

Agenda Item	<b>5.a</b>
Report No	<b>RES/18/23</b>

## THE HIGHLAND COUNCIL

**Committee:** Corporate Resources Committee

**Date:** 6 September 2023

**Report Title:** Corporate Revenue Monitoring report, Near Final out-turn for 2022/23 and Quarter 1 of 2023/24

**Report By:** Head of Corporate Finance

### 1. Purpose/Executive Summary

- 1.1 This report sets out for members the 2022/23 Near Final position for the General Fund and the Housing Revenue Account. This data was initially reported to Council in June 2023, and is replicated in this report as part of the normal cycle of Corporate Reporting to this Committee.
- 1.2 This report also provides a summary of the actual spend in the first quarter of financial year 2023/24 together with a forecast year end outturn position.
- 1.3 Net spend on General Fund services in the first quarter of financial year 2023/24 totalled £126.3m.
- 1.4 Based on present expenditure trends, a year-end overspend of £3.055m is currently being forecast. The main factors in the projected overspend are described within the report and relate to overspends in Infrastructure, Environment and Economy, and the Property and Housing Services as described below in section 6.
- 1.5 The Council continues to face a number of financial risks and uncertainties in relation to staff pay increases, contractual inflationary increases and increasing demand for services. Whilst budget provision has been made for these items in the budget set in March 2023, wider macroeconomic circumstances suggest that there is the risk these factors may be more significant than the budgeted level. The pay award for staff covered by the Scottish Joint Council (SJC) pay negotiations, not yet settled, represents a significant risk and uncertainty and relates to a current paybill of approximately £206m. The clarification/realisation of any of these risks will have an adverse impact on the forecast position currently reported for 2023/24.
- 1.6 It is important to note that the risks and uncertainties relating to these cost pressures carry a risk into forecasts for the next and subsequent financial years, particularly those

pressures related to inflation/interest rates and expectations these rates persist at high levels for some time yet. The Council in September will receive a mid-year budget update which will provide more context around the outlook for current and future years.

- 1.7 The forecast year end overspend of £3.055m will require to be funded from the Council's general fund non earmarked reserve if not mitigated over the course of the year. This is in addition to the agreed planned use of reserves for the 2023/24 financial year. Based on this Quarter 1 report, and the forecast overspend, this non earmarked reserve is therefore forecast to sit at £48.165m by year-end.
- 1.8 The report also provides a summary of the delivery of approved budget savings required to deliver a balanced budget in 2023/24 along with an explanation of the forecast position of the Council's key reserves at the year end.
- 1.9 The forecast position for the Housing Revenue Account, is a net overspend of £0.139m at year-end.

## **2. Recommendations**

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

- i. Consider and note the near-final 2022/23 out-turn position as set out in this report.
- ii. Consider the financial position of the General Fund and HRA revenue budgets as at 30 June 2023 and note the estimated year end forecast;
- iii. Note the status of budgeted savings in the year.

## **3. Implications**

- 3.1 **Resources** The 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 8 of this report provides more information on the Council's reserves position.
- 3.2 **Risk** - At this stage in the year there is a risk that unforeseen events occur which carry an additional cost burden. Services that are demand-led, such as social care or winter maintenance may see significant moves in cost forecast over the year from that currently forecast. Other risks relating to unexpected items, such as adverse weather, may emerge during the year for which no specific contingencies are held.

The key areas of risk relate to (i) staff pay settlements and the as yet outstanding settlement for staff covered by SJC negotiations, and (ii) non-staffing cost inflation and (iii) under achievement of targeted income. Inflationary pressures continue to impact on service budgets.

Areas of risk were considered when identifying budget pressures and setting a target level for reserves in March 2023 as part of the budget process. In relation to any of these risks it is important to note that whilst there may be a financial impact in the current financial year which would need to be managed through the use of reserves there could 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. The high inflationary environment is also likely to present challenges into 2024/25 and beyond.

3.3 **Legal** - The contents of this report 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, Health and Safety, Rural or Gaelic implications arising as a direct result of this report.

#### 4. Near Final Out-turn Position 2022/23

4.1 As reported to the June 2023 meeting of the Full Council as part of the Annual Accounts for the year, the position for the General Fund was as follows.

The near-final position for the General Fund, which remains subject to external audit, was a net surplus against budget of £36.727m, which after movement to and from balances results in an increase of £51.256m in non-earmarked reserves. This includes the Loans Fund Principal Repayment 'holiday' agreed by the Council in March 2023 which represents a one-off credit to the 2022/23 position of £29.276m. Relative to the assumptions made at Quarter 3, and forecasts within the report to 2 March Council, the net position represents an improvement of £7.411m since that time. **Appendix 1a** sets out a summary of the out-turn for the year.

4.2 In relation to the HRA, the near final out-turn position was a deficit for the year of £3.965m. The closing reserves position for the HRA is £3.909m. **Appendix 1b** provides a statement for the HRA.

4.3 Each Strategic Committee has received its own report in relation to the 2022/23 out-turn, alongside first quarter reporting.

#### 5. Overall position 2023/24

5.1 The table below provides a summary of the figures in **Appendix 2** to give an overall forecast position for the 2023/24 year-end outturn. This is reflective of the under-lying Service Quarter 1 forecasts considered by Strategic Committees.

	Annual Budget £m	Year-end forecast £m	Year-end variance £m
<b>Expenditure</b>			
Service budgets (Appendix 1, Table A- top half)	619.314	622.369	3.055
Other budgets (Appendix 1, Table A- bottom half)	93.481	93.481	0
Contribution to investment funds and other reserves (Appendix 1, Table C)	0.659	0.659	0
<b>Total (X)</b>	<b>713.454</b>	<b>716.509</b>	<b>3.055</b>
<b>Income (Table D- top part)</b>			
Government income	550.443	550.443	0

Budgeted Council tax income	143.563	143.718	0.155
Confirmed use of earmarked reserves	0	0	0
<b>Total (Y)</b>	<b>694.006</b>	<b>694.161</b>	<b>0.155</b>
<b>Difference between expenditure and income to be funded from non-earmarked reserves- 'Budget (surplus)/deficit' (=X-Y)</b>	<b>19.448</b>	<b>22.348</b>	<b>2.900</b>

- 5.2 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 £2.9m which will need to be funded from the Council's non-earmarked reserve. That deficit of £2.9m being in addition to the agreed use of balances to support the budget for the year, i.e. in total the use of General Fund non-earmarked reserves would be £22.348m as above. The paragraphs below, and subsequent sections of this report, will provide an explanation of the elements making up that deficit.
- 5.3 As shown in the top row of the table at 5.1, net service expenditure is forecast to be overspent by £3.055m with variances across a number of service areas. Section 6 of this report provides more details of the forecast service budget variances.
- 5.4 The second row of the table comprises a number of other budget lines and shows a nil variance.
- 5.5 The third row of the table shows contributions to investment funds and other reserves. A break-even position has been forecast.
- 5.6 The first row in the income section of the table at 5.1 reflects the funding the Council receives from the Scottish Government. The budget for this row reflects the confirmed level of funding that the Council will receive from the Scottish Government for financial year 2023/24.
- 5.7 An over-achievement of council tax income against budget is being forecast.
- 5.8 The third row of the income section of the table shows the draw-down of earmarked balances to support in-year expenditure. **Appendix 8** to the report shows the detail of the movements in the Council's earmarked reserves in the year to date and illustrates other earmarked reserves where funding has been drawn down for its intended purpose.
- 5.9 Overall, the combined impact of the net Service overspend plus other budget pressures less excess corporate income gives a forecast £2.9m overspend for the year. This overspend will need to be funded from the Council's non-earmarked general fund reserve unless otherwise mitigated over the course of the year. **Appendix 6** and section 8 of this report provide more detail on the Council's reserves position.
- 6. Service budget variances**
- 6.1 **Appendix 2** provides the usual monitoring statement format with **Table A** providing variance detail by service and other significant budget heads. Details of individual Service positions are reported to the respective strategic committees. Overall the Council is reporting a net overspend of £3.055m against service budgets.

- 6.2 At Quarter 1 no variance is being shown against the Loan Charge budget line. This is pending the detailed analysis and modelling being undertaken on loan charges, linked to the capital programme review and taking account of prior year out-turn. This will in turn support a forecast for subsequent Quarters on any expected variance against that budget.
- 6.3 **Appendix 3** provides a summary of forecast variances by Service and expenditure and income type. Forecast overspends mainly relate to non-staffing expenditure and income shortfalls.
- 6.4 The Communities and Place budget is forecasting an overspend of £0.235m. An overspend of £0.533m is forecasted for the Administration heading. This is attributable to efficiency savings yet to be allocated to other budget headings in the Service. The current forecast outturn also includes overspends in Kerbside Refuse Collections, Public Conveniences, and Fleet & Plant. These are partially offset by underspends in the other sections in the Service including Waste Disposal, Street Cleaning, Grounds Maintenance & Customer Contact. Mitigation will continue to be taken to manage budgets as tightly as possible as the year progresses.
- 6.5 An underspend of £0.018m is forecast for the Depute Chief Executive Service which covers the Council's ICT and Transformation functions. The variance relates to contractual pressures in ICT offset with underspends in staffing within the Transformation Team.
- 6.6 The Education and Learning Service is showing a £0.052m forecast underspend. The main areas of overspend are in relation to school hostels and special schools, partly offset by an underspend in Additional Support Schools, and Schools General.
- 6.7 The Health and Social Care budget is showing a near balanced position against budget at quarter 1. Although at this stage in the year, it is difficult to predict out-turns with a high degree of certainty on some budget headings. The Service is seeing a positive trend in relation to reduced secure care and out of area residential placements. If this trend continues and can be sustained, this should reflect positively within financial forecasts over the remainder of the year. The budget for funding to NHS for Adult Social Care is an area of pressure and risk, but is showing a Nil variance based on current forecasts, agreed use of earmarked reserves, and planned savings delivery.
- 6.8 The Infrastructure, Environment and Economy Service is forecasting an overspend of £2.611m which is mainly due to forecast income shortfalls, Road maintenance hired plant and vehicle maintenance, increase in electricity costs within the lighting service and, Harbour and Ferries repairs and overhaul costs. £1.068m of the overspend relates to loss of income, cost of mitigation measures and increasing repair and overhaul costs for the Corran Ferry.
- 6.9 The Performance and Governance service is forecasting an underspend of £0.128m, primarily due to forecast underspends in staffing within the Service.
- 6.10 The Property and Housing Service is forecasting a £0.519m overspend, the largest elements of which are attributable to fee earning staff vacancies which has a negative impact on the service achieving its annual income targets, and ongoing pressures in utility consumption and costs.

- 6.11 The Resources and Finance Service is forecasting a year end underspend of £0.113m, primarily in relation to staffing vacancies and over recovery of income compared to target.
- 6.12 The Welfare budget is forecasting a breakeven position. Given the rising cost of living it is expected that this service will continue to face increasing demands over the remainder of the year.
- 6.13 At this point of the year no variance is being forecast against the Non-domestic Rates Relief, Loans Charges or Valuation Joint Board budgets.
- 6.14 The unallocated budget line is showing a nil variance. This budget consists of a number of elements which are held centrally pending allocation out to Services as a result of certain matters being clarified. The main elements held unallocated at this time include:-

- SJC staff pay award – this pay award has not yet settled and the funding set aside by the Council in March 2023 is held centrally pending resolution. Members will recall that the offer made to staff was predicated on a combination of core Council budget provision, plus additional funding from Scottish Government. There remains a risk and uncertainty as to what will be settled and the costs and funding associated with that pay group.
- Energy costs - a £8.9m unallocated budget provision for energy cost increases was made in the March budget, and this will be allocated during Quarter 2 and 3 when a clearer estimate of service needs will be available.
- High Life Highland (HLH) - £2.4m was agreed by the Council to support HLH with their financial forecasts. This is being held centrally at this time.
- Various other smaller budget pressures have been allowed for in the unallocated total figure of £29.5m, these will be reviewed and allocated as we progress through the year.

- 6.14 The unallocated savings line shows a nil variance. In due course savings from within this heading will be allocated against service budgets as savings are confirmed/realised.

## 7. Housing Revenue Account

- 7.1 As shown in **Appendix 4** the Housing Revenue Account (HRA) is forecast to deliver a net overspend of £0.139m. Overspends are currently projected on housing repairs, and other rent void loss. Action is being taken to reduce the net overspend and return a balanced budget by year end.

## 8. Reserves and Balances

- 8.1 **Appendix 6** 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.

- 8.2 At this stage of year there does remain 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.

- 8.3 The Council's non-earmarked general fund reserve is expected to sit at £48.165m at 2023/24 year end if the Q1 forecast of a £3.055m overspend transpires.

- 8.4 Given the short-term uncertainties around pay awards, other financial risks and the medium to long term financial outlook Members will note that 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. More context on these matters will be included in a mid-year budget update report to Council in September.
- 8.5 Earmarked reserves, which are reserves held for specific and agreed purposes, currently sit at £61.949m. A significant element of that sum may be drawn down at financial year end to match expenditure incurred in the year across a number of areas, principally Phases 1, 2, 3 and 4 investment, Covid business grants and other Covid response funding, and delivering change and other investment. The remainder of that earmarked sum will be used to meet existing expenditure commitments that extend into 2024/25 and beyond. Given the challenging financial outlook the Council may, where possible, need to reprioritise some of the individual reserve items.

## **9. Budget savings**

- 9.1 In order to deliver a balanced budget for the year approved savings of £22.183m need to be delivered. A summary of the delivery of those savings can be seen at **Appendix 7**. Savings ranked as Blue are complete in relation to implementation and delivery of savings. 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.
- 9.2 Further detail and analysis of the savings status will be incorporated in the mid-year budget report to Council in September.

**Designation: Head of Corporate Finance**

**Date: 28 August 2023**

**Author: Brian Porter, Head of Corporate Finance; Carolyn Moir, Service Finance Manager**

Background Papers:

2022/23

Appendix 1a and 1b – Near Final Out-turn 2022/23

2023/24 Quarter 1

Appendix 2 – 2023/24 General Fund service summary

Appendix 3 – 2023/24 General Fund subjective (spend type) summary

Appendix 4 – 2023/24 HRA summary

Appendix 5 – 2023/24 General Fund budget movements/reconciliation

Appendix 6 – 2023/24 General Fund balances summary

Appendix 7 – 2023/24 Saving status RAG summary

Appendix 8 – 2023/24 Earmarked Balances position

<b>General Fund: 1 April to 31 March 2023</b>
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	Annual Budget £000	Year End Out-turn £000	Year End Variance £000
<b>Table A: By Service</b>			
Communities & Place	41,169	41,686	517
Depute Chief Executive	14,154	13,530	(624)
Education & Learning	235,107	232,486	(2,621)
Health, Wellbeing & Social Care	188,054	184,019	(4,035)
Infrastructure & Environment and Economy	39,461	39,862	401
Performance & Governance	6,130	6,473	343
Property & Housing	73,649	76,493	2,844
Resources & Finance	13,480	12,042	(1,438)
Welfare Services	13,476	13,410	(66)
<b>Service Total</b>	<b>624,680</b>	<b>620,001</b>	<b>(4,679)</b>
Valuation Joint Board	3,140	2,942	(198)
Hi Trans	91	91	0
Non Domestic Rates reliefs	671	659	(12)
Loan Charges	58,349	29,849	(28,500)
Unallocated Budget	378	0	(378)
Unallocated Corporate Savings	(1,062)	0	1,062
<b>Total General Fund Budget</b>	<b>686,247</b>	<b>653,542</b>	<b>(32,705)</b>

**Table B: By Subjective**

Staff Costs	411,558	401,576	(9,982)
Other Costs	497,906	504,284	6,378
<b>Gross Expenditure</b>	<b>909,464</b>	<b>905,860</b>	<b>(3,604)</b>
Grant Income	(104,181)	(115,599)	(11,418)
Other Income	(119,036)	(136,719)	(17,683)
<b>Total Income</b>	<b>(223,217)</b>	<b>(252,318)</b>	<b>(29,101)</b>
<b>Total Revenue Expenditure</b>	<b>686,247</b>	<b>653,542</b>	<b>(32,705)</b>



## General Fund Balances

	Earmarked balances £m	Non- earmarked balances £m	Total £m		
General Fund Balance at 1 April 2022	99.548	19.257	118.805		
(Use of)/contribution to balances included in budget as agreed by Highland Council on 3 March 2022	(5.367)	0.000	(5.367)		
Use of balances	(29.474)	(4.414)	(33.888)		
Contribution to balances	15.545	0.000	15.545		
Removal of earmarking	(18.942)	18.942	0.000		
Movement in balance	(38.238)	14.528	(23.710)		
Net service Underspend (see TABLE A above)	0.000	32.705	32.705	}	
Appropriations to other reserves	0.000	3.296	3.296		
Additional resources	0.000	0.000	0.000		36.727 *
Council tax	0.000	0.726	0.726		
Rounding	(0.001)	0.001	0.000		
General Fund Balance at 31 March 2023	61.309	70.513	131.822		
Net movement in balances	(38.239)	51.256	13.017		
Net Surplus against budget*			36.727		

Appendix 1b

**Housing Revenue Account: 1 April to 31 March 2023**

	Annual Budget £000	Year End Out-turn £000	Year End Variance £000
Staff Costs	13,701	13,088	(613)
Other Costs	22,846	27,830	4,984
Loan charges and interest	23,441	22,651	(790)
<b>Gross Expenditure</b>	<b>59,988</b>	<b>63,569</b>	<b>3,581</b>
House Rents	(56,093)	(55,886)	207
Other rents	(3,497)	(2,979)	518
Other income	(337)	(561)	(224)
Interest on Revenue Balances	(61)	(178)	(117)
<b>Gross Income</b>	<b>(59,988)</b>	<b>(59,604)</b>	<b>384</b>
<b>Total HRA (surplus)/deficit for the year</b>	<b>0</b>	<b>3,965</b>	<b>3,965</b>
<b>HRA Closing Revenue Balance at 31/3/23</b>			<b>3,909</b>

<b>Revenue Expenditure Monitoring Report -General Fund Summary</b>
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<b>1 April to 30 June 2023</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	12,983	40,775	41,010	235
Depute Chief Executive	5,400	12,319	12,301	(18)
Education & Learning	58,739	241,568	241,516	(52)
Health, Wellbeing & Social Care	29,324	183,937	183,938	1
Infrastructure & Environment and Economy	9,485	40,394	43,005	2,611
Performance & Governance	(354)	5,796	5,668	(128)
Property & Housing	5,679	74,277	74,796	519
Resources & Finance	1,595	13,404	13,291	(113)
Welfare Services	3,454	6,844	6,844	0
<b>Service Total</b>	<b>126,305</b>	<b>619,314</b>	<b>622,369</b>	<b>3,055</b>
Valuation Joint Board	1,072	3,140	3,140	0
Non Domestic Rates reliefs	2,494	2,624	2,624	0
Loan Charges	0	60,124	60,124	0
Unallocated Budget	0	29,572	29,572	0
Unallocated Corporate Savings	0	(1,979)	(1,979)	0
<b>Total General Fund Budget</b>	<b>129,871</b>	<b>712,795</b>	<b>715,850</b>	<b>3,055</b>

**Table B: By Subjective**

Staff Costs	98,610	406,239	402,434	(3,805)
Other Costs	78,867	524,450	531,818	7,368
<b>Gross Expenditure</b>	<b>177,477</b>	<b>930,689</b>	<b>934,252</b>	<b>3,563</b>
Grant Income	(24,033)	(91,719)	(92,131)	(412)
Other Income	(23,573)	(126,175)	(126,271)	(96)
<b>Total Income</b>	<b>(47,606)</b>	<b>(217,894)</b>	<b>(218,402)</b>	<b>(508)</b>
<b>Total Revenue Expenditure</b>	<b>129,871</b>	<b>712,795</b>	<b>715,850</b>	<b>3,055</b>

**Table C: Appropriations to Reserves**

Contribution to earmarked balances	0	640	640	0
Contribution to non-earmarked balances	0	0	0	0
Affordable housing contribution from 2nd homes council tax	0	0	0	0
Contribution to Other reserves	0	19	19	0
<b>Total Contributions to Balances</b>	<b>0</b>	<b>659</b>	<b>659</b>	<b>0</b>

**Table D: Financed By**

Aggregate External Finance as notified	123,410	529,105	529,105	0
Additional resources	0	15,913	15,913	0
Additional resources - GCG - Pay award	0	5,425	5,425	0
Council Tax	36,727	143,563	143,718	155
Use of earmarked balances	0	0	0	0
Use of non earmarked balances	0	19,448	22,348	2,900
Use of other reserves	0	0	0	0
<b>Total General Fund Budget</b>	<b>160,137</b>	<b>713,454</b>	<b>716,509</b>	<b>3,055</b>

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713,454

716,509

<b>Revenue Expenditure Monitoring Report - General Fund Summary</b>
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<b>1 April to 30 June 2023</b>
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Staff Costs Variance £000	Other Costs Variance £000	Grant Income Variance £000	Other Income Variance £000	Total Variance £000
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**Table A: By Service**

Communities & Place	(1,980)	379	(77)	1,913	235
Depute Chief Executive	(422)	632	0	(228)	(18)
Education & Learning	(524)	404	16	52	(52)
Health & Social Care	(2,343)	2,338	0	6	1
Infrastructure, Environment & Economy	1,865	2,558	(70)	(1,742)	2,611
Performance & Governance	355	118	(72)	(529)	(128)
Property & Housing	(439)	611	(60)	407	519
Resources & Finance	(317)	211	(32)	25	(113)
Welfare	0	117	(117)	0	0
Valuation Joint Board	0	0	0	0	0
Hi Trans	0	0	0	0	0
Non Domestic Rates reliefs	0	0	0	0	0
Loan Charges	0	0	0	0	0
Unallocated Budget	0	0	0	0	0
Unallocated Corporate Savings	0	0	0	0	0
<b>Total General Fund Budget</b>	<b>(3,805)</b>	<b>7,368</b>	<b>(412)</b>	<b>(96)</b>	<b>3,055</b>

<b>Revenue Expenditure Monitoring Report - Housing Revenue Account Summary</b>
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<b>1 April to 30 June 2023</b>
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	Actual Year to Date £000	Annual Budget £000	Year End Estimate £000	Year End Variance £000
Staff Costs	3,049	14,997	12,560	(2,437)
Other Costs	7,274	21,683	24,208	2,525
Loan charges and interest	0	26,291	26,291	0
<b>Gross Expenditure</b>	<b>10,323</b>	<b>62,971</b>	<b>63,059</b>	<b>88</b>
House Rents	(12,266)	(59,333)	(59,288)	45
Other rents	(725)	(3,235)	(3,068)	167
Other income	(126)	(342)	(503)	(161)
Interest on Revenue Balances	0	(61)	(61)	0
<b>Gross Income</b>	<b>(13,117)</b>	<b>(62,971)</b>	<b>(62,920)</b>	<b>51</b>
<b>Total HRA</b>	<b>(2,794)</b>	<b>0</b>	<b>139</b>	<b>139</b>

<b>Revenue Expenditure Monitoring Report - General Fund Budget</b>
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<b>1 April to 30 June 2023</b>
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	£m	£m
2032/24 Budget as Agreed by Highland Council on 2 March 2023		735.780
Less : Contributions to Reserves included in Agreed Budget		
Contribution to earmarked balances (Elections Fund)	(0.085)	
Contribution to earmarked balances (SALIX)	(0.555)	
Contribution to other reserves	(0.019)	(0.659)
Less : Ring-fenced Grants (Gaelic, Criminal Justice, PEF Attainment Funding, Early Years, Support for Ferries)		(32.423)
Less : Effect of Loans Fund Principal Accelerated Write Down in 2022/23 (HC 29/06/23 item 9, App 2)		(3.822)
<b>Grant Funding Redeterminations</b>		
Net funding increase in Finance Circular 3/2023	0.014	
Allocation of funding for 2022/23 & 2023/24 teaching pay award	6.755	
Provisional allocation of funding for 2023/24 non-teaching pay award	6.973	
Summer 2023 Funding	0.177	
	13.919	
Adjust : Ring-fenced Grant Changes	13.919	13.919
<b>Use of Non-earmarked Balances</b>		0.000
<b>Use of Earmarked Balances</b>		0.000
<b>Use of Other Reserves</b>		0.000
<b>Contribution to Non earmarked Balances</b>		0.000
<b>Contribution to Earmarked Balances</b>		0.000
<b>Contribution to Other Reserves</b>		0.000
<b>Presentational Adjustments</b>		0.000
<b>Total General Fund Budget at 30 June 2023</b>		<b>712.795</b>

<b>Revenue Expenditure Monitoring Report - General Fund Budget</b>
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<b>1 April to 30 June 2023</b>
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**General Fund Balance**

	Earmarked balances £m	Non- earmarked balances £m	Total £m
General Fund Balance at 1 April 2023 (unaudited)	61.309	70.513	131.822
(Use of)/contribution to balances included in budget as agreed by Highland Council on 2 March 2023	0.640	(23.270)	(22.630)
Effect of Loans Fund principal accelerated write down in 2022/23	0.000	3.822	3.822
Use of balances per Appendix 5	0.000	0.000	0.000
Contribution to balances per Appendix 5	0.000	0.000	0.000
Removal of earmarking	0.000	0.000	0.000
Budget movement in balance per Appendix 2	0.640	(19.448)	(18.808)
Net service underspend/(overspend) per Appendix 2	0.000	(3.055)	(3.055)
Appropriations to other reserves	0.000	0.000	0.000
Additional resources	0.000	0.000	0.000
Council tax	0.000	0.155	0.155
Rounding			0.000
General Fund Balance at 30 June 2023	<u>61.949</u>	<u>48.165</u>	<u>110.114</u>

Delivery of Agreed Savings 2023/24 - RAG analysis

Appendix 7

Service	Total Approved Savings 2023/24 £m
Communities & Place	1.455
Depute Chief Executive	0.307
Education & Learning	9.559
Health & Social Care	3.138
Infrastructure, Environment & Economy	2.377
Performance & Governance	0.363
Property & Housing	3.430
Resources & Finance (including Welfare)	1.304
<b>Service Savings Total</b>	<b>21.933</b>
Add : Corporate Savings	0.250
<b>Total</b>	<b>22.183</b>

Blue £m	Green £m	Amber £m	Red £m
0.470	0.955	0.030	0.000
0.307	0.000	0.000	0.000
0.685	8.249	0.625	0.000
0.000	0.190	2.948	0.000
0.330	1.430	0.617	0.000
0.060	0.233	0.070	0.000
0.000	2.640	0.790	0.000
0.946	0.145	0.213	0.000
<b>2.798</b>	<b>13.842</b>	<b>5.293</b>	<b>0.000</b>
0.000	0.000	0.250	0.000
<b>2.798</b>	<b>13.842</b>	<b>5.543</b>	<b>0.000</b>



## Earmarked Balances

## Appendix 8

Description	Earmarked Balance in Accounts Note	Service	(unaudited) 2023/24 Opening Balance £	2023/24 Earmarking - Qtr 1 £	2023/24 Drawdowns - Qtr 1 £	2023/24 Balance as at 30/06/23 £
Badaguish Outdoor Centre	Badaguish Outdoor Centre	E&L	459,692			459,692
Change Fund - General	Change Fund	Trans- formation	1,296,022			1,296,022
HR/Payroll System	Change Fund	R&F	1,763,823			1,763,823
gov.uk e-mail addresses	Change Fund	R&F	80,000			80,000
PPP Handback	Change Fund	R&F	150,000			150,000
HLH Review	Change Fund	E&L	100,000			100,000
Welfare - Additional Free School Meals Easter (R-19)	Covid-19	Welfare	83,722			83,722
Welfare - Spring Hardship £100 payments - Admin (R-44b)	Covid-19	Welfare	13,000			13,000
Welfare - Flexible Fund to Support People Impacted by Restrictions (R-31)	Covid-19	C&P	211,587			211,587
LACER - Environmental Health & Trading Standards (R-81)	Covid-19	C&P	105,206			105,206
LACER - Support for Low Income Families - Cost of Living Support (R-81)	Covid-19	Welfare	71,870			71,870
LACER - Support for Low Income Families - Families Experiencing Distress and Trauma (R-81)	Covid-19	Welfare	74,358			74,358
Other Covid19 - Environmental Health Officers (R-22)	Covid-19	C&P	4,079			4,079
Other Covid19 - CO2 Monitors	Covid-19	P&H	140,000			140,000
Other Covid19 - Ward Discretionary Funds (Covid-19)	Covid-19	C&P	155,770			155,770
Developers' Contributions	Developers' Contributions	Corporate	8,848,952			8,848,952
DSM Balances	Devolved School Management	E&L	2,229,966			2,229,966
DSM Balances - General Reserve	Devolved School Management		217,122			217,122
DSM Balances - Counselling in Schools	Devolved School Management	E&L	703,766			703,766
Education Transitional Funding	Education Transitional Funding	E&L	1,705,588			1,705,588
Elections	Elections	P&G	330,257	85,000		415,257
Learning & Teaching (1+2 Languages)	Grant & Match Funding	E&L	99,200			99,200
New Concerto Property Database System - Module Development Work	Grant & Match Funding	P&H	209,857			209,857
RRTP Homelessness	Grant & Match Funding	P&H	287,000			287,000
Whole Family Wellbeing	Grant & Match Funding	HW&SC	1,420,000			1,420,000
National Trauma Training	Grant & Match Funding	HW&SC	25,631			25,631
Mental Health Officers	Grant & Match Funding	HW&SC	139,000			139,000
Period Poverty	Grant & Match Funding	C&P	109,000			109,000
FWES Employability	Grant & Match Funding	I&E&E	786,993			786,993
Regional Economic Partnership Fund (Western Isles)	Grant & Match Funding	I&E&E	107,000			107,000
Ukrainian Resettlement Fund	Grant & Match Funding	E&L	914,799			914,799
Local Heat & Energy Efficiency Strategies	Grant & Match Funding	P&G	82,939			82,939
Green Freeport	Green Freeport	I&E&E	300,000			300,000
Highlife Highland	Highlife Highland	E&L	792,000			792,000

IT Investment Fund	IT Investment Fund	Trans-formation	1,248,505			1,248,505
Car Parking Income - Caithness	Local Car Parking Income	I&E&E	10,066			10,066
Car Parking Income - Inverness	Local Car Parking Income	I&E&E	5,820			5,820
Car Parking Income - Lochaber	Local Car Parking Income	I&E&E	7,566			7,566
Car Parking Income - Skye	Local Car Parking Income	I&E&E	196,150			196,150
Car Parking Income - Sutherland	Local Car Parking Income	I&E&E	8,663			8,663
Car Parking Income - Wester Ross	Local Car Parking Income	I&E&E	19,256			19,256
NHS Highland - Covid Response Fund & Investment Fund	NHS Highland - Covid Response Fund & Investment Fund	HW&SC	10,795,406			10,795,406
Economic Prosperity Fund (£6m original, reduced by £0.933m HC 02/03/23)	Phase 1 Investment Fund	I&E&E/E&L	2,952,543			2,952,543
Levelling-up Funding (£0.125m)	Phase 1 Investment Fund	I&E&E	125,000			125,000
Place-Based Investment (£2.1m)	Phase 1 Investment Fund	C&P	599,932			599,932
Visitor Management Strategy (Phase 1) (£1.5m)	Phase 1 Investment Fund	C&P/I&E&E	318,759			318,759
Ward Discretionary Funds (Phase 1 Investment) (£0.210m)	Phase 1 Investment Fund	C&P	16,500			16,500
Corran Ferry (£1.6m)	Phase 2 Investment Fund	I&E&E	1,100,115			1,100,115
Environment/Climate Change - Renewables (£0.1m)	Phase 2 Investment Fund	P&G	100,000			100,000
Supporting Safe & Effective working (ICT) (£0.8m original, reduced by £0.2m HC 02/03/23)	Phase 2 Investment Fund	P&H	33,933			33,933
Green Energy Hub (£2.8m original, reduced by £2,019,872 HC 02/03/23)	Phase 3 Investment Fund	C&P	699,040			699,040
Visitor Management Strategy (Phase 3) (£1.5m original, reduced by £194,900 HC 02/03/23)	Phase 3 Investment Fund	C&P/I&E&E	310,291			310,291
Community Loans Fund (£1m original, reduced by £0.5m HC 02/03/23)	Phase 3 Investment Fund	I&E&E	500,000			500,000
Roads - Maintenance (£2.5m original, reduced by £1m HC 02/03/23)	Phase 4 Investment Fund	I&E&E	1,543,610			1,543,610
Climate Action, Green Energy and Jobs (£2m)	Phase 4 Investment Fund	Corporate	1,028,993			1,028,993
Families First (£1m)	Phase 4 Investment Fund	HW&SC	965,421			965,421
Innovation in Education (£1m)	Phase 4 Investment Fund	E&L	510,271			510,271
Rural Transport (£0.5m)	Phase 4 Investment Fund	I&E&E	88,389			88,389
Property (Health & Safety Works)	Property (Health & Safety Issues etc)	P&H	1,710,480			1,710,480
Recycling Improvement Fund	Recycling Improvement Fund	C&P	273,000			273,000
SALIX Recycling Fund	Salix Recycling Fund	P&G	1,553,851	555,000		2,108,851
SALIX Recycling Fund - Management Fees	Salix Recycling Fund	P&G	106,238			106,238
Scottish Crown Estate	Scottish Crown Estate	I&E&E	7,394,692			7,394,692
Website & Service Centre Enhancement	Staffing Conditions & Development Fund	C&P	26,255			26,255
Office Reviews	Staffing Conditions & Development Fund	P&H	784,576			784,576
Business Change & Improvement (Transformation Fund Reserve)	Staffing Conditions & Development Fund	Corporate	1,012,858			1,012,858
Consolidation of Living Wage	Staffing Conditions & Development Fund	Corporate	342,481			342,481
Legal Underspend	Staffing Conditions & Development Fund	P&G	60,000			60,000
Flexible Working/NWOW (HC 04/03/21 one-off budget uplift)	Staffing Conditions & Development Fund	P&H	425,220			425,220
Walks to Water	Walks to Water	I&E&E	75,544			75,544
Match funding for ESF Poverty & Social Inclusion	Welfare Issues	C&P	128,169			128,169
Administration of Pandemic Entitlements	Welfare Issues	R&F	165,000			165,000
Cost of Living Support	Welfare Issues	Welfare	48,338			48,338
	<b>TOTAL</b>		<b>61,309,130</b>	<b>640,000</b>	<b>0</b>	<b>61,949,130</b>