



**Glasgow City Council**

**City Administration Committee**

**Report by Councillor Richard Bell, City Treasurer**

**Contact: Martin Booth Ext: 73837**

**Item 2**

10th February 2022

**BUDGET MONITORING 2021-22; PERIOD 10**

**Purpose of Report:**

This report provides a summary of financial performance for the period 1 April 2021 to 17 December 2021.

**Recommendations:**

The City Administration Committee is asked to:

- i. approve the adjustments relating to the revenue budget at section 4
- ii. note that this report and all detailed service reports will be considered by the Finance and Audit Scrutiny Committee

Ward No(s):

Citywide: ☒

Local member(s) advised: Yes ☐ No ☐

consulted: Yes ☐ No ☐

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## 1. Introduction

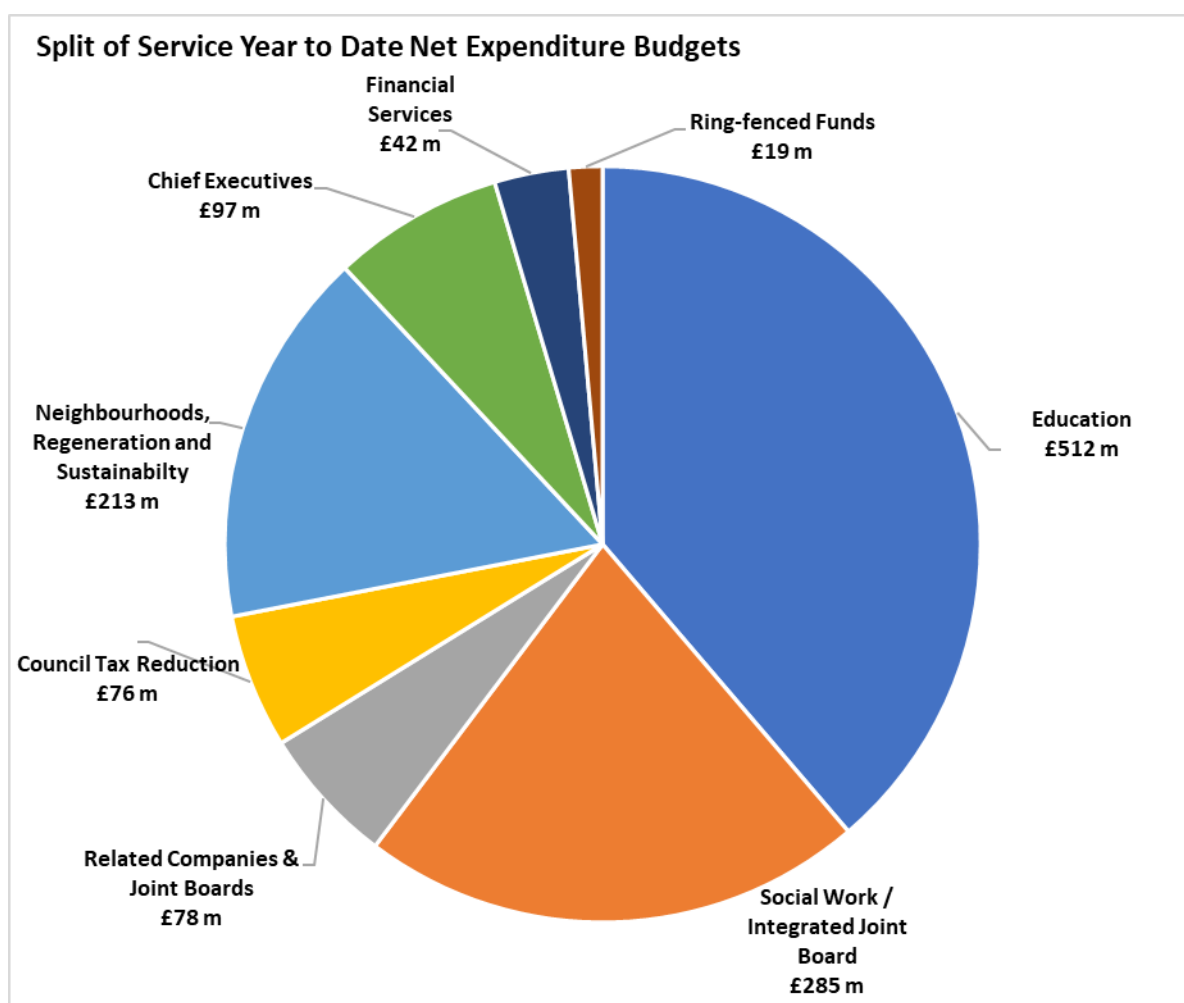
- 1.1 This report provides a summary of financial performance for the period 1 April 2021 to 17 December 2021.

## 2. Reporting Format

- 2.1 This report provides a summary of the Council's financial position.

## 3. Approved Budget

- 3.1 The 2021-22 budget was approved by Council on 11 March 2021 and the detailed service estimates were subsequently approved by the City Administration Committee on 3 June 2021.
- 3.2 These budgets are shown as "Original Annual Budget", in the attached monitoring statements. In order to monitor financial performance accurately, budgets will be updated each period to reflect new monies, operational changes and any additional approvals.



- 3.3 The key changes to the original budget made up to period 10 are outlined in section 4, below.

#### **4. Revenue Budget**

- 4.1 During period 9 and 10 there has been a net budget increase of £10.0m resulting in a cumulative budget increase of £139.6m to date. Service specific budget changes are summarised in the paragraph below.
- 4.2 The significant budget changes since period 8 are as follows:
  - 4.2.1 Income and Expenditure budgets have been adjusted across services to reflect the net impact of Covid-19 on services. During period 9 and 10 this amounts to £3.0m, cumulatively £16.8m at period 10.
  - 4.2.2 Expenditure budgets within Chief Executive's Office have increased by £4.6m. This reflects additional funding from the Scottish Government in respect of Financial Insecurity Winter Support Funding (£4.3m) and Local Self Isolation Assistance service (£0.3m).
  - 4.2.3 Expenditure budgets within Neighbourhoods, Regeneration and Sustainability have increased by £1.6m. This reflects additional funding from the Scottish Government in relation to the Tenant Hardship Grant Fund.
  - 4.2.4 Expenditure budgets within Social Work Services have increased by £12.1m. This reflects additional funding from the Scottish Government in relation to winter pressures (£11.4m) and reflects previously approved general carry forwards (£0.7m).
  - 4.2.5 Income and expenditure budgets within Education Services have increased by £0.2m. This reflects additional external funding for educational events.
  - 4.2.6 Income and expenditure budgets within Social Work Services have increased by £2.2m. This reflects additional funding from the Health Board in relation to winter pressures.
- 4.3 There have also been adjustments to income and expenditure budgets in line with the Executive Director of Finance's delegated powers and budget realignments between and within various service departments to reflect the transfer of responsibilities and service reconfigurations.

#### **5. Financial Implications of Covid-19**

- 5.1 In response to Covid-19 the Council has incurred additional costs and suffered a loss of income resulting from lockdown restrictions. During period 9 and 10 service budgets have been adjusted by £3.0 million removing any variances resulting from Covid-19, cumulatively to period 10 service budgets have been adjusted by £16.8m in respect of Covid-19.

#### **6. Summary Position**

##### **Revenues**

##### **6.1 Council Tax**

- 6.1.1 A probable outturn exercise has now been completed and is projecting that the actual income expected to be collected from council tax is £310.4m. This is £1.2m more than budget.

- 6.1.2 The council tax collected to 31 December 2021 amounts to £215.0m. This represents 82.57% of the figure to be collected and is 2.87% ahead of last year's equivalent collection figure. The out-turn for 2020-21 was 92.13%.

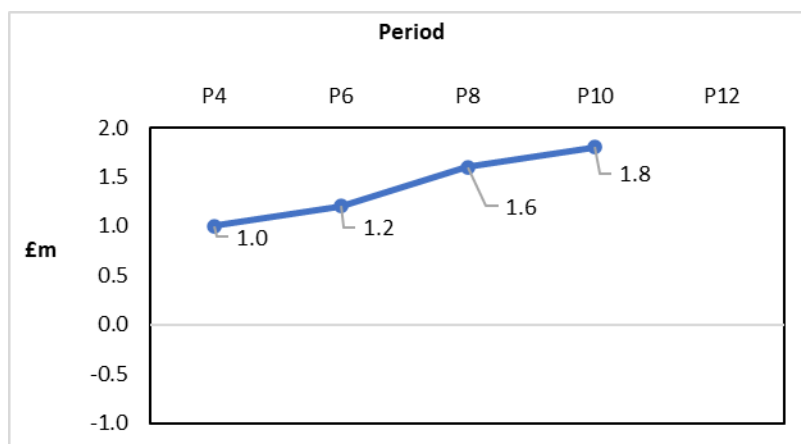
## 6.2 Non Domestic Rates

- 6.2.1 Non Domestic Rates (NDR) income is allocated to councils as part of the local government settlement. The council retains all NDR it collects, however where this varies from the amount included within the Local Government settlement a commensurate increase or decrease is made to the general revenue grant to ensure no overall change in the total revenue support provided by the Scottish Government.
- 6.2.2 The Non Domestic Rates collected to 31 December 2021 amounts to £197.3m. This represents 74.31% of the figure to be collected and is 1.66% ahead of last year's equivalent collection figure. The out-turn for 2020-21 was 89.42%.

## 7. General Fund

- 7.1 Net expenditure is running at 100.2% of profile, representing an overspend of £1.8m. This reflects overspends within Neighbourhoods, Regeneration and Sustainability and Education Services and underspends within Chief Executive's Office and Financial Services.

- 7.2 Net Expenditure Position – budget variance:



## 8. Services

### 8.1 Neighbourhoods, Regeneration and Sustainability £1.8m

- 8.1.1 This reflects an overspend in Refuse Collection and Disposal due to increased staff costs, above inflationary increases in the residual waste sector and a shortfall in income. These pressures are offset by an underspend in Streetscene due to staff vacancies, recruitment is underway.

### 8.2 Education Services £0.2m

- 8.2.1 This reflects overspends in staffing and transport associated with ongoing pupil roll increases offset by savings in Early Years recruitment.

### 8.3 Chief Executive's Office -£0.1m

8.3.1 This reflects underspends and additional income within Economic Development.

### 8.4 Financial Services -£0.1m

8.4.1 This reflects underspends in supplies within Catering and Facilities Management and employee costs within Customer and Business Services.

## 9. Social Work Services

9.1 The Glasgow City Integration Joint board (IJB) is now responsible for the planning and commissioning of health and social care services within the city.

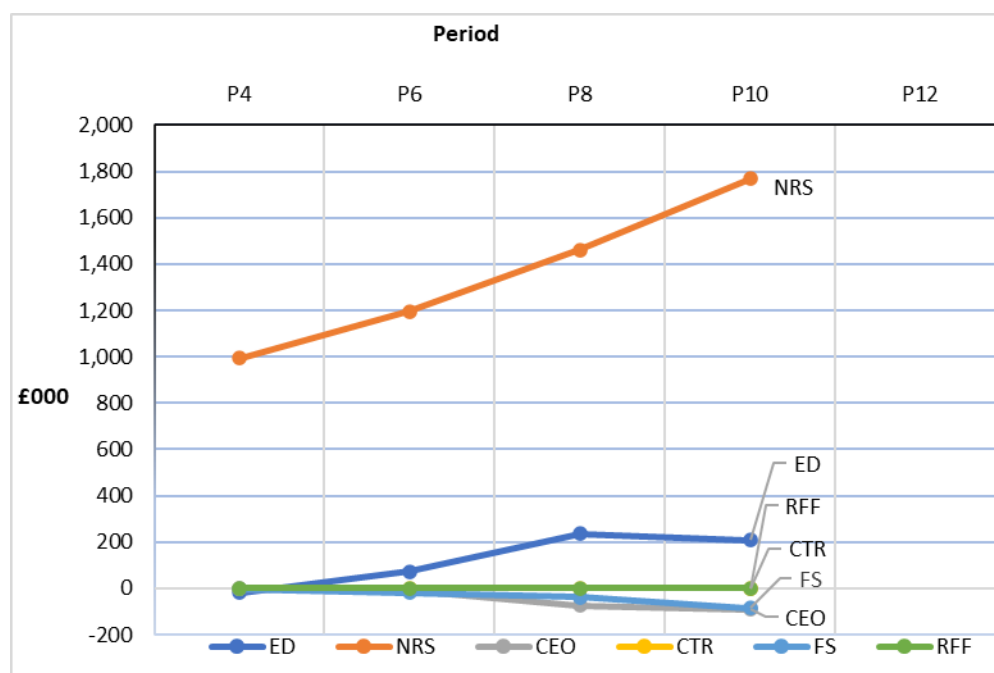
9.2 While the financial position of Social Work Services continues to be monitored through the Council's existing reporting structures the overall financial position is now the responsibility of the IJB and is therefore reported separately from the General Fund. The Reserves policy of the IJB has resulted in the transfer of previous year underspends to IJB reserves to mitigate any ongoing or future budget pressures.

9.3 At period 10 Social Work Services is showing an underspend of £5.2m. This underspend reflects underspends in Adults Services and Older People/Physical Disability.

9.4 Any additional expenditure incurred as a result of Covid-19 is being funded from Scottish Government funding received last year and held in earmarked reserves by the IJB.

## 10. Service Variance Comparison

10.1 Service financial performance across the year to date is illustrated below:



## **11. Forecast**

- 11.1 As previously reported the probable outturn is forecasting a £1.8m increase in the level of contribution from general fund reserves as detailed in appendix 1.
- 11.2 The position will continue to be reviewed throughout the remainder of the year and any significant variances reported through the normal monitoring process.
- 11.3 Social Work Services have updated the probable outturn for the IJB which indicates that overall net expenditure is now anticipated to be £7.0m under budget, at period 8 the anticipated position was £2.6m under budget. As noted at period 8 this underspend will transfer to IJB reserves and has no net impact on the Council's overall financial position.

## **12. Recommendations**

- 12.1 The City Administration Committee is asked to:
- (I) approve the adjustments relating to the revenue budget at section 4
  - (II) note that this report and all detailed service department reports will be considered by the Finance and Audit Scrutiny Committee.

### **LIST of Attachments:**

- Key Figures
- Council Tax Income
- Non Domestic Rates Income
- General Fund Summary
- Social Work Services Summary

## APPENDIX 1

### GLASGOW CITY COUNCIL BUDGET MONITORING

#### KEY FIGURES

#### PERIOD 10 - 1 April 2021 to 17 December 2021

Measure	Status (Under or Over Budget Profile)	Period 10	Probable
Council Tax Income	Ahead		+£1.2m
Council Tax Collection Rate	Ahead	+2.87%	
Non Domestic Rates Collection Rate	Ahead	+1.66%	
General Fund Net Expenditure	Over	+£1.8m	
<b><u>Service Departments:</u></b>			
Chief Executive's Office	Under	-£0.1m	-£0.2m
Education Services	Over	+£0.2m	+£0.1m
Financial Services	Under	-£0.1m	-£0.1m
Financial Services – Benefit Payments	On budget		On budget
Financial Services – Ring Fenced Funds	On budget		On budget
Neighbourhoods, Regeneration and Sustainability	Over	+£1.8m	+£2.1m
		<b>+£1.8m</b>	<b>+£1.9m</b>
Affordable Warmth			+£1.5m
Financing Costs			-£2.8m
Related Companies			+£2.4m
<b>Increase in Contribution from General Fund Balances</b>			<b>+£1.8m</b>
<b>Probable Outturn</b>			<b>Nil</b>
Social Work Services	Under	-£5.2m	-£7.0m
General Fund Balances			
2021-22 Budget Contribution from Balances			£9.7m
Increase in Contribution			£1.8m
<b>Revised 2021-22 Contribution from Balances</b>			<b>£11.5m</b>

# Glasgow City Council

## Budget Monitoring 2021/22

### Revenues - Income Monitoring and Cash Collection

Period to 31st December 2021

#### Council Tax

Income Monitoring	Estimate 2021/22	Forecast Outturn 2021/22	Variance
	£000	£000	£000
	309,209	310,416	1,207

#### Cash Collection

Month	Actual Cash in Month £000	Actual Cash to Date £000	% of Cash Collected to Date %	Last Year Actual %	Comparison v Last Year %
April	33,976	33,976	13.10	12.47	0.63
May	21,486	55,462	21.29	20.36	0.93
June	22,658	78,120	29.61	28.32	1.29
July	21,994	100,114	38.01	36.57	1.44
August	22,943	123,057	46.80	44.75	2.05
September	24,031	147,088	55.82	53.68	2.14
October	22,606	169,695	64.67	62.25	2.42
November	24,466	194,161	74.49	71.18	3.31
December	20,881	215,042	82.57	79.70	2.87
January			0.00	86.81	
February			0.00	89.97	
March			0.00	92.13	

**Total Cash to be Collected** **260,449**  
(i.e. net of Council Tax Reduction etc)

**Target collection in year (92.5%)** **240,915**



# Glasgow City Council

## Budget Monitoring 2021/22

### Revenues - Cash Collection

Period to 31st December 2021

#### Non Domestic Rates

Month	Actual Cash in Month £000	Actual Cash to Date £000	% of Cash Collected to Date %	Last Year Actual %	Comparison v Last Year %
April	2,800	2,800	0.95	0.99	-0.04
May	45,446	48,246	17.26	17.21	0.05
June	19,538	67,784	24.61	24.14	0.47
July	17,540	85,324	31.22	29.59	1.63
August	16,886	102,210	37.37	35.98	1.39
September	19,900	122,110	44.80	43.17	1.63
October	42,684	164,794	60.89	60.41	0.48
November	17,340	182,134	68.06	67.11	0.95
December	15,194	197,328	74.31	72.65	1.66
January			0.00	81.72	
February			0.00	88.33	
March			0.00	89.42	
<b>Total Cash to be Collected</b>		<b>265,562</b>			
<b>Target collection in year (90.0%)</b>		<b>239,006</b>			

**GLASGOW CITY COUNCIL**  
**2021/22 REVENUE BUDGET : MONITORING REPORT**  
**GENERAL FUND SERVICE SUMMARY**

PERIOD 10: 1 APRIL 2021 TO 17 DECEMBER 2021

Original Annual Budget £000	Approved Changes £000	Revised Budget £000	Department	Total Expenditure		Total Income		Net Expenditure		Variance on Net Expenditure £000	
				Actual £000	Budgeted £000	Actual £000	Budgeted £000	Actual £000	Budgeted £000		
100,204	36,862	137,066	Chief Executive's Office	164,586	164,532	67,814	67,670	96,772	96,862	-90	
655,211	72,933	728,144	Education Services	530,018	529,978	17,547	17,715	512,471	512,263	208	OVER
37,172	1,916	39,088	Financial Services	82,279	86,139	40,620	44,395	41,659	41,744	-85	
81,228	2,961	84,189	Financial Services - Council Tax Reduction Scheme/Benefit Payments	278,895	278,895	202,719	202,719	76,176	76,176	0	
7,368	15,154	22,522	Financial Services - Ring-fenced Funds	18,754	18,754	0	0	18,754	18,754	0	
160,757	14,361	175,118	Neighbourhoods, Regeneration and Sustainability	357,238	354,508	142,534	141,573	214,704	212,935	1,769	OVER
103,770	-3,049	100,721	Related Companies and Joint Boards	78,468	78,468	516	516	77,952	77,952	0	
-79,033	-5,033	-84,066	Specific Grant	0	0	84,066	84,066	-84,066	-84,066	0	
1,066,677	136,105	1,202,782	TOTAL	1,510,238	1,511,274	555,816	558,654	954,422	952,620	1,802	OVER

Net Expenditure : Rate of Spend as Percentage of Budget to Date

	4	6	8	10	12
Percentage	100.2%	100.2%	100.2%	100.2%	

CITY OF GLASGOW COUNCIL  
2021/22 REVENUE BUDGET : MONITORING REPORT  
SOCIAL WORK SERVICES SUMMARY

PERIOD 10: 1 APRIL 2021 TO 17 DECEMBER 2021

Original Annual Budget £000	Approved Changes £000	Revised Budget £000	Department	Total Expenditure		Total Income		Net Expenditure		Variance on Net Expenditure £000
				Actual £000	Budgeted £000	Actual £000	Budgeted £000	Actual £000	Budgeted £000	
450,079	14,963	465,042	Social Work Services	496,416	498,555	205,849	202,769	290,567	295,786	-5,219
-15,519	0	-15,519	Specific Grant	0	0	10,353	10,353	-10,353	-10,353	0
0	0	0	Transfer to IJB reserves	0	0	-5,219	0	5,219	0	5,219
434,560	14,963	449,523	TOTAL	496,416	498,555	210,983	213,122	285,433	285,433	0

Net Expenditure : Rate of Spend as Percentage of Budget to Date

	4	6	8	10	12
Percentage	100.0%	100.0%	100.0%	100.0%	