Final Outturn Variance (Un-audited) 2022/23				
Department	**Actuals**	**Budget**	**Variance (Overspend) Underspend**	**Percentage**
	£	**£**	**£**	**%**
Chief Executive's Unit	7,546,681	7,754,019	207,338	2.67%
Executive Director (Douglas Hendry)	127,335,972	129,538,434	2,202,461	1.70%
Executive Director (Kirsty Flanagan)	50,426,496	48,363,235	(2,063,261)	(4.27%)
Total Departmental Expenditure	**185,309,149**	**185,655,687**	**346,538**	**0.19%**
Joint Boards	1,326,053	1,496,371	170,318	11.38%
Loans Charges	19,450,950	26,476,709	7,025,760	26.54%
Pension Costs	1,416,745	1,553,845	137,100	8.82%
Other	7,279,248	6,883,583	(395,665)	(5.75%)
Total Central Expenditure	**29,472,995**	**36,410,508**	**6,937,512**	**19.05%**
Social Work	74,391,259	74,391,259	(0)	0.00%
Total Social Work Expenditure	**74,391,259**	**74,391,259**	**(0)**	**0.00%**
Total Expenditure	**289,173,403**	**296,457,454**	**7,284,050**	**2.46%**
Total Funding	310,912,006	310,260,175	651,831	0.21%
UNDERSPEND BEFORE EARMARKINGS			**7,935,882**	**2.56%**
NEW Unspent Budget Proposals			4,609,523	
UNDERSPEND AFTER EARMARKINGS			**3,326,359**	

4.2 Council Departmental Budget Outturn

4.2.1 The performance against budget shows departmental controllable expenditure being £0.347m (0.19%) under budget.

4.2.2 Within the Chief Executive's Unit (Community Planning and Finance) there was a small underspend which was largely due to an over-recovery of NDR commission due to a successful debt recovery campaign during the year focusing on high level debts and an underspend due to vacancies in the Accounting and Budgeting Team.

4.2.3 Within the remit of Executive Director Douglas Hendry (Education, Legal and Regulatory Support and Commercial Services), there was an operational underspend after accounting for automatic earmarkings of £2.202m. The main underspends were due to:

- Reduced staffing costs in Education as a combined result of industrial action by teachers, when striking staff weren't paid for the days they were on strike, and a reduction in the number of teaching and non-teaching posts in schools.
- Reduced spending in Catering and Cleaning Services due to lower demand for school meals, which reduced the amount spent on food purchases, and in staffing costs due to vacancies and challenges

recruiting new staff.
- Reduced spending in Legal and Regulatory Support due to election costs being lower than had been expected and in staffing costs due to vacancies and challenges recruiting new staff.

4.2.4 Within the remit of Executive Director Kirsty Flanagan (Roads and Infrastructure, Development and Economic Growth and Customer Support Services), there was an operational overspend of £2.063m after accounting for automatic earmarkings. The key overspends include:

- Higher than expected overall costs within Piers and Harbours Operations due to a combination of increased spending on staffing and lower than anticipated income from fees and charges.
- Increased costs in Roads Maintenance, including higher than expected costs to keep key transport routes operating safely during the winter period.
- Increased maintenance costs in street lighting operations.
- Lower than expected income from car parking and parking permit charges.

4.3 Central Budget Outturn

4.3.1 The performance against budget for central/non-departmental expenditure was a net underspend of £6.937m (19.05%). Included in this outturn position is an adjustment to update the 2022-23 budget to reflect the new year-end earmarkings which total £2.667m. The main reasons for the underspend are: a one-off treasury gain and increased interest income within the Loans Fund and recurring payments coming in under budget for Joint Boards and Unfunded pensions. These are partially offset by overspends in utilities and insurances.

4.3.2 The overall favourable position for Departmental and Central Expenditure Budgets has provided the opportunity to propose earmarking of unspent budget for specific purposes and these are included in the 'Earmarked Reserves – 2022-23 Year End' report on this agenda. Unspent budget earmarkings will only be considered when the purpose is aligned to the objectives, priorities and targets of the Council, there is a business case to justify the expenditure and the general reserve contingency is met. The detail of the proposed unspent budget earmarkings and their associated business cases can be found in the Earmarked Reserves report.

4.4 Social Work Outturn

4.4.1 Social Work Services, managed by the HSCP, were underspent by £4.634m (6.2%). Under CIPFA LASAAC Guidance, this amount has been added to the creditor on the Council's balance sheet making the funds available to Social Work to spend in future years.

4.4.2 The underspend of £4.634m before recognising the creditor, was as a result of unspent Scottish Government Grants of £1.078m with the balance of £3.556m

coming from underspends across Health and Community Care, Children and Families and centrally held funds.

4.5 Funding Budget Outturn

4.5.1 The performance against budget for funding was a net underspend/over-recovery of income of £0.652m. Included in this outturn position is an adjustment to update the 2022-23 budget to reflect the new automatic earmarking at the year-end, these new earmarkings total £2.854m and relate to the Strategic Housing Fund and TIF income.

4.5.2 There is a year-end favourable position in relation to Council Tax of £0.653m due to an increase in the Council tax base (which has since been adjusted for within the 2023/24 budget) and a better performance in Council Tax collection (likely to be partially linked to the cost of living grant awards where Scottish Government funding was credited to Council tax accounts).

4.6 COVID Impact

4.6.1 There remains a large amount of COVID funding not utilised at year end and there is a total of £5.527m of COVID earmarkings at 31 March 2023. This has reduced from the £8.964m balance at the start of the year as a result of:

- Spend against COVID earmarkings £3.499m
- Released back to the general fund £0.455m
- New COVID funding earmarkings of £0.517m

4.7 Impact on the General Fund

4.7.1 The movement in the General Fund balance is different to the underspend noted above, as it also reflects earmarked reserve withdrawals and contributions. The General Fund balance at 31 March 2022 was £96.081 and has decreased by £9.672m to £86.409 as at 31 March 2023. The movement in the balance is summarised in the table below.

	£m
Balance on General Fund 31 March 2022	96.081
Revenue Budget 22-23 - transfer to general fund	2.482
Released earmarked sums to service budgets 2022-23	(33.893)
Contributions to earmarked reserves 2022-23	18.413
Overall budget underspend as above	3.326
Balance on General Fund 31 March 2023	**86.409**

4.7.2 The balance on the General Fund has decreased from last year. The movement represents a decrease of £9.672m as spend from reserves has been high this year, particularly within the Capital Projects earmarking.

4.7.3 The closing balance on the General Fund as at 31 March 2023 is £86.409m. Of this, £79.466m is earmarked for specific purposes and £5.691m is required to be held as the General Fund contingency, leaving an unallocated balance of £1.252m as shown in the table below.

	£m
Balance on General Fund 31 March 2023	86.409
Earmarked balances at 31 March 2023 (as per Earmarked Reserves report)	(79.466)
Contingency balance (2.0% of net expenditure)	(5.691)
Unallocated balance as at 31 March 2023	**1.252**

4.7.4 The £1.252m unallocated balance as at 31 March 2023 represents a decrease of £0.583m on the £1.835m unallocated balance as at 31 March 2022.

4.7.5 Although the unallocated balance at 31 March 2023 is £1.252m the Council at its meeting on 23 February agreed that the budgeted revenue surplus of £0.019m would be transferred into the general fund. This will bring the unallocated General Fund balance up to £1.273m in 2023-24.

4.8 VIREMENTS OVER £0.200M (REVENUE)

4.8.1 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.

4.8.2 For the period January to March 2023, there are 8 virements over £0.200m requiring authorisation:

- £0.383m harvested in January within Social Work against the vacancy savings target.
- £0.301m harvested in February within Social Work against the vacancy savings target.
- £0.254m harvested in March within Social Work against the vacancy savings target.
- £0.209m removed from Education to Other Operating Income and Expenditure to reverse previously input budgets in respect of the pay award for cost centres which are grant and earmarked funded.
- £0.216m from Education to the Loans Fund to recognise Energy Efficiency Savings.
- £0.230m harvested within Executive Director Kirsty Flanagan against the vacancy savings target for March.
- £1.076m moved from Other Income and Expenditure to Executive Director Douglas Hendry £0.999m and Executive Director Kirsty Flanagan £0.077m to right size utilities budgets.
- £1.812m from other Operating Income and Expenditure to Education to update budgets in line with the agreed Teachers Pay Award.

5. CONCLUSION

5.1 The performance against budget for financial year 2022-23 was an overall underspend of £3.326m (1.07%). The General Fund balance has decreased by £9.672m which mainly relates to a high level of spending from reserves particularly against the Capital Projects earmarking.

6. IMPLICATIONS

6.1	Policy	Automatic earmarking as per the policy have been taken into consideration with the final reported outturn position.
6.2	Financial	Report notes the underspend against budget during 2022-23 and the movement in the General Fund balance.
6.3	Legal	None
6.4	HR	None
6.5	Fairer Scotland Duty	None
6.5.1	Equalities	None
6.5.2	Socio-Economic Duty	None
6.5.3	Islands Duty	None
6.6	Climate Change	None
6.7	Risk	None
6.8	Customer Services	None

Kirsty Flanagan
Section 95 Officer
2 June 2023

Councillor Gary Mulvaney, Policy Lead for Finance and Commercial Services

APPENDICES
Appendix 1 – Overall Revenue Budget Monitoring Statement 2022-23
Appendix 2 – Department 2022-23 Outturn Summaries

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

ARGYLL AND BUTE COUNCIL - SUMMARY OF ACTUAL AND BUDGET COMPARISON 2022/23 **Appendix 1**

			Adjustment for Funds Earmarked in General Fund Reserve																
	Actual 2022/23	Budget 2022/23	Income from council tax on 2nd homes	Unspent Grant monies	Third Party Contributions	CHORD	DMR School Carry Forwards	Previous Council Decision	Existing Legal Commitments	Scottish Government Initiatives	Piers and Harbours Surplus	Electric Vehicle Charging Surplus	Fleet - Timing Delay	COVID-19 Specific Funding	Hermitage Park	NEW Unspent Budget Previously agreed	Adjusted Budget 2022/23	"Real Variance" (Over)/underspend	Comment
Expenditure	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Chief Executive's Unit	7,546,681	8,071,295		164,538	42,770			10,846						99,122			7,754,019	207,338	The underspend is largely due to an over-recovery of NDR commission due to a successful debt recovery campaign during the year focusing on high level debts (£0.147m) and an underspend due to vacancies in the Accounting and Budgeting Team (£0.046m).
Executive Director (Douglas Hendry)	127,335,972	133,218,224		1,172,921	2,000		1,129,677	197,338		1,177,854							129,538,434	2,202,461	The department has an operational underspend of £2.202m after accounting for automatic earmarkings. This was largely due to a saving as a result of industrial action by teachers, delays in recruitment and a reduction in the number of teaching and non-teaching posts with schools (£1.814m). There was also an underspend within Cleaning & Catering (£0.633m) and an under-recovery of Shared Office savings partially offset by additional rental income (£0.288m) within Commercial Services. Local election costs were lower than anticipated (£0.098m) and and there were delays in recruitment (£0.100m) within Legal and Regulatory Support.
Executive Director (Kirsty Flanagan)	50,426,496	52,648,069		2,684,896	54,000	28,267					1,146,500	16,560			14,611	340,000	48,363,235	(2,063,261)	The department had an operational overspend of £2.063m after accounting for automatic earmarkings. The key overspends included higher than expected costs within Piers and Harbours Operations due to a combination of increased spending on staffing and lower than anticipated income from fees and charges (£0.440m). There was also overspends on Roads Maintenance (£0.960m), Winter Maintenance (£0.541m), Street Lighting Operations (£0.280m) and income from Car Parking and Parking Permits was lower than expected (£0.242m). The above overspends were partially offset by underspends in staffing costs in other parts of the department (£0.330m).
Total Departmental Expenditure	**185,309,149**	**193,937,587**	**0**	**4,022,355**	**98,770**	**28,267**	**1,129,677**	**208,184**	**0**	**1,177,854**	**1,146,500**	**16,560**	**0**	**99,122**	**14,611**	**340,000**	**185,655,687**	**346,538**	
Joint Boards	1,326,053	1,496,371															1,496,371	170,318	SLA payments to Joint Boards for 2022/23 were lower than available budget
Loans Fund	19,450,950	28,389,543											158,661			1,754,173	26,476,709	7,025,760	Underspend due to one off Treasury Gain of £5.4m during the year as a result of the early repayment of loans at a discounted price. Interest rates also increased at a quicker rate than anticipated resulting in £1.9m of interest in excess of anticipated levels.
Redundancy Costs	1,416,745	1,553,845															1,553,845	137,100	Underspend against budget on the routine payments to Strathclyde Pension Fund for unfunded pensions.
Other	7,279,248	7,637,591	0	335,671	0	0	0	0	0	0	0		0	418,337	0	0	6,883,583	(395,665)	Overspends on utilities £0.585m and insurances £0.423m partially offset by a one off windfall in respect of a historical VAT Claim from HMRC of £0.635m.
Total Central Expenditure	**29,472,995**	**39,077,350**	**0**	**335,671**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**158,661**	**418,337**	**0**	**1,754,173**	**36,410,508**	**6,937,512**	
Social Work	74,391,259	74,391,259															74,391,259	(0)	As at 31 March 2023 social work was underspent by £4.634m. £1.078m of this related to underspent funding streams from the Scottish Government that would be eligible for automatic carry forward in normal circumstances and the balance of £3.556m was mainly due to underspends across Health and Community Care, Children and Families and centrally held funds. The total underspend of £4.634m has been transferred to IJB reserves for use in future years resulting in the closing balanced budget position for 2022/23.
Total Social Work Expenditure	**74,391,259**	**74,391,259**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**74,391,259**	**(0)**	
Total Expenditure	**289,173,403**	**307,406,196**	**0**	**4,358,026**	**98,770**	**28,267**	**1,129,677**	**208,184**	**0**	**1,177,854**	**1,146,500**	**16,560**	**158,661**	**517,459**	**14,611**	**2,094,173**	**296,457,454**	**7,284,050**	
Funding																			
AEF & NDR Income	225,600,637	224,978,242						623,395									225,601,637	(1,000)	Rounding
Council Tax	53,900,333	51,016,918	2,230,584														53,247,502	652,831	The over-recovery relates to an increase in the Council tax base (which has since been adjusted for within the 2023/24 budget) and a better performance in Council Tax collection (likely to be partially linked to the cost of living grant awards)
Budgeted/withdrawn from Earmarked Reserves	33,893,036	33,893,036															33,893,036	0	
Supplementary Estimates Approved																	0	0	
Budgeted Contribution to General Fund Balance	(2,482,000)	(2,482,000)															(2,482,000)	0	
Total Funding	**310,912,006**	**307,406,196**	**2,230,584**	**0**	**0**	**0**	**0**	**623,395**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**310,260,175**	**651,831**	
Under/(Overspend)	**21,738,603**	**0**	**2,230,584**	**4,358,026**	**98,770**	**28,267**	**1,129,677**	**831,579**	**0**	**1,177,854**	**1,146,500**	**16,560**	**158,661**	**517,459**	**14,611**	**2,094,173**	**13,802,721**	**7,935,882**	
NEW Unspent Budget Proposals																		4,609,523	
Revised Under/(Overspend) after proposed unspent budget earmarkings																		**3,326,359**	

REVENUE BUDGET MONITORING 2022-23 - DEPARTMENTAL OUTTURN SUMMARIES (including Social Work)

Appendix 2

				Funds carried forward to 2023/24																	
Department	Service	Actual 2022/23	Budget 2022/23	Income from council tax on 2nd homes	Unspent Grant monies	Third Party Contributions	CHORD	DMR School Carry Forwards	Previous Council Decision	Existing Legal Commitments	Scottish Government Initiatives	Piers and Harbours Surplus	Electric Vehicle Charging Surplus	Fleet - Timing Delay	COVID-19 Specific Funding	Hermitage Park	NEW Unspent Budget Previously agreed	Adjusted Budget 2022/23	(Over)/ Underspend	Variance %age	Comment
Expenditure		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£		
Chief Executive's Unit	Chief Executive	868,744	956,311		11,519	42,770			10,846						5,100			886,076	17,332	1.96%	Outwith reporting criteria
Chief Executive's Unit	Head of Financial Services	6,677,936	7,114,984		153,019										94,022			6,867,943	190,006	2.77%	The underspend is largely due to an over-recovery of NDR commission due to a successful debt recovery campaign during the year focusing on high level debts (£0.147m) and an underspend due to vacancies in the Accounting and Budgeting Team (£0.046m).
Chief Executive's Unit Total		**7,546,681**	**8,071,295**	**0**	**164,538**	**42,770**	**0**	**0**	**10,846**	**0**	**0**	**0**		**0**	**99,122**	**0**	**0**	**7,754,019**	**207,338**	**2.67%**	
Executive Director (Douglas Hendry)	Executive Director (Douglas Hendry)	364,764	463,293															463,293	98,529	21.27%	The underspend of £0.098m is due to an over recovery of vacancy savings, a credit from the Provision for Bad Debts and a small underspend in subscriptions and membership fees
Executive Director (Douglas Hendry)	Head of Commercial Services	11,119,232	11,286,301						197,338									11,088,963	(30,269)	-0.27%	The service had an operational overspend of £0.030m after auto earmarking of £0.197m for the over recovery of income from One Council Property. The key variances are underspends in Catering and Cleaning (£0.500m) offset by an under-recovery of savings in Shared Offices (£0.288m), under-recovery of income in Events and Commercial Catering (£0.111m), overspends in Surplus Properties (£0.068m).
Executive Director (Douglas Hendry)	Head of Education	97,136,506	102,363,678		1,172,921	2,000		1,129,677			1,177,854				0			98,881,226	1,744,720	1.76%	The service had an operational underspend of £1.745m after automatic earmarking of grants. This was mainly due to savings from strike action (£0.814m), delays in recruitment across the service and a reported underspend as a result of a review of staffing formula and school staffing entitlements (£0.931m).
Executive Director (Douglas Hendry)	Head of Legal & Regulatory Support	18,715,470	19,104,952															19,104,952	389,482	2.04%	The service had an operational underspend of £0.390m. The key variances are due to lower than anticipated local election costs (£0.098m), delays in recruitment within Procurement, Commercial and Contract Management and other vacancies within Governance and Legal (£0.262m).
Executive Director (Douglas Hendry) Total		**127,335,972**	**133,218,224**	**0**	**1,172,921**	**2,000**	**0**	**1,129,677**	**197,338**	**0**	**1,177,854**	**0**	**0**	**0**	**0**	**0**	**0**	**129,538,434**	**2,202,461**	**1.70%**	
Executive Director (Kirsty Flanagan)	Executive Director (Kirsty Flanagan)	367,731	736,060															736,060	368,329	50.04%	The underspend of £0.368m is due to an over recovery of vacancy savings.
Executive Director (Kirsty Flanagan)	Head of Customer Support Services	8,113,914	8,305,450															8,305,450	191,536	2.31%	The service had an operational underspend of £0.192m due to corporate staff training budget underspend and lower than anticipated computer software and licence costs in ICT due to the Microsoft 365 rollout delay.
Executive Director (Kirsty Flanagan)	Head of Development & Economic Growth	9,039,292	12,505,078		2,684,896	54,000	28,267										340,000	9,397,915	358,623	3.82%	The service had an operational underspend of £0.359m due to additional fees received for Planning and Building Warrant applications.
Executive Director (Kirsty Flanagan)	Head of Roads & Infrastructure Services	32,905,559	31,101,481		0							1,146,500	16,560			14,611		29,923,810	(2,981,749)	-9.96%	The service had an operational overspend of £2.982m. The the main reasons are due to the under-recovery of income and employee overspends in Piers & Harbours (£0.440m), under recovery of income for Car Parking (£0.170m) and Parking Permits (£0.087m)and an unrealised saving in Depots (£0.108m). There were additional costs for Winter Maintenance (£0.541m) and Roads Maintenance (£0.960m) due to increased overheads, an overspend in Flood Prevention (£0.072m) and an overspend in Street Lighting (£0.280m) for additional maintenance costs. An overspend was incurred for additional Landfill costs within Waste (£0.370m) but these have been offset against an underspend in Waste PPP (£0.450m).
Executive Director (Kirsty Flanagan) Total		**50,426,496**	**52,648,069**	**0**	**2,684,896**	**54,000**	**28,267**	**0**	**0**	**0**	**0**	**1,146,500**	**16,560**	**0**	**0**	**14,611**	**340,000**	**48,363,235**	**(2,063,261)**	**-4.27%**	
Total Departmental Expenditure		**185,309,149**	**193,937,587**	**0**	**4,022,355**	**98,770**	**28,267**	**1,129,677**	**208,184**	**0**	**1,177,854**	**1,146,500**	**16,560**	**0**	**99,122**	**14,611**	**340,000**	**185,655,687**	**346,538**	**0.19%**	

Department	Service	Actual 2022/23	Budget 2022/23	Income from council tax on 2nd homes	Unspent Grant monies	Third Party Contributions	CHORD	DMR School Carry Forwards	Previous Council Decision	Existing Legal Commitments	Scottish Government Initiatives	Piers and Harbours Surplus	Electric Vehicle Charging Surplus	Fleet - Timing Delay	COVID-19 Specific Funding	Hermitage Park	NEW Unspent Budget Previously agreed	Adjusted Budget 2022/23	(Over)/ Underspend	Variance %age	Comment
Social Work	Chief Officer Integration	4,190,690	3,470,654															3,470,654	(720,036)	-20.75%	The overspend is due to the proposed transfer of budget underspend to general reserve (£3.556m) being shown at Chief Officer level for reporting purposes. This movement is fully funded by underspends in Chief Officer on unallocated centrally held funds (£2.275m) as well as across the other services areas. There are also overspends on Payments to Health Boards, Central Repairs, Provision for Bad Debt and unachieved budget savings. These are all partially offset by an over-recovery on vacancy savings achievement (£0.766m).
Social Work	Head of Acute and Complex Care	18,167,623	17,027,135															17,027,135	(1,140,488)	-6.70%	The overspend reflects higher than budgeted demand for services in Supported Living and Residential Placements across LD and PD. This is combined with slippage in the achievement of budget savings. This is all partially offset by underspends in the Equipment Store, Respite, and Day Services.
Social Work	Head of Health and Community Care	36,702,000	37,810,325															37,810,325	1,108,325	2.93%	The underspend reflects the crisis across Homecare with a reduction in capacity and delays in commissioning new services (£0.531m), higher than budgeted income from fees and charges in the HSCP Care Homes (£0.611m) and underspends within the Telecare service and Carer's Respite. There are also underspends on staff costs across Assessment and Care Management due to vacancies and in the Progressive Care Units. This is all partially offset by overspends due to demand for purchased Residential Placements (£0.544m).
Social Work	Head of Children & Families	14,906,819	15,656,162															15,656,162	749,343	4.79%	Underspend due to reduced demand for Fostering, Adoption, Residential Placements, Children's Respite and services for Children with a Disability. This is combined with additional income received from the Home Office for Unaccompanied Asylum Seeking Children. This is all partially offset by overspends in the Children's Houses.
Social Work	Head of Strategic Planning & Performance	424,126	426,983															426,983	2,857	0.67%	Outwith reporting criteria
Total Social Work Expenditure		**74,391,259**	**74,391,259**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**74,391,259**	**(0)**	**0.00%**	
Total Expenditure		**259,700,408**	**268,328,846**	**0**	**4,022,355**	**98,770**	**28,267**	**1,129,677**	**208,184**	**0**	**1,177,854**	**1,146,500**	**16,560**	**0**	**99,122**	**14,611**	**340,000**	**260,046,946**	**346,538**	**0.13%**	
NEW Unspent Budget Proposals																		0	**4,609,523**		
Revised Under/(Overspend) after proposed unspent budget earmarkings																			**(4,262,985)**		