

Agenda Item	<b>3</b>
Report No	<b>RES/21/21</b>

## THE HIGHLAND COUNCIL

**Committee:** Corporate Resources Committee

**Date:** 25<sup>th</sup> August 2021

**Report Title:** Corporate Revenue Monitoring report to 30<sup>th</sup> June 2021

**Report By:** Executive Chief Officer- Resources and Finance

### 1. Purpose/Executive Summary

- 1.1 This report provides a summary of the actual spend in the first quarter of financial year 2021/22 together with a forecast year end outturn position.
- 1.2 Net spend on services in the first quarter of financial year 2021/22 totalled £112.4m.
- 1.3 Based on present expenditure trends, a year end overspend of £1.404m is forecast. A significant factor relates to High Life Highland, with their forecast deficit due to Covid-19 impact on their business, being anticipated and planned for in the March Council budget. The Council did set aside reserves to address this and other budget risks, but with these held corporately and only to be drawn down at year end if required, and hence the in-year deficit translates to an overspend against the Council budget. Section 5 of the report provides an explanation of this and all other significant variances. Any year end overspend will require to be funded from the Council's general reserve. The Council's Executive Leadership Team have committed to take the necessary action required to ensure a balanced budget is delivered by year end.
- 1.4 The Council faces a number of financial risks in relation to staff pay increases, the requirement to deliver additional services as defined by the Scottish Government as well as more general risks in incurring additional costs in respect of Covid response and recovery. The crystallisation of any of these risks will have an adverse impact on the position reported.
- 1.5 The report also provides a summary of the delivery of the approved budget savings required to deliver a balanced budget in 2021/22 along with an explanation of the forecast position of the Council's key reserves at the year end.

## **2. Recommendations**

### **2.1 Members are asked to:**

- i. Consider the financial position of the General Fund and HRA revenue budgets as at 30 June 2021 and note the estimated year end forecast;
- ii. Note the status of budgeted savings in the year.

## **3. Implications**

3.1 Resource implications are as noted in this report. If an overspend position is reported at year end this will need to be funded from the Council's reserves. Section 7 of this report provides more information on the Council's reserves position.

3.2 At this relatively early stage in the year there is a substantial risk that unforeseen events occur which carry an additional cost burden. Services that are demand-led, such as looked after children or winter maintenance may see significant moves in cost forecast over the year from that currently forecast. The ongoing impact of Covid may also impact the Council in ways previously unidentified or have a greater or lesser impact in certain areas than currently forecast. Other risks relating to unexpected items, such as adverse weather, may emerge during the year for which no specific contingencies are held.

At this stage of the year there are two specific risks which may have a significant impact on the forecast outturn position. Firstly, the staff pay award for 2021/22 has not yet been agreed. Provision has been made in the budget for a 2% pay award and this sum is included in the overall forecast position. As detailed elsewhere on this committee agenda the trade unions are seeking a higher award. An additional 1% would cost in the region of £3.5m.

The second specific risk relates to commitments made by the Scottish Government as part of their 'First 100 days' pledge - a number of aspects of which will need to be implemented by local authorities. Many of these commitments will likely have a financial impact and at this stage it is unclear what level of funding the Council will receive. While for some commitments, such as music tuition, Scottish Government has committed to full funding in 2021/22, the actual funding is not as yet known, and there is a risk in relation to service demand and future years funding. For other commitments, such as practical charging and provision of out of school care, the level of funding and financial impact is not as yet known. Clarification is awaited on all funding streams including those relating to areas such as Free School Meals, Early Years, clothing and food grants. Wrap around care is another commitment which could result in additional excessive budgetary pressures owing to the diverse geographic nature, rurality and costs of providing such a service across Highland communities. Initial assessment indicates that in Education alone the additional costs could be a minimum of £2m recurring and potentially considerably more with no commitment of funding being available on a recurring basis to implement these additional commitments.

A number of the risks referenced above were specifically considered when setting a target level for reserves in March 2021 as part of the budget process. In relation to any of these risks, but the pay award one specifically, it is important to note that whilst there will be a financial impact in the current financial year which will likely need to be

managed through the use of reserves; there will also be an ongoing impact on the baseline budget with the budget gap for future years widening by an equivalent amount. That ongoing impact will need to be managed by finding additional revenue budget savings.

- 3.3 Legal - The contents of this report and the annual accounts aim to satisfy the requirement of Sections 6 and 7 of the CIPFA Financial Management Code- 'Monitoring financial performance' and 'External financial reporting'.
- 3.4 There are no specific equality, climate change/Carbon Clever, rural, or Gaelic implications arising as a direct result of this report.

#### 4. Overall position 2021/22

- 4.1 The table below provides a summary of the figures in **Appendix 1** to give an overall forecast position for the 2021/22 year-end outturn.

	Annual Budget £m	Year-end forecast £m	Year-end variance £m
<b>Expenditure</b>			
Service budgets (Appendix 1, Table A- top half)	£558.0m	£562.5m	£4.5m
Other budgets (Appendix 1, Table A- bottom half)	£72.3m	£69.1m	-£3.2m
Contribution to investment funds and other reserves (Appendix 1, Table C)	£16.0m	£16.2m	£0.2m
<b>Total (X)</b>	<b>£646.3m</b>	<b>£647.8m</b>	<b>£1.5m</b>
<b>Income (Table D)</b>			
Government income	£494.9m	£494.9m	£0m
Budgeted Council tax income	£130.6m	£130.7 m	£0.1m
Confirmed use of earmarked reserves	£10.8m	£10.8m	£0m
Confirmed use of non-earmarked funds (creation of phase 2 investment fund)	£10.0m	£10.0m	£0m
<b>Total (Y)</b>	<b>£646.3m</b>	<b>£646.4m</b>	<b>£0.1m</b>
<b>Difference between expenditure and income- 'Budget (surplus)/deficit' (=X-Y)</b>	<b>£0</b>	<b>£1.4m</b>	<b>£1.4m</b>

- 4.2 The bottom line of the table above shows that the current forecast for the overall year end position is for a deficit (or net overspend) of £1.4m which will need to be funded from the Council's non-earmarked reserve. The paragraphs below, and subsequent sections of this report, will provide an explanation of the elements making up that deficit.

- 4.3 As shown in the top row of the table at 4.1, net service expenditure is forecast to be overspent by £4.5m with variances across a number of service areas. Section 5 of this report provides more details of the forecast service budget variances.
- 4.4 The second row of the table comprises a number of other budget lines and shows a forecast £3.2m underspend. This underspend principally reflects additional funding received from government to address the overall financial impact of Covid (as opposed to funding provided for specific response activity) which was confirmed after the Council had set its budget. This additional income has not been allocated to any specific service budget and sits as an 'unallocated budget' which offsets some of the service budget pressures from the line above.
- 4.5 The third row of the table shows contributions to investment funds (including the Phase 2 investment fund) and other reserves. A variance of £0.2m is showing against this line as the income forecast from second homes Council Tax is higher than the budgeted level and will require to be paid into Landbanking Fund for investment in affordable housing.
- 4.6 The first row in the income section of the table above reflects the funding the Council receives from government. The budget for this row reflects the confirmed level of funding that the Council will receive from the Scottish Government.
- 4.7 A slight surplus against budget of £0.1m for Council Tax income is forecast. This surplus reflects positive collection rates of current and prior year Council Tax, albeit the budget reflects a slightly lower overall collection rate than pre-Covid levels. While this is a positive position, there remains a risk that the impacts of the withdrawal of the furlough scheme, grant support for business and house building movements may impact the eventual outturn. Officers will continue to closely monitor this position.
- 4.8 The third and fourth rows of the income section of the table show the confirmed use of earmarked and non-earmarked reserves to support in-year expenditure and the creation of the phase 2 investment fund. As this is the planned use of reserves no variance is shown. **Appendix 4** to the report shows the detail of the movements in the Council's reserves in the year to date.
- 4.9 Overall, the combined impact of the net service overspend plus excess corporate income gives a forecast budget deficit of £1.4m for the year.

## 5. Service budget variances

- 5.1 **Appendix 1** provides the usual monitoring statement format with **Table A** providing variance detail by service and other significant budget heads. Details of individual service positions will be reported to the respective strategic committees. Overall, the Council is reporting a net overspend of £4.500m against service budgets, which includes the High Life Highland budget as detailed elsewhere in this report.
- 5.2 **Appendix 2** provides a summary of forecast variances by service and expenditure and income type. Forecast overspends mainly relate to non-staffing expenditure and income shortfalls with some mitigation from underspends against staffing budgets.
- 5.3 The Communities and Place budget is forecasting an overspend of £0.792m. This overspend arises as a result of forecast income shortfalls in a range of services especially waste services and bereavement services; although at Quarter 1 this is cautious forecast. Cost pressures are also forecast in relation to fleet. These relate to

workshop vacancies resulting in an increase in contractors' costs and less external income and ongoing pressures arising from additional leased vehicles to enable safe working practice especially among the manual workforce.

- 5.4 The Education and Learning service is showing a £3.287m forecast overspend, nearly all of which is attributable to a forecast £3.2m pressure in relation to the impact of Covid on High Life Highland (HLH). As part of the budget agreed in March 2021, Members were advised of a substantial financial risk in respect of HLH with the following narrative:

*'A risk of £3.4m has been identified in relation to HighLife Highland, whose business model has been severely impacted by the Covid pandemic. HighLife continue to actively manage their budget to mitigate the financial impacts of Covid but are expecting substantially reduced levels of income in financial year 2021/22 due to lockdown restrictions. The Council is committed to supporting HighLife during the coming year and will look to underwrite any year-end deficit the charity may return, providing the charity with a letter of comfort to that effect if required. Based on current forecasts HighLife are projecting a £3.4m reasonable worst-case deficit which will be closely monitored over the course of the year ahead.'*

HLH continue to work to reduce this deficit, and the most recent position for Quarter 1 provided by HLH, shows a forecast improvement in income levels, and the deficit reducing by £200k to £3.2m for the year. The additional easing of restrictions will enable further progress to be made but with HLH nonetheless highlighting that a return to activities that are at or near 'normal' capacity levels remains some way away. There remains ongoing risk and careful planning is needed around the level of service and opening hours offered (and staff and other costs which result) balanced against expected customer confidence, demand and income.

It is likely that the Council will need to provide additional funding to HLH this year. This need was recognised when agreeing the Council's reserves strategy with an element of the non-earmarked reserve anticipated to be required for this purpose.

- 5.5 A forecast underspend of £2.183m is showing against the Health and Social Care budget. The largest elements of the underspend relate to additional Covid-related costs being lower than anticipated (albeit there has always been an expectation of some time lag between the pandemic and the impact on these particular service areas - this will require close monitoring as the year progresses), an underspend in the looked after children budget, and an underspend across the Family Teams (although at a much lower level than in previous years).
- 5.6 The Infrastructure, Environment and Economy service is forecasting an overspend of £1.678m with a number of factors underpinning that position. Covid related pressures exist in relation to school transport costs, and there are income pressures in relation to car parking and the Corran Ferry. There are also expenditure pressures related to the Corran Ferry with overspends anticipated on staffing and repairs to the vessels and equipment purchase for new ticketing machines. Smaller pressures exist in the Infrastructure and Engineering budget headings.
- 5.7 The Performance and Governance service is forecasting an underspend of £0.295m, primarily due to forecast underspends in the Members budget and underspends arising from the time-lag in recruiting to new and vacant posts.
- 5.8 The Housing and Property service is forecasting a £1.345m overspend, the largest

element of which is attributable to projected income across a number of headings being lower than budget. These income shortfalls encompass project recharge income, Renewable Heat Incentive (RHI) income and school catering income. An expenditure pressure is forecast in respect of utility costs (heating, lighting and power), for leisure and cultural properties.

- 5.9 The Resources and Finance service is forecasting a year end underspend of £0.411m, primarily in relation to staffing vacancies. The time lag in recruiting to new and vacant posts also contributes to a £0.054m underspend in the Transformation service.
- 5.10 The Welfare budget is forecasting an overspend of £0.341m. The largest element of this variance relates to a forecast £0.3m overspend as a result of the volume of applications to the scheme set up to help alleviate fuel poverty (Scheme 1) arising as a result of the Covid pandemic. The Scheme 1 fuel support fund is now closed. However, Members are reminded that Health & Prosperity Investment funding is committed to establish a second fuel poverty scheme. Officers are in the process of designing Scheme 2 within the available budget to target those in most need of support.
- 5.11 At this relatively early stage in the year no variance is being forecast against the Valuation Joint Board, Hi Trans, Non-Domestic Rates relief or Loans charges budgets but any changes to that position will be notified during quarter 2.
- 5.12 The unallocated budget line is showing a forecast underspend of £3.399m. This is almost entirely due to two elements of the local government funding settlement from Government which were determined after the Council had set its budget. Firstly, the Council received a higher than budgeted share of a national £259m allocated to local authorities in 2021/22 on a one-off basis to help alleviate pressures arising as a result of Covid. Secondly a late amendment to the local government settlement saw the addition of £40m to the overall settlement sum described as 'Funding for Pressures'. Highland's share of this £40m is £1.860m. It is expected (although not confirmed by Government) that this funding will also be one-off for 2021/22 and not baselined into the overall settlement for 2022/23 and beyond.
- 5.13 The pressure showing on the unallocated savings line reflects the budget saving in relation to Property Asset Management. At this stage the full delivery of this saving during the current financial year is uncertain, however a clearer picture will emerge as the year progresses and the hybrid working pattern develops.

## **6. Housing Revenue Account**

- 6.1 As shown in **Appendix 3** the Housing Revenue Account (HRA) is forecast to deliver a small overspend. Further details on the HRA position will be reported to the Property and Housing Committee in September.
- 6.2 Should the HRA deliver a year end overspend that will be funded from the HRA reserve.

## **7. Reserves and Balances**

- 7.1 **Appendix 5** summarises the movements on the Council's earmarked and non-earmarked balances during the course of the year and the impact of the forecast revenue budget outturn position on reserves.

- 7.2 At this relatively early stage of the financial year there remains the opportunity to recover the current forecast position. Any year end overspend will however require to be funded from the Council's non-earmarked balances.
- 7.3 The Council's non-earmarked general fund reserve is expected to sit at £32.003m at 2021/22 year end if the Q1 forecast of a £1.404m overspend transpires. A reserve of this level equates to just under 5% of the Council's revenue budget and is in excess of the £24.7m minimum level for this reserve agreed by Council as part of the March budget.
- 7.4 Given the short-term uncertainties around pay awards, other financial risks, the Government funding settlement for 2022/23 and the medium to long term financial outlook Members will note that even a reserve at the current level may be very quickly depleted if in-year risks crystallise and sustainable revenue budgets for future years cannot be agreed.
- 7.5 Members will continue to receive regular reports on the Council's Medium Term Financial Planning which will cover both the revenue and capital budgets. Whilst reserves are currently in a healthy position, they only allow for one-off spend and investment. In the context of significant wider demands for both capital investment and potential Phase 3 revenue investment, the level of reserves will not support the realisation of all ambitions.
- 7.6 Earmarked reserves, which are reserves held for specific, already committed, spend currently sit at £53.104m. As reported to Council in June it is anticipated that a significant sum will be drawn down over the course of this year to fund expenditure across a number of areas, principally Phases 1 and 2 investment, Covid business grants and other Covid response funding, and delivering change and other investment. By year end it is anticipated that these reserves will have reduced to £14.256m.

## **8. Budget savings**

- 8.1 In order to deliver a balanced budget for the year, budget savings of £10.781m were approved in March 2021. A summary of the delivery of those savings can be seen at **Appendix 6**. Savings ranked as Green are expected to be delivered in full, those as Amber have some challenges to the full delivery of the saving, and those as Red have substantial challenges and are not expected to be fully delivered.
- 8.2 As part of the current committee cycle services will be reporting the detail of the delivery of their savings. The full delivery of all approved budget savings is essential given the continuing squeeze on the Council's revenue budget.
- 8.3 **Appendix 7** provides the detail of the specific savings rated as Amber or Red with confidence that a significant element of these savings will be delivered by year end.

Designation: Executive Chief Officer- Finance and Resources

Date: 11<sup>th</sup> August 2021

Author: Edward Foster, Head of Corporate Finance

Background Papers:

<https://www.highland.gov.uk/download/meetings/id/78408/9i> [medium term financial planning and health and prosperity strategy investment](#)

<https://www.highland.gov.uk/download/meetings/id/78409/9ii> [annual accounts 2020 21 and revenue and capital budget out-turn figures](#)

<https://www.highland.gov.uk/download/meetings/id/77933/14> [revenue budget 2021 22 to 202324 - update](#)

[https://www.highland.gov.uk/download/meetings/id/77862/item\\_4](https://www.highland.gov.uk/download/meetings/id/77862/item_4) [revenue budget 202122 to 202324](#)



<b>Revenue Expenditure Monitoring Report -General Fund Summary</b>
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<b>1 April to 30 June 2021</b>
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	Actual Year to Date £000	Annual Budget £000	Year End Estimate £000	Year End Variance £000
<b>Table A: By Service</b>				
Communities & Place	8,731	39,700	40,492	792
Education & Learning	51,164	211,866	215,153	3,287
Health & Social Care	15,434	158,493	156,310	(2,183)
Infrastructure, Environment & Economy	7,664	33,611	35,289	1,678
Performance & Governance	1,280	5,239	4,944	(295)
Property & Housing	11,716	71,943	73,288	1,345
Resources & Finance	4,818	13,551	13,140	(411)
Transformation	3,916	13,758	13,704	(54)
Welfare Services	6,211	9,833	10,174	341
<b>Service Total</b>	<b>110,934</b>	<b>557,994</b>	<b>562,494</b>	<b>4,500</b>
Valuation Joint Board	769	3,091	3,091	0
Non Domestic Rates reliefs	664	671	671	0
Loan Charges	0	57,171	57,171	0
Unallocated Budget	0	13,109	9,710	(3,399)
Unallocated Corporate Savings	0	(1,754)	(1,585)	169
<b>Total General Fund Budget</b>	<b>112,367</b>	<b>630,282</b>	<b>631,552</b>	<b>1,270</b>

	Actual Year to Date £000	Annual Budget £000	Year End Estimate £000	Year End Variance £000
<b>Table B: By Subjective</b>				
Staff Costs	88,346	368,444	360,469	(7,975)
Other Costs	118,481	476,454	530,078	53,624
<b>Gross Expenditure</b>	<b>206,827</b>	<b>844,898</b>	<b>890,547</b>	<b>45,649</b>
Grant Income	(67,179)	(90,185)	(108,483)	(18,298)
Other Income	(27,281)	(124,431)	(150,512)	(26,081)
<b>Total Income</b>	<b>(94,460)</b>	<b>(214,616)</b>	<b>(258,995)</b>	<b>(44,379)</b>
<b>Total Revenue Expenditure</b>	<b>112,367</b>	<b>630,282</b>	<b>631,552</b>	<b>1,270</b>

	Actual Year to Date £000	Annual Budget £000	Year End Estimate £000	Year End Variance £000
<b>Table C: Appropriations to Reserves</b>				
Contribution to earmarked balances	0	10,295	10,295	0
Contribution to non-earmarked balances	0	0	0	0
Affordable housing contribution from 2nd homes council tax	0	3,000	3,200	200
Contribution to Other reserves	0	2,716	2,716	0
<b>Total Contributions to Balances</b>	<b>0</b>	<b>16,011</b>	<b>16,211</b>	<b>200</b>

	Actual Year to Date £000	Annual Budget £000	Year End Estimate £000	Year End Variance £000
<b>Table D: Financed By</b>				
Aggregate External Finance as notified	79,214	484,702	484,702	0
Additional resources	0	10,184	10,184	0
Council Tax	33,153	130,654	130,720	66
Use of earmarked balances	0	10,753	10,753	0
Use of non earmarked balances- creation of Phase 2 investment fund	0	10,000	10,000	0
Use of non earmarked balances	0	0	1,404	1,404
Use of other reserves	0	0	0	0
<b>Total General Fund Budget</b>	<b>112,367</b>	<b>646,293</b>	<b>647,763</b>	<b>1,470</b>

<b>Revenue Expenditure Monitoring Report - General Fund Summary</b>
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<b>1 April to 30 June 2021</b>
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	Staff Costs Variance £000	Other Costs Variance £000	Grant Income Variance £000	Other Income Variance £000	Total Variance £000
<b>Table A: By Service</b>					
Communities & Place	(2,706)	(301)	(11)	3,810	792
Education & Learning	(1,246)	4,551	(33)	15	3,287
Health & Social Care	(203)	(1,984)	0	4	(2,183)
Infrastructure, Environment & Economy	(2,426)	54,190	(53,415)	3,329	1,678
Performance & Governance	(82)	(210)	(20)	17	(295)
Property & Housing	(298)	(737)	207	2,173	1,345
Resources & Finance	(966)	430	4	121	(411)
Transformation	(48)	(6)	0	0	(54)
Welfare	0	921	34,970	(35,550)	341
Valuation Joint Board	0	0	0	0	0
HiTrans Requisition	0	0	0	0	0
Non Domestic Rates reliefs	0	0	0	0	0
Loan Charges	0	0	0	0	0
Unallocated Budget	0	(3,399)	0	0	(3,399)
Unallocated Corporate Savings	0	169	0	0	169
<b>Total General Fund Budget</b>	<b>(7,975)</b>	<b>53,624</b>	<b>(18,298)</b>	<b>(26,081)</b>	<b>1,270</b>

<b>Revenue Expenditure Monitoring Report - Housing Revenue Account Summary</b>
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<b>1 April to 30 June 2021</b>
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	Actual Year to Date £000	Annual Budget £000	Year End Estimate £000	Year End Variance £000
Staff Costs	2,656	12,724	11,996	(728)
Other Costs	5,011	22,032	22,921	889
Loan charges and interest	0	23,375	23,375	0
<b>Gross Expenditure</b>	<b>7,667</b>	<b>58,131</b>	<b>58,292</b>	<b>161</b>
House Rents	(12,359)	(54,416)	(54,416)	0
Other rents	(921)	(3,286)	(3,286)	0
Other income	86	(367)	(367)	0
Interest on Revenue Balances	0	(62)	(62)	0
<b>Gross Income</b>	<b>(13,194)</b>	<b>(58,131)</b>	<b>(58,131)</b>	<b>0</b>
<b>Total HRA</b>	<b>(5,527)</b>	<b>0</b>	<b>161</b>	<b>161</b>

<b>Revenue Expenditure Monitoring Report - General Fund Budget</b>
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<b>1 April to 30 June 2021</b>
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	£m	£m
<b>Budget as Agreed by Highland Council on 5 March</b>		<b>647.965</b>
Less : Contributions to Reserves included in Agreed Budget		
Contribution to earmarked balances (Elections Fund)	(0.085)	
Contribution to other reserves	(2.709)	
Affordable housing contribution from 2nd homes council tax	<u>(3.000)</u>	(5.794)
Less : Ring-fenced Grants (Gaelic, Criminal Justice, PEF Attainment Funding, Early Years)		(33.620)
<b>Grant Funding Redeterminations</b>		
Additional funding for pressures	1.860	
Covid-19 : Consequential funding in excess of estimate	1.432	
Covid-19 : Test and Protect - Local Self-Isolation Assistance	0.098	
Covid-19 : Get into Summer	0.721	
Covid-19 : Education Recovery	2.608	
Covid-19 : Family Pandemic Payments	0.747	
Covid-19 : Low Income Pandemic Payments	2.428	
Free School Meals - School Holidays	0.722	
Free School Meals - P4 & P5	1.255	
	<u>11.871</u>	
Less : Redeterminations of Ring-fenced Grants		<u>11.871</u>
<b>Use of Non-earmarked Balances</b>		
<i>Transfer to earmarked balances</i>		
Phase 2 Investment - approved by Highland Council June 2021	10.000	
		<u>10.000</u>
<b>Use of Earmarked Balances</b>		
NHS Highland Adult Services	4.000	
Additional Support for Learning	1.000	
Counselling in Schools	0.731	
Covid-19 : Children and young people's mental health	0.163	
Covid-19 : Tackling financial insecurity	0.764	
Covid-19 : Ward budgets	0.467	
Change Fund	1.318	
Phase 1 Investment - Ward Discretionary Budgets	0.210	
Phase 1 Investment - Place-based Investment	2.100	
		<u>10.753</u>
<b>Use of Other Reserves</b>		
		<u>0.000</u>
<b>Contribution to Non earmarked Balances</b>		
		<u>0.000</u>
<b>Contribution to Earmarked Balances</b>		

Salix	(0.210)	
Phase 2 Investment - approved by Highland Council June 2021	(10.000)	(10.210)
	<hr/>	
<b>Contribution to Other Reserves</b>		
Repairs and Renewal Fund	(0.007)	(0.007)
	<hr/>	
<b>Presentational Adjustments</b>		
Additional CTR funding offset against council tax budget	(0.676)	(0.676)
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<b>Total General Fund Budget at 30 June 2021</b>		<u><u>630.282</u></u>

<b>Revenue Expenditure Monitoring Report - General Fund Budget</b>
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<b>1 April to 30 June 2021</b>
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**General Fund Balance**

	Earmarked balances £m	Non- earmarked balances £m	Total £m
General Fund Balance at 1 April 2021 (unaudited)	53.562	43.407	96.969
(Use of)/contribution to balances included in budget as agreed by Highland Council on 4 March 2021	0.085	0.000	0.085
Use of balances per Appendix 4	(10.753)	(10.000)	(20.753)
Contribution to balances per Appendix 4	10.210	0.000	10.210
Movement in balance per Appendix 1	(0.458)	(10.000)	(10.458)
Net service Overspend per Appendix 1	0.000	(1.270)	(1.270)
Appropriations to other reserves	0.000	(0.200)	(0.200)
Additional resources	0.000	0.000	0.000
Council tax	0.000	0.066	0.066
Anticipated drawdown of earmarked reserves during 2021/22	(38.848)	-	(38.848)
Forecast General Fund Balance at 31 March 2022	14.256	32.003	46.259

**Delivery of Agreed Savings 2021/22- RAG analysis**

Appendix 6

<b>Service</b>	<b>Total approved savings 2021/22 £m</b>
Communities & Place	0.567
Education & Learning	5.498
Health & Social Care	0.816
Infrastructure, Environment & Economy	0.733
Performance & Governance	0.128
Property & Housing	0.314
Resources & Finance (including Welfare)	0.448
Transformation	0.438
<b>Service Savings Total</b>	<b>8.942</b>
Add : Corporate Savings	1.839
<b>Total</b>	<b>10.781</b>

<b>Green £m</b>	<b>Amber £m</b>	<b>Red £m</b>
0.354	0.168	0.045
5.498	0.000	0.000
0.816	0.000	0.000
0.633	0.100	0.000
0.128	0.000	0.000
0.121	0.193	0.000
0.448	0.000	0.000
0.438	0.000	0.000
<b>8.436</b>	<b>0.461</b>	<b>0.045</b>
1.503	0.337	0.000
<b>9.939</b>	<b>0.798</b>	<b>0.045</b>

Detail of savings ranked as Red and Amber- Q1

Appendix 7

Service	Savings Description	2021/22 Approved Saving £m	Update	Status R A G
C&P	Waste Management Services - Increase charges including commercial waste, garden waste, bulky uplifts, scrap metal and wheelie bin sales	0.168	Continued monitoring of income achieved from garden waste permit renewals	A
I&E&E	Corran Ferry - Fares Income	0.100	Fares income will continue to be monitored throughout the remainder of the year	A
P&H	HLH - Reduce energy costs	0.093	Utility consumption targets to be reviewed with HLH	A
P&H	Rates Relief Savings	0.100	Saving subject to rates reviews being successful	A
Corporate	Property Asset Management - Further review the occupation of all operational assets (both leased and owned) including offices, schools and HLH premises to establish where effective rationalisation can be deployed to allow us to reduce the number of operational buildings across the Council estate.	0.337	Work ongoing in relation to property rationalisation and new ways of working with plans for office staff to return in a hybrid working pattern.	A
C&P	Registrar Service Income Increase fee charge (income) Statutory Fees (set by NRS)	0.045	NRS are not increasing the statutory fees until Dec/Jan at the earliest	R