

REPORT TO: POLICY AND RESOURCES COMMITTEE – 22 NOVEMBER 2021
REPORT ON: REVENUE MONITORING 2021/2022
REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES
REPORT NO: 295-2021

1 PURPOSE OF REPORT

1.1 To provide Elected Members with an analysis of the 2021/2022 projected revenue outturn as at 30 September 2021 monitored against the adjusted 2021/2022 Revenue Budget.

2 RECOMMENDATIONS

- 2.1 It is recommended that Elected Members:
- a note that the overall General Fund as at 30 September 2021 is projecting an underspend of £6,292,000 against the adjusted 2021/2022 Revenue Budget.
 - b note the position on Covid-related expenditure and Covid funding, as set out in Appendix E and paragraph 3.1.
 - c note that the Housing Revenue Account as at 30 September is projecting an underspend of £192,000 against the adjusted HRA 2021/2022 Revenue Budget.
 - d agree that the Council Management Team will take every reasonable action to ensure that the 2021/2022 revenue expenditure is below or in line with the adjusted Revenue Budget.
 - e instruct the Executive Director of Corporate Services in conjunction with the Council Management Team to continue to monitor the Council's 2021/2022 projected revenue outturn to assist with the cost pressures resulting from Covid-19.

3 FINANCIAL IMPLICATIONS (see Appendix A)

3.1 The overall General Fund as at 30 September is projecting an underspend of £6,292,000 against the adjusted 2021/22 Revenue Budget. A review of the unallocated corporate savings within Contingencies is currently ongoing to determine how much of these will be realised in the current financial year. The result of this review will be reported in a future Revenue Monitoring report.

The underspend excludes Covid-19 related expenditure and loss of income. The Council is continuing to incur significant additional expenditure and income shortfalls from its response to the Covid-19 pandemic. The latest projections for Covid-19 related costs and funding are shown in Appendix E. It is currently projected that costs will be met by confirmed funding streams.

- 3.2 The Housing Revenue Account projected outturn position for 2021/2022 is an underspend of £192,000 based on the financial information available at 30 September.
- 3.3 The final position at 31 March 2022 for the General Fund and Housing Revenue Account will be confirmed in draft unaudited accounts prepared by 30 June 2022.

4 BACKGROUND

- 4.1 Following approval of the Council's 2021/2022 Revenue Budget by the Special Policy and Resources Committee on 4 March 2021, this report is now submitted in order to monitor the 2021/2022 projected revenue outturn position as at 30 September, against the adjusted 2021/2022 Revenue Budget.

The total 2021/2022 Revenue Budget is £372.852m. For Revenue Monitoring purposes, the Council Tax Reduction Scheme budget of £13.019m is moved from expenditure to income and netted off against Council Tax income. This results in total budgeted expenditure of £359.833m 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 2021/2022 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 4 March 2021, Report No: 108-2021 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 2021/2022 have now 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 30 SEPTEMBER 2021

- 6.1 The forecast position as at 30 September 2021 for General Fund services is summarised below:

| | <u>Adjusted Budget 2021/2022 £000</u> | <u>Forecast 2021/2022 £000</u> | <u>Variance £000</u> |
|-------------------|---|--|--------------------------|
| Total Expenditure | 368,272 | 362,237 | (6,035) |
| Total Income | <u>(368,272)</u> | <u>(368,529)</u> | <u>(257)</u> |
| Forecast Position | - | <u>(6,292)</u> | <u>(6,292)</u> |

The forecast position as at 30 September 2021 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.

Appendix B provides detailed explanations for the variances against budget that are shown in Appendix A.

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

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

Appendix E sets out the position on Covid-related expenditure and Covid funding.

- 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 six months of the financial year to 30 September 2021. The figures are therefore indicative at this stage and are used by the Chief Executive, Executive Director of Corporate Services and members of the Council Management Team to identify variances against budget and enable corrective action to be taken as appropriate.

Service Commentary

6.3 **General**

Committee Report No 62-2021, Policy and Resources Committee of 22 February 2021 notes “services will be 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 (£2,200,000 underspend)**

The service is currently projecting an underspend in Early Years staff costs as well as underspends in property costs due to savings on rates and anticipated savings in energy costs partially offset by overspends in cleaning contract. In addition, there are underspends in supplies & services relating to school meals partially offset by overspends in the library service and recreational provision. An overspend in transfer payments relates in the main to direct assistance payments in Children’s Services. The service is also reporting additional income from Additional Support Needs recoveries.

6.5 **Dundee Health & Social Care Partnership (Breakeven)**

The financial monitoring position for the Dundee Health and Social Care Partnership (DHSCP) shows a forecast net underspend position of (£524k), assuming full funding is received from the Scottish Government for additional Covid-19 pandemic spend. Under the risk sharing arrangement reflected in the Integration Scheme, the 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 2021/22.

The projected financial position consists of an estimated overspend of £832k relating to services delegated from Dundee City Council with an estimated underspend of (£1,356k) in relation to services delegated from NHS Tayside.

DHSCP are continuing to respond to changes in demand and the impact of the pandemic on health and wellbeing, particularly the provision of home and community based social care at a sufficient level to meet increasing demographic demand, increasing complex needs and minimising delayed discharges in hospital, while balancing financial resources.

- 6.6 City Development (Breakeven)
The service is currently projecting breakeven. The position will continue to be monitored closely in the coming months.
- 6.7 Neighbourhood Services (£955,000 underspend)
The service is projecting an underspend in relation to anticipated staff slippage due to the level of unfilled posts and projected underspend on contracts, equipment hires and maintenance; materials and events. Details of further projected variances are included in Appendix B.
- 6.8 Chief Executive (£46,000 underspend)
The service is projecting an underspend in relation to anticipated staff slippage due to the level of unfilled posts. Details of further projected variances are included in Appendix B.
- 6.9 Corporate Services (£1,082,000 underspend)
The service is currently projecting an underspend in relation to net anticipated slippage due to current level of unfilled posts and review of staffing structure. Details of further projected variances are included in Appendix B.
- 6.10 DCS Construction (£136,000 income shortfall)
Relates to projected surplus shortfall based on current estimates due to increased overhead costs.
- 6.11 Capital Finance Costs (£1,802,000 underspend)
This underspend reflects a projected saving in capital financing costs due to lower than anticipated interest rates and slippage in the capital programme.
- 6.12 Supplementary Superannuation (£111,000 underspend)
Projected underspend in Supplementary Superannuation costs.
- 6.13 Discretionary NDR Relief (overspend £25,000)
Projected overspend in Discretionary NDR Relief.
- 6.14 Council Tax (Breakeven)
Council Tax is currently projected to breakeven. The position will continue to be monitored closely in the coming months.
- 6.15 Capital Grants & Receipts Unapplied (£257,000 additional income)
Additional income in relation to Capital Receipts enhanced financial flexibility arrangements detailed below:

Capital Receipts – Flexibility Scheme

In March 2019, the Scottish Government issued details of enhanced financial flexibility arrangements that allow local authorities to vary proper accounting practice and use capital receipts to fund qualifying expenditure on a transformation project. Qualifying expenditure is deemed to be non-recurring expenditure on a transformation / service redesign project where incurring upfront costs will generate on-going savings.

Elected members will be aware that, for a number of years now, the Council has used Voluntary Early Retirement and Voluntary Redundancy (VER / VR) schemes as part of its workforce strategy, to assist in service redesign and transformation projects. As well as helping to modernise services, the VER / VR schemes have also generated significant budget savings to help address the financial challenges facing the Council. There are upfront, non-recurring costs associated with the VER / VR schemes, in the form of redundancy payments and pension strain-on-fund costs, however these costs are more than offset by the subsequent savings in staffing budgets.

In financial years 2018/2019 to 2020/2021 a total of £4.675m of capital receipts from asset sales were set-aside to fund qualifying expenditure on future transformation projects, in

terms of the flexibility arrangements. As at 31 March 2021, £1.146m had been used to fund severance costs, leaving a balance of £3.529m at 31 March 2021.

In financial year 2021/2022 the Council has to date incurred £0.257m of costs associated with the VR / VER schemes and these costs are included in the monitoring statement at Appendix A. It is likely that further costs will accrue as further VERs / VRs are approved. It is considered that these costs meet the definition of “qualifying expenditure” in terms of the Scottish Government’s flexibility arrangements. It has previously been agreed that costs associated with the VER/VR schemes, up to a maximum amount of £3.5m will be met from the remaining balance of capital receipts set-aside. The monitoring statement at Appendix A has been prepared on this assumption.

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.
- 7.4 The 2021/2022 budget savings agreed at the meeting of the Special Policy and Resources Committee on 4 March 2021 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 30 SEPTEMBER 2021

- 8.1 The forecast position as at 30 September 2021 for the HRA is summarised below:

| | <u>Adjusted Budget 2021/2022 £000</u> | <u>Forecast 2021/2022 £000</u> | <u>Variance £000</u> |
|-------------------|---|--|--------------------------|
| Total Expenditure | 55,762 | 55,570 | (192) |
| Total Income | <u>(55,762)</u> | <u>(55,762)</u> | - |
| Forecast Position | <u>-</u> | <u>(192)</u> | <u>(192)</u> |

- 8.2 The service is projecting underspends in staff costs, transport costs and capital financing costs. This underspend is partially offset by overspends in property costs.

A system of perpetual detailed monitoring will continue to take place up to 31 March 2022 with the objective of the HRA achieving a final outturn which is below or in line with the adjusted 2021/2022 HRA Revenue Budget.

9 POLICY IMPLICATIONS

This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues. Details of the risk assessment are included in Appendix D to this report.

10 **CONSULTATIONS**

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

11 **BACKGROUND PAPERS**

None

ROBERT EMMOTT
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

11 NOVEMBER 2021

| DUNDEE CITY COUNCIL | | | | | | | | | | |
|--|--|---------------------------------|--|----------------------------------|--------------------------|---------------------------|----------------------------------|-------------|---|--------------------------------------|
| 2021/2022 REVENUE OUTTURN MONITORING | | | | | | | | | | |
| PERIOD 1 APRIL 2021 - 30 SEPTEMBER 2021 | | | | | | | | | | |
| | Approved Revenue Budget 2021/22 | Total Budget Adjustments | Adjusted Revenue Budget 2021/22 | Projected Outturn 2021/22 | Worse Than Budget | Better Than Budget | Net Variance (see Appx B) | Note | Previous Months Projected Variance | Movement since Previous Month |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | £000 | £000 |
| General Fund Services | | | | | | | | | | |
| Children & Families | 170,555 | 2,479 | 173,034 | 170,834 | | (2,200) | (2,200) | 1 | 0 | (2,200) |
| Dundee Health & Social Care Partnership | 82,671 | 170 | 82,841 | 82,841 | | | 0 | 2 | 0 | |
| City Development | 13,002 | 1,935 | 14,937 | 14,937 | | | 0 | | 0 | |
| Neighbourhood Services | 28,853 | 329 | 29,182 | 28,227 | | (955) | (955) | 3 | (886) | (69) |
| Chief Executive | 12,957 | 1,578 | 14,535 | 14,489 | | (46) | (46) | 4 | (40) | (6) |
| Corporate Services | 32,014 | 1,901 | 33,915 | 32,833 | | (1,082) | (1,082) | 5 | (862) | (220) |
| DCS Construction | (1,457) | | (1,457) | (1,321) | 136 | | 136 | 6 | 260 | (124) |
| | 338,595 | 8,392 | 346,987 | 342,840 | 136 | (4,283) | (4,147) | | (1,528) | (2,619) |
| Capital Financing Costs / Interest on Revenue Balances | 21,201 | 50 | 21,251 | 19,449 | | (1,802) | (1,802) | 7 | (1,672) | (130) |
| Contingencies: | | | | | | | | | | |
| - General | 500 | (3) | 497 | 497 | | | 0 | | 0 | |
| - Cost Pressures | 491 | | 491 | 491 | | | 0 | | 0 | |
| - Unallocated Corporate Savings * | (2,714) | | (2,714) | (2,714) | | | 0 | | 0 | |
| Miscellaneous Items | (2,161) | | (2,161) | (2,161) | | | 0 | | 0 | |
| Bad Debt Provision | 0 | | 0 | 0 | | | 0 | | 0 | |
| Discretionary NDR Relief | 392 | | 392 | 417 | 25 | | 25 | 8 | 25 | |
| Supplementary Superannuation Costs | 2,566 | | 2,566 | 2,455 | | (111) | (111) | 9 | (92) | (19) |
| Tayside Valuation Joint Board | 963 | | 963 | 963 | | | 0 | | 0 | |
| Total Expenditure | 359,833 | 8,439 | 368,272 | 362,237 | 161 | (6,196) | (6,035) | | (3,267) | (2,768) |
| Sources of Income | | | | | | | | | | |
| General Revenue Funding | (269,419) | (2,171) | (271,590) | (271,590) | | | 0 | | 0 | |
| Contribution from NNDR Pool | (33,763) | | (33,763) | (33,763) | | | 0 | | 0 | |
| Council Tax | (56,651) | | (56,651) | (56,651) | 0 | | 0 | 10 | 160 | (160) |
| Use of Balances - | | | | | | | | | | |
| Committed Balances c/f | 0 | (6,268) | (6,268) | (6,268) | | | 0 | | 0 | |
| Capital Grants & Receipts Unapplied | 0 | | 0 | (257) | | (257) | (257) | 11 | (95) | (162) |
| Change Fund | 0 | | 0 | 0 | | | 0 | | 0 | |
| (Surplus)/Deficit for the year | 0 | 0 | 0 | (6,292) | 161 | (6,453) | (6,292) | | (3,202) | (3,090) |
| (Surplus)/Deficit for Housing Revenue Acct | 0 | 0 | 0 | (192) | | (192) | (192) | 12 | (186) | (6) |

* A review of the Unallocated Corporate Savings is currently ongoing to determine how much of these will be realised in the year.

REASONS FOR 2021/2022 CONTROLLABLE PROJECTED REVENUE OUTFURN VARIANCES
(Excludes Capital Charges, Central Support Services & Office Recharges)
AT 30 SEPTEMBER 2021

| <u>Service</u> | <u>Note</u> | <u>As at</u> <u>30 Sep</u> <u>£000</u> | <u>As at</u> <u>31 Aug</u> <u>£000</u> | <u>Cost Centre</u> | <u>Subjective</u> <u>Analysis</u> | <u>As at</u> <u>30 Sep</u> <u>£000</u> | <u>As at</u> <u>31 Aug</u> <u>£000</u> | <u>Reason / Basis of Over/(Under)spend</u> |
|--|-------------|--|--|---------------------|---|--|---|---|
| <u>Children & Families</u> <u>Services</u> | 1 | (2,200) | 0 | <u>Departmental</u> | Staff Costs Property Costs Supplies & Services Transport Third Party Payments Income | (1,200) (690) (400) 140 150 (200) | | Reflects anticipated underspend in Early Years staff costs. Reflects savings on rates charges and anticipated savings in energy costs partially offset by overspends in cleaning contract. Relates to savings on school meals partially offset by overspends in the library service and recreational provision. Overspend relates to additional transport associated with curriculum changes and attendance at college. Overspend on summer school and direct assistance in Children's Services. Relates to additional income from Additional Support Needs recoveries. |
| <u>Dundee Health & Social</u> <u>Care Partnership</u> | 2 | 0 | 0 | <u>Departmental</u> | | 0 | 0 | 0 The financial monitoring position for the Dundee Health and Social Care Partnership (DHSCP) shows a forecast net underspend position of (£524k), assuming full funding is received from the Scottish Government for additional Covid-19 pandemic spend. Under the risk sharing arrangement reflected in the Integration Scheme, the 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 2021/22. The projected financial position consists of an estimated overspend of £832k relating to services delegated from Dundee City Council with an estimated underspend of (£1,356k) in relation to services delegated from NHS Tayside. DHSCP are continuing to respond to changes in demand and the impact of the pandemic on health and wellbeing, particularly the provision of home and community based social care at a sufficient level to meet increasing demographic demand, increasing complex needs and minimising delayed discharges in hospital, while balancing financial resources. |
| <u>Neighbourhood</u> <u>Services</u> | 3 | (955) | (886) | | Staff Costs Supplies & Services Transportation Third Party Payments Various Income | (285) (426) 91 18 26 (379) | (306) (424) 91 18 26 (291) | Mainly reflects net anticipated slippage due to current level of unfilled posts. Mainly reflects projected underspend on contracts; equipment, hire and maintenance; materials and events expenditure. Relates mainly to fleet charges partly offset by reduced travel costs. Mainly reflects increase in MEB Gate Fees, partly offset by underspend in grant. Reflects projected expenditure on Corporate Resilience Costs. Reflects additional income from service charges associated with the creation of the temporary accommodation properties. |
| <u>Chief Executive</u> | 4 | (46) | (40) | <u>Departmental</u> | Staff Costs Supplies & Services | (46) 0 | (40) 0 | Slippage target exceeded due to vacant posts. Various minor underspends in supplies and services offset by Eden Project fees and Foodbank Costs. |

REASONS FOR 2021/2022 CONTROLLABLE PROJECTED REVENUE OUTTURN VARIANCES
(Excludes Capital Charges, Central Support Services & Office Recharges)
AT 30 SEPTEMBER 2021

| <u>Service</u> | <u>Note</u> | <u>As at</u> <u>30 Sep</u> <u>£000</u> | <u>As at</u> <u>31 Aug</u> <u>£000</u> | <u>Cost Centre</u> | <u>Subjective</u> <u>Analysis</u> | <u>As at</u> <u>30 Sep</u> <u>£000</u> | <u>As at</u> <u>31 Aug</u> <u>£000</u> | <u>Reason / Basis of Over/(Under)spend</u> |
|--|-------------|--|--|---------------------|--------------------------------------|--|--|---|
| Corporate Services | 5 | (1,082) | (862) | Departmental | Staff Costs | (1,288) | (1,088) | Mainly reflects net anticipated slippage due to current level of unfilled posts and review of staffing structure. |
| | | | | | Supplies & Services | 285 | 254 | Mainly reflects projected overspend on Scientific Services, Sherriff Officers Commission and postages. |
| | | | | | Transport | (36) | (27) | Mainly due to reduced travel. |
| | | | | | Transfer payments | (59) | (31) | Various. |
| | | | | | Income | 16 | 30 | Relates mainly to Childrens Panel, utilisation of Individual Electoral Registration Grants, Admin Penalties and Safety Camera Recovery. |
| DCS Construction | 6 | 136 | 260 | | Income | 136 | 260 | Projected surplus shortfall based on current estimates due to increased overhead costs. |
| Capital Finance Costs | 7 | (1,802) | (1,672) | | Capital Financing Costs / IORB | (1,802) | (1,672) | Due to lower than expected borrowing / budgeted interest rates. |
| Discretionary NDR Relief | 8 | 25 | 25 | | | 25 | 25 | Anticipated overspend in relation to Discretionary NDR Relief. |
| Supplementary Superannuation costs | 9 | (111) | (92) | | | (111) | (92) | Projected underspend in Supplementary Superannuation costs. |
| Council Tax | 10 | 0 | 160 | | | 0 | 160 | Projected breakeven. The position will continue to be monitored closely in the coming months. |
| Capital Grants & Receipts Unapplied | 11 | (257) | (95) | | | (257) | (95) | Reflects the use of Capital receipts already set aside to fund costs associated with voluntary early retirements / voluntary redundancies. |
| TOTAL GENERAL FUND | | (6,292) | (3,202) | | | (6,292) | (3,202) | |
| Housing Revenue Account | 12 | (192) | (186) | | Staff | (519) | (374) | Reflects net anticipated staff slippage mainly due to current level of unfilled posts. |
| | | | | | Property | 1,689 | 1,656 | Reflects remedial works costs associated with the electrical inspection and the level of void losses being greater than budgeted due to properties being unlet for longer periods than was budgeted. The overspend has been partly offset by anticipated repairs and maintenance. |
| | | | | | Transportation Costs | (17) | (17) | Various. |
| | | | | | Supplies & Services | 53 | 38 | Various. |
| | | | | | Capital Financing Costs | (1,398) | (1,398) | Due to lower than expected borrowing / budgeted interest rates. |
| | | | | | Income | 0 | (91) | |
| TOTAL HOUSING REVENUE ACCOUNT | | (192) | (186) | | | (192) | (186) | |

| Dundee City Council | | | | | | | | |
|---|---|--|--|---|--|---|--|---|
| Revenue Monitoring to 31st March 2022 - Budget Adjustments to date | | | | | | | | |
| | <u>Alloc</u> <u>To/From</u> <u>Conts</u> <u>£000</u> | <u>2020/21</u> <u>Under</u> <u>spends</u> <u>b/fwd</u> <u>£000</u> | <u>Funding</u> <u>T/Fs</u> <u>£000</u> | <u>NDR</u> <u>Adj</u> <u>£000</u> | <u>Alloc</u> <u>from</u> <u>Change</u> <u>Fund</u> <u>£000</u> | <u>Alloc</u> <u>from</u> <u>R&R</u> <u>Fund</u> <u>£000</u> | <u>T/Fs</u> <u>Between</u> <u>Depts /</u> <u>Conts</u> <u>£000</u> | <u>Dept</u> <u>Totals</u> <u>£000</u> |
| General Fund Services | | | | | | | | |
| Children & Families | | | | | | | | |
| Children and Young people in mental health Carry Forward | | 393 | | | | | | |
| Free School Meals Easter holidays Carry Forward | | 186 | | | | | | |
| Additional support for learning funding Carry Forward | | 270 | | | | | | |
| Expansion of Free School Meals | | | 1,550 | | | | | |
| Core Curriculum Charges | | | 104 | | | | | |
| Music Tuition redetermination | | | 7 | | | | | |
| Children and Families to City Development re External funding staff resource | | | | | | | (31) | |
| | | | | | | | | 2,479 |
| Dundee Health & Social Care Partnership | | | | | | | | |
| Chief Executive to Dundee Health and Social Care Partnership re domestic violence funding | | | | | | | 170 | |
| | | | | | | | | 170 |
| City Development | | | | | | | | |
| Black History Funding | 3 | | | | | | | |
| Children and Families to City Development re External funding staff resource | | | | | | | 31 | |
| 2020/21 Carry Forwards | | 1,870 | | | | | | |
| Corporate Service to City Development re External funding staff resource | | | | | | | 31 | |
| | | | | | | | | 1,935 |
| Neighbourhood Services | | | | | | | | |
| Allocation of Additional Funding | | | 100 | | | | | |
| 2020/21 Carry Forwards | | 229 | | | | | | |
| | | | | | | | | 329 |
| Chief Executive | | | | | | | | |
| 2020/21 Carry Forwards | | 1,568 | | | | | | |
| Chief Executive to Dundee Health and Social Care Partnership re domestic violence funding | | | | | | | (170) | |
| Allocation of Additional Funding | | | 180 | | | | | |
| | | | | | | | | 1,578 |
| Corporate Services | | | | | | | | |
| 2020/21 Carry Forwards | | 1,752 | | | | | | |
| Corporate Services to City Development re External funding staff resource | | | | | | | (31) | |
| Allocation of Additional Funding | | | 180 | | | | | |
| | | | | | | | | 1,901 |
| General Contingency | | | | | | | | |
| Black History Funding | (3) | | | | | | | |
| | | | | | | | | (3) |
| Capital Financing Costs | | | | | | | | |
| Allocation of Additional Funding | | | 50 | | | | | |
| | | | | | | | | 50 |
| Total Adjustments (General Fund) | 0 | 6,268 | 2,171 | 0 | 0 | 0 | 0 | 8,439 |

| Risks - Revenue | Assessment | Risk Management / Comment |
|--|----------------|--|
| <u>General Inflation</u> General price inflation may be greater than anticipated. | Medium | 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. | Low/ Medium | 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. | High | Provision set takes cognisance of amounts collected for previous financial years. Non-payers subject to established income recovery procedures. |
| <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. |

Covid 19 - Projected Costs and Funding 2021/22Projected Costs

| | £000 |
|--|--------------|
| <u>Children and Families:</u> | |
| Additional teachers and support staff | 3,981 |
| Personal protective equipment / additional cleaning | 1,000 |
| Children services (Care experienced placements/additional staff etc) | 1,348 |
| Mental health and wellbeing | 393 |
| Lost income from breakfast clubs | 100 |
| Digital expenditure | 299 |
| Balance of £1.714m funding | 714 |
| | <u>7,835</u> |
| <u>City Development:</u> | |
| Property costs including costs associated with bringing all lock down properties back into operation | 610 |
| Standby / retainer payments – Construction Services | 82 |
| Business Support Fund - Discretionary Grants | 1,647 |
| Car Parking lost income | 2,108 |
| Architect's fee recovery | ** 800 |
| Reduced income from property rents, planning applications, building warrants, advertising etc | 292 |
| Parental employability support | 153 |
| | <u>5,692</u> |
| <u>Neighbourhood Services:</u> | |
| Additional transport costs | 154 |
| Increase in residual waste disposal costs | 246 |
| Lower income from community centre lets, café sales, events etc | 137 |
| Lower income from commercial trade waste | 342 |
| Operation of mass vaccination centre at Caird Hall | 514 |
| WiFi in community centres / community based activities | * 80 |
| Supporting people affected by homelessness | 79 |
| | <u>1,552</u> |
| <u>Chief Executive:</u> | |
| Community food costs | * 406 |
| Other Costs | 2 |
| | <u>408</u> |
| <u>Corporate Services:</u> | |
| Personal protective equipment | 385 |
| Council tax - additional bad debt provision and CT reductions | 1,000 |
| Discretionary housing payments | * 155 |
| Crisis Grants | 216 |
| Family and low income pandemic payments | 3,371 |
| Spring hardship payments | * 20 |
| Fuel Well scheme | * 400 |
| Lower income from Registrars, Tayside Scientific Services, underground garage | 512 |
| Self isolation support grants | 823 |
| Various other covid supports | * 754 |
| Other costs | 25 |
| | <u>7,661</u> |
| <u>DCS Construction:</u> | |
| Increased overheads | 347 |
| | <u>347</u> |

HRA

| | |
|---|--------------------------|
| Standby / retainer payments – Construction Services | 192 |
| | <u>192</u> |
| SUB TOTAL - PROJECTED COSTS | 23,687 |
| LACD | 3,000 |
| Capital (General Services) | 466 |
| GRAND TOTAL - PROJECTED COSTS | <u><u>27,153</u></u> |

* *Included in Report 155-2021 (Funding for Covid-19 Supports for 2021/22)*

** *We are currently considering ways of reducing this cost*

Funding

| | |
|--|--------------------------|
| Budget Carry Forwards from 2020/21 | 9,800 |
| SG Funding for Mass Vaccination Centre 2021/22 | 514 |
| SG Funding for Self-Isolation Grants 2021/22 | 823 |
| Furlough Claim | 4 |
| Housing Revenue Account | 192 |
| Capital Programme | 466 |
| SG Additional Funding 2021/22: | |
| Non-recurring Covid Funding | 7,173 |
| Low Income Households (FPP / LIPP) | 3,371 |
| Education Catch-up | 1,722 |
| Other Miscellaneous | <u>250</u> |
| | 12,516 |
| Amounts Set-aside within General Fund Balances | 2,838 |
| GRAND TOTAL - FUNDING | <u><u>27,153</u></u> |

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