

REPORT TO: POLICY AND RESOURCES COMMITTEE – 31 OCTOBER 2022

REPORT ON: REVENUE MONITORING 2022/2023

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 264-2022

1 PURPOSE OF REPORT

1.1 To provide Elected Members with an analysis of the 2022/2023 projected revenue outturn as at 31 August 2022 and the impact on the Council's overall balances position.

2 RECOMMENDATIONS

2.1 It is recommended that Elected Members:

- a note that the overall General Fund as at 31 August 2022 is projecting an overspend of £0.235m against the adjusted 2022/2023 Revenue Budget and the impact this has on the projected Council's General Fund Balances.
- b note the budget adjustments totalling £19.146m and detailed in second column of Appendix A (and summarised in Appendix E) as virements to the previous approved Revenue Budget;
- c note the position on Covid-related expenditure and Covid funding, that is included within the overall projection but is set out separately for information in Appendix B and paragraph 6.1.
- d note that the Housing Revenue Account (HRA) as at 31 August 2022 is projecting an overspend of £0.450m against the adjusted HRA 2022/2023 Revenue Budget and the impact this has on the element of the projected Renewal & Repair Fund balance earmarked to HRA.
- e note the position on ring-fenced grants expenditure outlined in Appendix C.
- f agree that the Council Leadership Team will take every reasonable action to ensure that the 2022/2023 revenue expenditure is below or in line with the adjusted Revenue Budget and notes that in accordance with the agreed Medium Term Financial Strategy (Report No: 257-2022 to Policy & Resources Committee on 26 September 2022, refers) officers are taking steps to manage current and recurring revenue expenditure, including reviewing vacancies and any new recurring commitments.
- g note the key strategic, operational and financial risks being faced by the Council outlined in Appendix D.
- h notes the current position on Leisure and Culture Dundee, as set out in paragraph 7.3, and authorises the Chief Executive to issue a letter of comfort to Leisure and Culture Dundee confirming the Council's continuing financial support in financial year 2022/23 and for a period of at least 12 months beyond the date of the signing of Leisure and Culture Dundee's 2021/22 accounts whilst setting out an expectation that from 2023/24 Leisure and Culture Dundee will operate with a balanced budget.

3 FINANCIAL IMPLICATIONS

- 3.1 The overall General Fund as at 31 August 2022 is projecting an overspend of £0.235m against the adjusted 2022/2023 Revenue Budget. The impact this would have on the Council's General Fund Balances is outlined below:

| Detail: | Opening Balance 1 April 2022 (£000) | (Surplus) / Deficit for the Year (£000) | Transfers (In) / Out (£000) | Projected Balance 31 March 2023 (£000) |
|-----------------------------------|---|---|-----------------------------------|---|
| Earmarked Carry-forwards: | | | | |
| - Covid | 4,390 | 4,390 | - | - |
| - Non-Covid | 5,523 | 5,023 | - | 500 |
| Covid cost related pressures | 18,000 | 2,826 | - | 15,174 |
| Covid recovery measures | 3,000 | 1,422 | - | 1,578 |
| Service change initiatives | 5,000 | | - | 5,000 |
| Roof Remedial Works | 4,400 | 1,351 | - | 3,049 |
| Other Inflationary Pressures | 5,472 | 3,100 | - | 2,372 |
| Other earmarked Funds | 5,551 | 314 | - | 5,237 |
| Total Earmarked Funds | 51,336 | 18,426 | - | 32,910 |
| Unallocated Balance | 9,471 | 235 | - | 9,236 |
| Total General Fund Balance | 60,807 | 18,662 | - | 42,145 |

- 3.2 The above projection will be continually monitored by officers throughout the remainder of the year and reported to members. It should be noted that the recently announced Scottish Government spending review (Article VI of the agenda of the meeting of the Policy & Resources Committee on 27 June 2022, Report No:171-2022 refers) will represent a significant challenge in terms of setting a balanced revenue budget. Subject to financial sustainability considerations, the use of balances may be considered as part of the Council's budget strategy to address funding challenges arising from the spending review.
- 3.3 The Housing Revenue Account outturn position for 2022/2023 is projecting an overspend of £0.450m based on the latest financial information available at 31 August 2022. Please refer to paragraph 8 for more information.
- 3.4 The Council receives and spends significant amounts of ring-fenced grant funding. For transparency, the financial performance of the largest ring-fenced grants is disclosed in **Appendix C**. It is noted that any unspent amounts are generally carried forward to the next financial year.

4 BACKGROUND

- 4.1 Following approval of the Council's 2022/2023 Revenue Budget by the Special Policy and Resources Committee on 24 February 2022, this report is now submitted in order to monitor the 2022/2023 projected revenue outturn position as at 31 August, against the adjusted 2022/2023 Revenue Budget.

The total 2022/2023 Revenue Budget is £403.954m. For Revenue Monitoring purposes, the Council Tax Reduction Scheme budget of £13.427m is moved from expenditure to income and netted off against Council Tax income. This results in total budgeted expenditure of £390.527m for Revenue Monitoring purposes, as per Appendix A.

- 4.2 This report provides a detailed breakdown of service revenue monitoring information along with explanations of material variances against adjusted budgets. Where services are projecting a significant under or overspend against adjusted budget, additional details have

been provided. Where service expenditure is on target and no material variances are anticipated, additional information has not been provided.

5 RISK ASSESSMENT

- 5.1 In preparing the Council's 2022/2023 Revenue Budget, the Executive Director of Corporate Services considered the key strategic, operational and financial risks faced by the Council over this period (Article II (a) of the minute of the meeting of the Special Policy and Resources Committee on 24 February 2022, Report No: 65-2022 refers). In order to alleviate the impact these risks may have should they occur, a number of general risk mitigation factors are utilised by the Council. These include the:
- system of perpetual detailed monthly budget monitoring carried out by service
 - general contingency provision set aside to meet any unforeseen expenditure
 - level of general fund balances available to meet any unforeseen expenditure
 - level of other cash backed reserves available to meet any unforeseen expenditure
 - possibility of identifying further budget savings and efficiencies during the year, if required.
- 5.2 The key risks in 2022/2023 have been assessed both in terms of the probability of whether they will occur and the severity of their impact on the Council should they indeed happen. These risks have been ranked as either zero, low, medium or high. Details of this risk assessment, together with other relevant information including any proposed actions taken by the Council to mitigate these risks, are included in Appendix D to this report. This includes the high risk of new cost pressures or responsibilities emerging during the financial year in areas such as financial pressures as a result of the Covid-19 emergency and costs associated with Brexit.

6 GENERAL FUND SERVICES - MONITORING POSITION AS AT 31 AUGUST 2022

- 6.1 The forecast position as at 31 August 2022 for General Fund services is summarised below:

| GENERAL FUND | Adjusted Budget for year £'000 | Actual spend to date £'000 | Projection for year £'000 | Over/(under) spend for year £'000 |
|-------------------------------|---|---------------------------------------|--------------------------------------|--|
| Net Expenditure | 409,673 | 160,477 | 409,868 | 195 |
| Sources of Income /Funding | (409,673) | (151,892) | (409,633) | 40 |
| Net over/(under) spend | - | 8,585 | 235 | 235 |

The projected overspend of £0.235m is a consequence of the following main factors:

- It should be noted that these figures include an allowance for the LGE pay award that is currently being negotiated but has been recommended by some trade unions to be accepted. In addition, this includes an assumption of a flat 5% pay award for teachers that is subject to a separate ongoing negotiation process. The overall net additional impact not budgeted for in 2022/23 is estimated at £2.500m. We are currently considering the options for pay award flexibilities following the Scottish Government announcement. This would be funded by capital grant over the next 2 years. The outcome of this will be reflected in future monitoring reports.
- Targeted utilisation of earmarked reserves, notably for energy inflation (£3.100m), additional Covid-related cost pressures (£2.826m) which includes additional support for Leisure and Culture Dundee (LACD) (£0.614m). Please refer to Appendix E and B for more detail.
- Estimated Excess Revenue Share of £1.800m arising from the operations of the new waste to energy plant. Please note that there is a wide band of potential outcomes, ranging from £0.100m to £2.200m. In addition, we have included an estimated profit share from the operation of the old waste to energy plant of £0.800m. Again, please note there is a wide range of potential outcomes, ranging from £0.200m to £0.950m.

- Market conditions for energy costs continue to be very challenging. At the end of August, we anticipate energy overspends of £3.618m. The Council has set-aside £3.100m of its General Reserve for energy inflation, which we project to utilise in full, leaving a cost pressure on funds of £0.518m.
- The adverse financial impact of Covid is expected to be endured for 2022/23. It is anticipated that Covid costs will amount to £7.935m and these are detailed by service in Appendix B. This figure is circa £3.6m greater than the budgets carried forward for specific purposes. This overspend relates mainly to additional support for LACD, lost off-street car parking income and property-related costs associated with Covid, e.g cleaning and ventilation. It is assumed these additional Covid-related costs will be met from the General Reserve earmarked for Covid-recovery purposes.
- Capital Financing Costs are projected to be underspent by £1.140m. Please refer to paragraph 6.11 for more detail.
- For reasons outlined in paragraph 6.10 below, we are anticipating a Construction Services cost recovery shortfall in the order of £1.100m.
- Various other over and underspend situations, the more significant of which are detailed under Service Commentary below.

The impact of recent UK government decision to reduce employers National Insurance contributions is currently being assessed and will be reflected in future monitoring reports.

It should be noted that the Council has incurred costs of £0.234m to date in relation to the Ukrainian refugee scheme and whilst it has not yet been confirmed it is anticipated that the Scottish Government will fully cover this expenditure in due course. Supporting Ukrainians is placing increasing demands on services and particularly in respect of Social Care and Children and families services as financial support is not allocated for refugees living in hotels but services, including Education are being provided.

The forecast position as at 31 August 2022 is shown in more detail in the appendices to this report, as follows:

Appendix A shows the variances between budget and projected outturn for each service of the Council, **inclusive of Covid-19 impact**.

Appendix B shows the impact of Covid-19 on individual services in the Council. These numbers are included in Appendix A.

Appendix C shows the financial performance against ring-fenced funding to date.

Appendix D lists the key strategic, operational and financial risks being faced by the Council.

Appendix E lists the budget adjustments that have been undertaken to date.

These risks have been assessed and ranked accordingly both in terms of the probability of whether they will occur and the severity of their impact on the Council should they indeed happen. Any changes to the assessment from the previous reporting period, together with any additional comments included, are highlighted in bold type.

- 6.2 The following paragraphs summarise the main areas of variance by service along with appropriate explanations. It should be emphasised that this report identifies projections based on the first 5 months of the financial year. The figures are therefore indicative at this stage and are used by the Council Leadership Team to identify variances against budget and enable corrective action to be taken as appropriate.

Service Commentary

6.3 General

Services are expected to operate within the limits of their overall revenue budget allocation. Cost pressures which emerge in-year should, where possible, be accommodated within the

relevant service revenue budgets. Accordingly, there will be overs and unders within each service. The main areas are summarised below.

6.4 Children & Families Services (£0.741m overspend)

The service is projecting overspends in property costs of £1.934m mainly due to increase in energy prices (£1.665m) with majority of the energy overspend and being covered by transfer from earmarked reserves. There is also a projected overspend relating to additional cleans (£0.270m) with some of the costs being covered by transfer from earmarked reserves. In addition, an overspend of £0.250m is projected in Children's Services third party payments based on the level of external residential placements to date. The staffing budget continues to be monitored closely.

6.5 Dundee Health & Social Care Partnership (Breakeven)

The latest financial monitoring position for the Dundee Health and Social Care Partnership (DHSCP) for the 2022/23 financial year shows a forecast underspend of £0.901m. Under the risk sharing arrangement reflected in the Integration Scheme, the Integration Joint Board (IJB) retains any underspend within its reserve balances for investment in integrated health and social care services in future years. For Dundee City Council there is no additional financial contribution requirement forecast in 2022/23.

DHSCP is continuing to respond to changes in demand and demographics, and in particular staffing challenges, complexity of needs in community settings and the wider impact of deferred treatments during the pandemic period on health and wellbeing.

6.6 City Development (£0.884m overspend)

The service is projecting an overspend of £0.884m in property budget mainly due to increase in energy prices (£1.953m) with majority of the costs being covered by transfer from earmarked reserves and costs for maintaining ventilation/air conditioning and automatic controls to comply with Covid protocol and also increase in frequency of cleaning required post lock down (£0.480m). The service is also projecting costs of £1.122m for the Eden project, which will be met from earmarked funds. In addition, the service is anticipating a shortfall of £1.088m in off-street car parking income because of decrease in demand for parking due to the continuing economic downturn and more people working from home, and post lockdown effect on the number of consumers visiting City centre although this will be met from earmarked reserves. The remainder of this overspend reflects expenditure that has been committed to support major city events in the city (Report No: 215-2022 to City Development Committee on 5 September 2022, refers).

6.7 Neighbourhood Services (£2.699m underspend)

The service is currently projecting an underspend in third party payments relating mainly to MEB gate fees forecast to be less than budget. The service is projecting an additional income mainly due to a new mixed recycling contract expected to generate more income than budgeted. The underspend has been partly offset by overspends in property costs, supplies and services and transport.

As regards anticipated Excess Revenue Share arising from the operations of the new waste to energy plant, we have assumed a figure of £1.800m for 2022/23, this being our best estimate in a wide band of potential outcomes, ranging from £0.100m to £2.200m. As regards the anticipated profit share from the operation of the old waste to energy plant, this ranges from £0.200m to £0.950m and we have assumed £0.800m for revenue monitoring purposes. This is an area under review and updated forecasts will be made as and when we are in a position to do so.

6.8 Chief Executive (£0.737m underspend)

The service is projecting an underspend in supplies and services, mainly due to project-related underspends. The service is projecting additional support to LACD of some £1.4m in 2022/23, of which £0.614m will be funded from earmarked reserves and £0.786m will be funded from the return of LACD additional support for financial year 2021/2022. (refer paragraph 7.3).

6.9 Corporate Services (£0.501m underspend)

The service is currently projecting an underspend of £0.967m in staff costs due to current level of unfilled posts that is partly offset by a projected income shortfall of £0.452m, mainly relating to Tayside Scientific Services where partnering local authorities are no longer utilising this service. Any costs associated with the local election have been offset by the utilisation of earmarked funds that were held for this specific purpose.

6.10 Construction Services (£1.100m overspend)

The main reasons for this overspend is the projected under recovery of fixed and indirect overheads due to projects which have been delayed and a consistent increase in absence levels ultimately reducing the level of productive hours and in turn income recharged. Roofing remedial works are also projected to amount to £1.351m this year although as previously agreed this will be covered from earmarked reserves. In addition, estimated Covid-19 costs of £0.272m (accrued holiday pay impact and self-isolation costs) which will also be met from reserves earmarked for this purpose. The Construction Services Governance Board will continue to closely monitor costs, workload and operational matters.

6.11 Capital Financing Costs (£1.140m underspend)

This underspend reflects a projected saving in capital financing costs due to lower than anticipated interest rate, slippage in the capital programme and deferral of new borrowing until later due to the high level of cash reserves available.

7 **ONGOING ACTIONS**

7.1 Each service is working closely with Corporate Finance staff, firstly to ensure that these projections are met and then to identify scope to improve the outcome.

7.2 In addition, further Council-wide initiatives are underway to help manage existing and emerging cost pressures particularly resulting from Covid-19. These include reviewing the requirements for overtime working, a focus on absence rates and increased vacancy control over the remainder of the financial year. There is an ongoing review of discretionary spend and other opportunities for efficiencies and budget savings.

7.3 There is also close working with Dundee HSCP and LACD on revenue requirements for current and future funding.

Appendix E indicates that the Council expects to provide additional revenue support to LACD in 2022/23 to offset lost income due to the COVID-19 pandemic. The measures in place to ensure the safety of employees and customers, alongside continued restrictions on some areas of service delivery, has meant that capacity for income generation has not yet fully recovered.

LACD have requested that the Council issues a letter of comfort confirming their continued financial support. This is required to enable their external auditor sign-off their 2021/22 accounts.

7.4 The 2022/2023 budget savings agreed at the meeting of the Special Policy and Resources Committee on 24 February 2022 are monitored on a monthly basis. The Revenue Monitoring position reported reflects the position with regard to achieving these savings.

8 **HOUSING REVENUE ACCOUNT - MONITORING POSITION AT 31 AUGUST 2022**

8.1 The forecast position as at 31 August 2022 for the HRA is summarised below:

| HRA | Adjusted Budget for year £'000 | Actual spend to date £'000 | Projection for year £'000 | Over/(under) spend for year £'000 |
|-------------------------------|---|---------------------------------------|--------------------------------------|--|
| Expenditure | 56,520 | 13,629 | 56,970 | 450 |
| Income | (56,520) | (18,079) | (56,520) | - |
| Net over/(under) spend | - | (4,450) | 450 | 450 |

8.2 The service is projecting an overspend of £0.450m. The service is projecting an overspend in property costs due to additional expenditure on relets to work through the backlog of properties and the level of void losses being greater than budgeted due to properties being unlet for long periods than budgeted. This overspend is partly offset by underspend in loan charges mainly due to lower than anticipated interest rates, slippage in the capital programme and deferral of new borrowing until later due to the high level of cash reserves available.

A system of perpetual detailed monitoring will continue to take place up to 31 March 2023 with the objective of the HRA achieving a final outturn which is below or in line with the adjusted 2022/2023 HRA Revenue Budget.

Any underspend will be transferred to the Renewal & Repair Fund, the housing element of which amounted to £9.860m at 31 March 2022.

9 POLICY IMPLICATIONS

This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

Details of the risk assessment are included in Appendix D to this report.

10 CONSULTATIONS

The Council Leadership Team were consulted in the preparation of this report.

11 BACKGROUND PAPERS

None

ROBERT EMMOTT
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

20 OCTOBER 2022

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| DUNDEE CITY COUNCIL | | | | | | | | | | |
|---|----------------|---------------|----------------|----------------|----------------|--------------|------------|-----------|--------------|------------|
| 2022/2023 REVENUE OUTTURN MONITORING | | | | | | | | | | |
| PERIOD 1 APRIL 2022 -31 AUGUST 2022 | | | | | | | | | | |
| | Approved | | Adjusted | | | Projected | Actual | | Previous | Movement |
| | Revenue | Total | Revenue | Actual | Projected | Variance | 31.8.2022 | Note | Month | since |
| | Budget | Budget | Budget | Spend to | Outturn | Over/(under) | as a % of | | Projected | Previous |
| | 2022/23 | Adjustments | 2022/23 | 31.8.2022 | 2022/23 | spend | Adjusted | | Variance | Month |
| | £000 | £000 | £000 | £000 | £000 | £000 | Budget | | £000 | £000 |
| General Fund Services | | | | | | | | | | |
| Children & Families | 175,500 | 7,817 | 183,317 | 73,086 | 184,059 | 741 | 40% | para 6.4 | 702 | 40 |
| Dundee Health & Social Care Partnership | 92,763 | 6,589 | 99,352 | 37,132 | 99,352 | 0 | 37% | para 6.5 | 0 | |
| City Development | 13,544 | 7,095 | 20,639 | 7,147 | 21,523 | 884 | 35% | para 6.6 | 884 | |
| Neighbourhood Services | 28,689 | 484 | 29,173 | 7,197 | 26,474 | (2,699) | 25% | para 6.7 | (2,946) | 247 |
| Chief Executive | 13,629 | 1,740 | 15,369 | 5,244 | 14,632 | (737) | 34% | para 6.8 | (120) | (617) |
| Corporate Services | 32,027 | 4,475 | 36,502 | 27,506 | 36,001 | (501) | 75% | para 6.9 | (525) | 24 |
| Dundee Construction Services (DCS) | (1,150) | 1,623 | 473 | 22 | 1,573 | 1,100 | 5% | para 6.10 | 0 | 1,100 |
| | 355,002 | 29,823 | 384,825 | 157,334 | 383,613 | (1,212) | 41% | | (2,005) | 793 |
| Capital Financing Costs / Interest on Revenue Balances | 18,990 | | 18,990 | 0 | 17,850 | (1,140) | | para 6.11 | (1,140) | |
| Contingencies: | | | | | | | | | | |
| - General | 500 | (60) | 440 | | 440 | | | | | |
| - Budget growth/Cost Pressures | 14,515 | (10,617) | 3,898 | | 6,398 | 2,500 | | | 2,500 | |
| Miscellaneous Items | (2,289) | | (2,289) | (954) | (2,289) | | 42% | | | |
| Bad Debt Provision | 0 | | 0 | | 53 | 53 | | | 53 | |
| Discretionary Non Domestic Rates (NDR) Relief | 392 | | 392 | 404 | 404 | 12 | 103% | | 13 | 1 |
| Supplementary Superannuation Costs | 2,462 | | 2,462 | 1,016 | 2,444 | (18) | 41% | | | (18) |
| Tayside Valuation Joint Board | 955 | | 955 | 360 | 955 | | 38% | | | |
| Total Expenditure | 390,527 | 19,146 | 409,673 | 158,160 | 409,869 | 196 | 39% | | (579) | 775 |
| Sources of Income | | | | | | | | | | |
| General Revenue Funding | (295,749) | (1,020) | (296,769) | (123,635) | (296,769) | | 42% | | | |
| Contribution from National Non Domestic Rates (NNDR) Pool | (35,496) | | (35,496) | (14,790) | (35,496) | | 42% | | | |
| Council Tax | (58,982) | | (58,982) | (13,467) | (58,942) | 40 | 23% | | (18) | 58 |
| Use of Balances - | | | | | | | | | | |
| Balance on Covid Recovery Fund | (300) | | (300) | | (300) | | | | | |
| Committed Balances c/f | 0 | (9,413) | (9,413) | | (9,413) | | | | | |
| Earmarked funds * | 0 | (8,636) | (8,636) | | (8,636) | | | | | |
| Change Fund | 0 | (77) | (77) | | (77) | | | | | |
| (Surplus)/Deficit for the year | 0 | 0 | 0 | 6,268 | 235 | 235 | | para 6.1 | (598) | 833 |
| (Surplus)/Deficit for Housing Revenue Acct | 0 | 0 | 0 | 4,450 | 450 | 450 | | para 8.1 | 200 | 250 |

*Total pending virements from Earmarked funds of £8.636m. Please see Appendix E for further details.

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| DUNDEE CITY COUNCIL | | | | | | | | |
|---|-----------------------|---------------------|-----------------|----------------|------------------|---------------------|------------------|-----------------|
| Covid 19 - Projected Costs and Funding 2022/23 | | | | | | | | |
| PERIOD 1 APRIL 2022 - 31 AUGUST 2022 | | | | | | | | |
| | Budget | | Adjusted | Actual | | Projected | Previous | Movement |
| | Carry Forwards | Adjustments/ | Covid | spend | Projected | Variance | Month | since |
| | from | Additional | Funding | to date | Costs | Over/(under) | Projected | Previous |
| | 2021/22 | funding | 2022/23 | 2022/23 | 2022/23 | spend | Variance | Month |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Children & Families | 1,004 | | 1,004 | 740 | 1,066 | 62 | 96 | (34) |
| City Development | 651 | | 651 | 125 | 2,219 | 1,568 | 1,568 | |
| Neighbourhood Services | 115 | | 115 | 77 | 291 | 176 | 240 | (64) |
| Chief Executive | 638 | | 638 | 235 | 2,038 | 1,400 | 1,400 | |
| Corporate Services | 1,982 | (67) | 1,915 | 34 | 2,049 | 134 | 134 | |
| DCS Construction | 0 | | 0 | 58 | 272 | 272 | 281 | (9) |
| Total | 4,390 | (67) | 4,323 | 1,269 | 7,935 | 3,612 | 3,719 | (107) |

Of the overall projected overspend of £3.612m, £2.826m will be met from the General Covid Reserve. The balance of £0.786m will be funded from the return of LACD additional support for financial year 2021/2022.

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**DUNDEE CITY COUNCIL
2022/2023 RING FENCED GRANTS
PERIOD 1 APRIL 2022 - 31 AUGUST 2022**

| Ring-fenced grants | Income Carry Forward from 21/22 | Budget | | Actuals | | Projected Outturn for year | | Projected Income Carry Forward into 23/24 |
|---|---------------------------------|---------------------|-----------------|---------------------|-----------------|----------------------------|-----------------|---|
| | £000 | Expenditure £000 | Income £000 | Expenditure £000 | Income £000 | Expenditure £000 | Income £000 | £000 |
| Early Learning and Childcare Expansion (ELC) | (4,701) | 15,301 | (14,665) | 4,928 | (19,366) | 15,866 | (19,366) | (3,500) |
| Pupil Equity Fund (PEF) | (2,937) | 5,107 | (5,107) | 2,042 | (2,937) | 5,544 | (8,044) | (2,500) |
| Scottish Attainment Challenge (SAC) | (255) | 4,933 | (4,933) | 2,066 | (255) | 5,188 | (5,188) | 0 |
| Criminal Justice Social Work (Incl covid) (CJS) | 0 | 5,566 | (5,372) | 1,916 | (1,523) | 5,372 | (5,372) | 0 |
| Overall Total | (7,893) | 30,907 | (30,077) | 10,952 | (24,081) | 31,970 | (37,970) | (6,000) |

Budgets for ELC / CJS include mainstream budget provision of £636k and £194k respectively.

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| Risks - Revenue | Assessment | Risk Management / Comment |
|--|------------|--|
| <u>General Inflation</u> General price inflation may be greater than anticipated. | High | Corporate Procurement strategy in place, including access to nationally tendered contracts for goods and services. In addition, fixed price contracts agreed for major commodities i.e. gas and electricity. |
| <u>Equal Pay Claims</u> A provision may be required for the cost of equal pay claims. | Medium | Relatively few cases being taken through the Employment Tribunal process. |
| <u>Capital Financing Costs</u> Level of interest rates paid will be greater than anticipated. | High | Treasury Mgmt Strategy. Limited exposure to variable rate funding. |
| <u>Savings</u> Failure to achieve agreed level of savings & efficiencies particularly in light of the Covid-19 emergency. | High | General risk mitigation factors (ref para 5.1), in particular, regular monitoring by services to ensure savings targets are met. |
| <u>Emerging Cost Pressures</u> Significant cost pressures due to Covid-19 emergency in addition to the possibility of new cost pressures or responsibilities emerging during the course of the financial year, including potential additional costs associated with Brexit. | High | General risk mitigation factors (ref para 5.1), in particular, regular monitoring by services to ensure cost pressures are identified early and corrective action can be taken as necessary. Covid-19 Financial Recovery Plan. |
| <u>Chargeable income</u> The uncertainty that the level of chargeable income budgeted will be received particularly in light of the Covid-19 emergency | High | General risk mitigation factors (ref para 5.1), in particular, regular monitoring by services to ensure cost pressures are identified early and corrective action can be taken as necessary. Covid-19 Financial Recovery Plan. |
| <u>Council Tax Collection</u> Provision for non-collection of Council Tax (3.2%) may not be adequate particularly in light of the Covid-19 emergency. | Medium | Provision set takes cognisance of amounts collected for previous financial years. Non-payers subject to established income recovery procedures. In addition, the Cost of Living Payments to help with the cost of living will provide additional support. |
| <u>Welfare Reform</u> The changes introduced as part of the welfare reform exercise may increase the risk that budgeted income collection levels are not achieved and that current non-collection provision levels are inadequate. | High | General risk mitigation factors (ref para 5.1), in particular, regular monitoring by services to ensure any shortfalls are identified as early as possible and corrective action can be taken as necessary. Budget also introduced for discretionary housing payments to assist those affected by these changes. |

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| Dundee City Council | | | | | | | |
|--|------------------------------------|---|------------------------------|--|---|---|------------------------|
| Revenue Monitoring to 31st March 2023 - Budget Adjustments to date | | | | | | | |
| | <u>Alloc To/From Conts</u> | <u>2021/22 Under spends b/fwd</u> | <u>Funding Transfers</u> | <u>Pending virements from Earmarked Funds*</u> | <u>Alloc from Change Fund</u> | <u>T/Fs Between Depts / Conts</u> | <u>Dept Totals</u> |
| General Fund Services | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Children & Families | | | | | | | 7,817 |
| 2020/21 Carry Forwards | | 2,175 | | | | | |
| 2020/21 Carry Forward (Covid) | | 1,004 | | | | | |
| Allocation from Earmarked fund re inflationary pressures | | | | 1,381 | | | |
| related pressures | | | | 62 | | | |
| Easter Study Support Provision | | | 161 | | | | |
| Allocation of new monies - Universal Free School Meals for primaries 4 & 5 | 1,031 | | | | | | |
| Allocation of new monies - Free school meals - school holidays support | 890 | | | | | | |
| Allocation of new monies - Removal of Curriculum Charges | 191 | | | | | | |
| Allocation of new monies - Removal of Music Tuition Charges | 63 | | | | | | |
| Allocation for the 2021/22 SNCT Pay award | | | 859 | | | | |
| Dundee Health & Social Care Partnership | | | | | | | 6,589 |
| Allocation of new monies - Additional Investment in Health & Social Care | 5,881 | | | | | | |
| Allocation of new monies - Social Work Capacity in Adult Services | 628 | | | | | | |
| Chief Executive to Dundee Health & Social Care Partnership re Futures project | | | | | | 80 | |
| City Development | | | | | | | 7,095 |
| 2020/21 Carry Forwards | | 1,785 | | | | | |
| 2020/21 Carry Forward (Covid) | | 651 | | | | | |
| Chief Executive to City Development re Climate Change Fund | | | | | | 250 | |
| Allocation from Earmarked fund re inflationary pressures | | | | 1,719 | | | |
| Allocation from Earmarked fund re Covid cost related pressures | | | | 1,568 | | | |
| Allocation from Earmarked fund re Eden Project | | | | 1,122 | | | |
| Neighbourhood Services | | | | | | | 484 |
| 2020/21 Carry Forwards | | 94 | | | | | |
| 2020/21 Carry Forward (Covid) | | 115 | | | | | |
| 2020/21 Carry Forwards - Alcohol and Drugs Partnership grant | | 72 | | | | | |
| Change Fund - Automated public conveniences contact | | | | | 77 | | |
| Allocation from Earmarked fund re Covid cost related pressures | | | | 176 | | | |
| From Neighbourhood Services to Corporate Services re National Trauma Training Funding | | | | | | (50) | |
| Chief Executive | | | | | | | 1,740 |
| 2020/21 Carry Forwards | | 1,008 | | | | | |
| 2020/21 Carry Forward (Covid) | | 438 | | | | | |
| 2020/21 Carry Forwards - Climate Change Fund | | 250 | | | | | |
| Chief Executive to City Development re Climate Change Fund | | | | | | (250) | |
| Corporate Services to Chief Executive re Food Fund | | | | | | 200 | |
| From Contingency to Chief Executive re United Nations Educational, Scientific and Cultural Organization (UNESCO) | 60 | | | | | | |
| Anticipated Carry Forward adjustment relating to Drug and Mental Health Funding * | | (500) | | | | | |
| Additional support to Leisure and Culture Dundee (LACD) | | | | 614 | | | |

| | <u>Alloc To/From Conts</u> £000 | <u>2021/22 Under spends b/fwd</u> £000 | <u>Funding Transfers</u> £000 | <u>Pending virements from Earmarked Funds*</u> £000 | <u>Alloc from Change Fund</u> £000 | <u>T/Fs Between Depts / Conts</u> £000 | <u>Dept Totals</u> £000 |
|--|--|---|--------------------------------------|--|---|---|--------------------------------|
| General Fund Services | | | | | | | |
| Chief Executive to Dundee Health & Social Care Partnership re Futures project | | | | | | (80) | |
| Corporate Services | | | | | | | 4,475 |
| 2020/21 Carry Forwards | | 2,182 | | | | | |
| 2020/21 Carry Forward (Covid) | | 139 | | | | | |
| Allocation of new monies - Discretionary Housing Payments | 258 | | | | | | |
| Allocation of new monies - Child Payment Bridging Payments | 1,675 | | | | | | |
| Corporate Services to Chief Executive re Food Fund | | | | | | (200) | |
| Allocation from Earmarked fund re Covid cost related pressures | | | | 134 | | | |
| Allocation from Earmarked fund re Local Government Elections costs | | | | 237 | | | |
| From Neighbourhood Services to Corporate Services re National Trauma Training Funding | | | | | | 50 | |
| DCS Construction | | | | | | | 1,623 |
| Allocation from Earmarked fund re Covid cost related pressures | | | | 272 | | | |
| Allocation from earmarked fund re Roof Remedial Works | | | | 1,351 | | | |
| Contingency | | | | | | | (10,677) |
| From Contingency to Chief Executive re United Nations Educational, Scientific and Cultural Organization (UNESCO) | (60) | | | | | | |
| Allocation of new monies | (10,617) | | | | | | |
| Total Adjustments (General Fund) | 0 | 9,413 | 1,020 | 8,636 | 77 | 0 | 19,146 |
| * Allocation / virements from Earmarked funds is pending final outcomes at year end. | | | | | | | |