

REPORT TO: POLICY AND RESOURCES COMMITTEE – 10 JANUARY 2022

REPORT ON: REVENUE MONITORING 2021/2022

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 3-2022

1 PURPOSE OF REPORT

1.1 To provide Elected Members with an analysis of the 2021/2022 projected revenue outturn as at 30 November 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 November 2021 is projecting an underspend of £6,457,000 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 November is projecting an underspend of £294,000 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.
- f notes the current position on Leisure and Culture Dundee, as set out in paragraph 7.3, and confirms the Council's ongoing financial support to offset the impact of Covid-19 on LACD through to at least 31 March 2023.

3 FINANCIAL IMPLICATIONS (see Appendix A)

3.1 The overall General Fund as at 30 November is projecting an underspend of £6,457,000 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 £294,000 based on the financial information available at 30 November.

- 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 November, 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 NOVEMBER 2021

6.1 The forecast position as at 30 November 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	362,059	(6,213)
Total Income	<u>(368,272)</u>	<u>(368,516)</u>	<u>(244)</u>
Forecast Position	-	<u>(6,457)</u>	<u>(6,457)</u>

The forecast position as at 30 November 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 eight months of the financial year to 30 November 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. There are also projected 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 (£576k), 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 £395k relating to services delegated from Dundee City Council with an estimated underspend of (£971k) 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 (£75,000 underspend)
The service is projecting an underspend in staffing budget mainly due to current level of unfilled posts in Architectural and Engineer Service. The underspend has been partly offset against under recovery of fees anticipated during the year.
- 6.7 Neighbourhood Services (£1,074,000 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 (£358,000 underspend)
The service is projecting an underspend in Supply and Services and an underspend in staff costs due to the level of unfilled posts. Details of further projected variances are included in Appendix B.
- 6.9 Corporate Services (£1,257,000 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 (£194,000 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 (£132,000 underspend)
Projected underspend in Supplementary Superannuation costs.
- 6.13 Bad Debt Provision (reduced income £474,000)
Reflects projected increase in bad debts in the year.
- 6.14 Discretionary NDR Relief (overspend £17,000)
Projected overspend in Discretionary NDR Relief.
- 6.15 Council Tax (Breakeven)
Council Tax is currently projected to breakeven. The position will continue to be monitored closely in the coming months.

- 6.16 Capital Grants & Receipts Unapplied (£244,000 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 £0.244m 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.

Appendix E indicates that the Council expects to provide additional revenue support to LACD of £3m in 2021/2022 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 remained low.

As agreed at the meeting of the Policy and Resources Committee on 6 December 2021, the Council has issued a letter of comfort to LACD confirming their continued financial support. To assist with forward planning it is recommended that the council confirm that it will continue to provide financial support to LACD to offset the impact of the Covid pandemic through to at

least 31 March 2023. The forthcoming tender report in relation to the works at Olympia will consider any revenue implications associated with the closure of the facility and how these will be addressed.

- 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 NOVEMBER 2021

- 8.1 The forecast position as at 30 November 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	55,162	(600)
Total Income	<u>(55,762)</u>	<u>(55,456)</u>	<u>306</u>
Forecast Position	_____ -	<u>(294)</u>	<u>(294)</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 and shortfall in rental income.

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

16 DECEMBER 2021

DUNDEE CITY COUNCIL										
2021/2022 REVENUE OUTTURN MONITORING										
PERIOD 1 APRIL 2021 - 30 NOVEMBER 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	2,500	173,055	170,855		(2,200)	(2,200)	1	(2,200)	
Dundee Health & Social Care Partnership	82,671	170	82,841	82,841			0	2	0	
City Development	13,002	1,904	14,906	14,831		(75)	(75)	3	0	(75)
Neighbourhood Services	28,853	319	29,172	28,098		(1,074)	(1,074)	4	(1,116)	42
Chief Executive	12,957	1,578	14,535	14,177		(358)	(358)	5	(47)	(311)
Corporate Services	32,014	1,921	33,935	32,678		(1,257)	(1,257)	6	(1,121)	(136)
DCS Construction	(1,457)		(1,457)	(1,263)	194		194	7	217	(23)
	338,595	8,392	346,987	342,217	194	(4,964)	(4,770)		(4,267)	(503)
Capital Financing Costs / Interest on Revenue Balances	21,201	50	21,251	19,449		(1,802)	(1,802)	8	(1,802)	
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	474	474		474	9	474	
Discretionary NDR Relief	392		392	409	17		17	10	26	(9)
Supplementary Superannuation Costs	2,566		2,566	2,434		(132)	(132)	11	(119)	(13)
Tayside Valuation Joint Board	963		963	963			0		0	
Total Expenditure	359,833	8,439	368,272	362,059	685	(6,898)	(6,213)		(5,688)	(525)
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	
Use of Balances -										
Committed Balances c/f	0	(6,268)	(6,268)	(6,268)			0		0	
Capital Grants & Receipts Unapplied	0		0	(244)		(244)	(244)	12	(244)	
Change Fund	0		0	0			0		0	
(Surplus)/Deficit for the year	0	0	0	(6,457)	685	(7,142)	(6,457)		(5,932)	(525)
(Surplus)/Deficit for Housing Revenue Acct	0	0	0	(294)		(294)	(294)	13	(194)	(100)

* 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 OUTTURN VARIANCES
(Excludes Capital Charges, Central Support Services & Office Recharges)
AT 30 NOVEMBER 2021

<u>Service</u>	<u>Note</u>	<u>As at</u> <u>30 Nov</u> <u>£000</u>	<u>As at</u> <u>31 Oct</u> <u>£000</u>	<u>Cost Centre</u>	<u>Subjective</u> <u>Analysis</u>	<u>As at</u> <u>30 Nov</u> <u>£000</u>	<u>As at</u> <u>31 Oct</u> <u>£000</u>	<u>Reason / Basis of Over/(Under)spend</u>
<u>Children & Families Services</u>	1	(2,200)	(2,200)	<u>Departmental</u>	Staff Costs	(1,200)	(1,200)	Reflects anticipated underspend in Early Years staff costs.
					Property Costs	(690)	(690)	Reflects savings on rates charges and anticipated savings in energy costs partially offset by overspends in cleaning contract.
					Supplies & Services	(400)	(400)	Relates to savings on school meals partially offset by overspends in the library service and recreational provision.
					Transport	140	140	Overspend relates to additional transport associated with curriculum changes and attendance at college.
					Third Party Payments	150	150	Overspend on summer school and direct assistance in Children's Services.
					Income	(200)	(200)	Relates to additional income from Additional Support Needs recoveries.
<u>Dundee Health & Social Care Partnership</u>	2	0	0	<u>Departmental</u>		0	0	The financial monitoring position for the Dundee Health and Social Care Partnership (DHSCP) shows a forecast net underspend position of (£576k), 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 £395k relating to services delegated from Dundee City Council with an estimated underspend of (£971k) 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>City Development</u>	3	(75)	0	<u>Departmental</u>	Staff Costs	(525)	(450)	Reflects net anticipated staff slippage mainly due to current level of unfilled posts in Architectural and Engineer Service.
					Income	450	450	Anticipated fee recovery is lower due to underspend in staff budget highlighted above. This is directly influenced by the running costs incurred and the yield margin built in the fee income target.

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

<u>Service</u>	<u>Note</u>	<u>As at</u> <u>30 Nov</u> <u>£000</u>	<u>As at</u> <u>31 Oct</u> <u>£000</u>	<u>Cost Centre</u>	<u>Subjective</u> <u>Analysis</u>	<u>As at</u> <u>30 Nov</u> <u>£000</u>	<u>As at</u> <u>31 Oct</u> <u>£000</u>	<u>Reason / Basis of Over/(Under)spend</u>
Neighbourhood Services	4	(1,074)	(1,116)		Staff Costs	(368)	(305)	Mainly reflects net anticipated slippage due to current level of unfilled posts.
					Supplies & Services	(240)	(347)	Mainly reflects projected underspend on contracts; equipment, hire and maintenance; materials and events expenditure.
					Transportation	103	126	Reflects additional vehicles hired and increased fuel costs.
					Third Party Payments	6	(2)	Mainly reflects increase in MEB Gate Fees, partly offset by underspend in grant.
					Various	64	17	Reflects projected expenditure on Corporate Resilience Costs and Travelling People Site voids.
				Income	(639)	(605)	Reflects additional income from service charges associated with the creation of the temporary accommodation properties.	
Chief Executive	5	(358)	(47)	Departmental	Staff Costs	(43)	(43)	Slippage target exceeded due to vacant posts.
					Supplies & Services	(315)	(4)	Reflects underspend on Drugs and Mental Health. The funding is to be utilised for projects in the next financial year.
Corporate Services	6	(1,257)	(1,121)	Departmental	Staff Costs	(1,410)	(1,168)	Mainly reflects net anticipated slippage due to current level of unfilled posts and review of staffing structure.
					Supplies & Services	410	347	Mainly reflects projected overspend on Scientific Services, Sherriff Officers Commission and postages.
					Transport	(29)	(33)	Mainly due to reduced travel.
					Transfer payments	(108)	(234)	Various.
					Third Party Payments	3	0	Various.
				Income	(123)	(33)	Relates mainly to Children's Panel, utilisation of Individual Electoral Registration Grants, Admin Penalties and Safety Camera Recovery.	
DCS Construction	7	194	217		Income	194	217	Projected surplus shortfall based on current estimates due to increased overhead costs.
Capital Finance Costs	8	(1,802)	(1,802)		Capital Financing Costs / IORB	(1,802)	(1,802)	Due to lower than expected borrowing / budgeted interest rates.
Bad Debt Provision	9	474	474			474	474	Reflects projected increase in bad debt provision
Discretionary NDR Relief	10	17	26			17	26	Anticipated overspend in relation to Discretionary NDR Relief.
Supplementary Superannuation costs	11	(132)	(119)			(132)	(119)	Projected underspend in Supplementary Superannuation costs.
Capital Grants & Receipts Unapplied	12	(244)	(244)			(244)	(244)	Reflects the use of Capital receipts already set aside to fund costs associated with voluntary early retirements / voluntary redundancies.
TOTAL GENERAL FUND		(6,457)	(5,932)			(6,457)	(5,932)	

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

<u>Service</u>	<u>Note</u>	<u>As at</u> <u>30 Nov</u> <u>£000</u>	<u>As at</u> <u>31 Oct</u> <u>£000</u>	<u>Cost Centre</u>	<u>Subjective</u> <u>Analysis</u>	<u>As at</u> <u>30 Nov</u> <u>£000</u>	<u>As at</u> <u>31 Oct</u> <u>£000</u>	<u>Reason / Basis of Over/(Under)spend</u>
<u>Housing Revenue</u>	13	(294)	(194)		Staff	(598)	(567)	Reflects net anticipated staff slippage mainly due to current level of unfilled posts.
<u>Account</u>					Property	1,236	1,447	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	221	64	Reflects projected overspend due to implementation of Mobyssoft system in 2021/22 and additional legal fees.
					Capital Financing Costs	(1,442)	(1,442)	Due to lower than expected borrowing / budgeted interest rates.
					Income	306	321	Reflects shortfall in rental income due to delays in the completion of the New Build at Derby Street and credit note issued to external party for rental of properties.
<u>TOTAL HOUSING</u>								
<u>REVENUE ACCOUNT</u>		(294)	(194)			(294)	(194)	

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>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)	
City Development to Children and Families re External funding posts - reimbursement of staff slippage 2021.22						21	
							2,500
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	
Neighbourhood Services to City Development External funding staff resource						31	
External funding posts - reimbursement of staff slippage 2021.22						(62)	
							1,904
Neighbourhood Services							
Allocation of Additional Funding			100				
2020/21 Carry Forwards		229					
Neighbourhood Services to City Development External funding staff resource						(31)	
City Development to Neighbourhood Services re External funding posts - reimbursement of staff slippage 2021.22						21	
							319
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				
City Development to Corporate Services re External funding posts - reimbursement of staff slippage 2021.22						20	
							1,921
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	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 2021/22

<u>Projected Costs</u>	Nov-21 £000	Oct-21 £000
<u>Children and Families:</u>		
Additional teachers and support staff	3,983	3,981
Personal protective equipment / additional cleaning	1,000	1,000
Children services (Care experienced placements/additional staff etc)	1,272	1,348
Mental health and wellbeing	393	393
Lost income from breakfast clubs	100	100
Digital expenditure	299	299
Balance of £1.714m funding	614	714
	7,661	7,835
<u>City Development:</u>		
Property costs including costs associated with bringing all lock down properties back into operation	610	610
Standby / retainer payments – Construction Services	82	82
Business Support Fund - Discretionary Grants	1,647	1,647
Car Parking lost income	1,961	1,907
Architect's fee recovery	** 800	** 800
Reduced income from property rents, planning applications, building warrants, advertising etc	315	315
Parental employability support	153	153
	5,568	5,514
<u>Neighbourhood Services:</u>		
Additional transport costs	127	123
Increase in residual waste disposal costs	206	256
Lower income from community centre lets, café sales, events etc	156	133
Lower income from commercial trade waste	320	326
Operation of mass vaccination centre at Caird Hall	700	535
WiFi in community centres / community based activities	* 80	* 80
Supporting people affected by homelessness	79	79
Other costs	12	0
	1,680	1,532
<u>Chief Executive:</u>		
Community food costs	* 406	* 406
Additional Funding for LACD COVID Income shortfall	3,000	3,000
Other Costs	2	2
	3,408	3,408
<u>Corporate Services:</u>		
Personal protective equipment	210	392
Council tax - additional bad debt provision and CT reductions	900	1,000
Discretionary housing payments	* 155	* 155
Crisis Grants	146	146
Family and low income pandemic payments	3,372	3,371
Spring hardship payments	* 20	* 20
Fuel Well scheme	* 400	* 400
Lower income from Registrars, Tayside Scientific Services, underground garage	406	508
Self isolation support grants	1,898	1,055
Various other covid supports	* 754	* 754
Other costs	25	25
	8,286	7,826

<u>Projected Costs (continued)</u>	Nov-21 £000	Oct-21 £000
<u>DCS Construction:</u>		
Increased overheads	470	422
	<u>470</u>	<u>422</u>
<u>HRA</u>		
Standby / retainer payments – Construction Services	194	194
	<u>194</u>	<u>194</u>
 SUB TOTAL - PROJECTED COSTS	 27,267	 26,731
 Capital (General Services)	 277	 277
 GRAND TOTAL - PROJECTED COSTS	 <u>27,544</u>	 <u>27,008</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	9,800
 SG Funding for Mass Vaccination Centre 2021/22	 700	 535
SG Funding for Self-Isolation Grants 2021/22	1,898	1,055
Furlough Claim	91	4
Housing Revenue Account	194	194
 Capital Programme	 277	 277
 SG Additional Funding 2021/22:		
Non-recurring Covid Funding	7,173	7,173
Low Income Households (FPP / LIPP)	3,371	3,371
Education Catch-up	1,722	1,722
CO2 Monitors in Schools	81	
Other Miscellaneous	325	250
	<u>12,672</u>	<u>12,516</u>
 Amounts Set-aside within General Fund Balances	 1,912	 2,627
 GRAND TOTAL - FUNDING	 <u>27,544</u>	 <u>27,008</u>