

The background of the slide features a large, light blue watermark of the Coat of Arms of the Isle of Man. The coat of arms consists of a shield divided into four quarters. The top-left quarter shows a ship on wavy lines. The top-right quarter shows a stag's head with antlers. The bottom-left quarter shows a ship on wavy lines. The bottom-right quarter shows a bird with spread wings. Above the shield is a crown with four fleurs-de-lis. Below the shield is a ribbon with the motto 'ANE FOR A'.

Agenda Item 10

Provisional Financial Outturn 2020/21

Title: Provisional Financial Outturn 2020/21
Meeting: Executive
Date: 15 June 2021
Submitted By: Director of Corporate and Housing Services

1. Purpose of the Report

- 1.1 This report presents the closing financial position of the Council for 2020/21 after an unparalleled and challenging time due to COVID-19. The final accounts process is underway and the figures will be subject to final audit review. Any further adjustments to these figures will be reported back to Members. There is also an update on the revenue budget for 2021/22.

2. Recommendations

2.1 The Executive is invited to note:

- (1) Council's year end financial position subject to Audit for 2020/21**
- (2) transfers to the Repairs and Renewals, Insurance Fund and Other Earmarked Reserves as outlined at Appendix 4.**
- (3) The update on the 2021/22 revenue budget.**

3. Considerations

3.1 General Fund

- 3.1.1 Appendix 1 sets out both General Fund net expenditure by Service and how it is financed. Movements between budget and projected outturn are expressed in monetary and percentage terms.
- 3.1.2 The net projected impact on reserves at 31 March 2021 is forecast to be an increase of £0.280m, which is an improvement of £1.045m from the position reported to the Executive in January largely as a result of reduced costs across a number of Services. The closing balance for the General Fund is now £9.822m. In addition COVID funding of c£14m has been carried forward into the new financial year (see para. 3.1.14).
- 3.1.3 The significant variations are summarised for each Service below with further information on the financial movements from the January report to the Executive detailed at Section 3.4.

Children's Services – (Over budget by £2.311m, 1.1%)

Education Services

- 3.1.4 Lower COVID related expenditure than anticipated has resulted in Education Services finishing broadly on budget. Additional COVID expenditure of £6.2m (i.e. teaching costs, food provision and school operational costs), loss of income of £1.5m (i.e. school meals, childcare fees and music tuition) and unachieved savings of £2.3m was compensated by additional government grant of £6.8m, early years funding of £2.4m and net operational savings of £0.8m.

Children & Families

- 3.1.5 The overspend of c£2.3m has reduced by £0.7m from the previous position reported in January, largely due to the receipt of additional government funding. The main reasons for the overspend are due to the impact of COVID resulting in additional expenditure of £1.4m and unachieved closer to home savings of £1.1m. Despite the challenges arising from COVID, costs have been reduced by £0.7m in comparison with previous years by shifting care provision to supported accommodation and reduced care provision costs from new contract arrangements.
- 3.1.6 Creating a shift in the balance of care is fundamental to the aims of the Closer to Home Strategy. Reducing the numbers of children looked after away from home and increased access to internal foster care rather than residential care are critical factors. The impact of 2 lockdown periods as a result of the global pandemic delayed placement movement for young people and limited ability to provide family support led to some children requiring to be looked after away from home. The savings from closer to home have been re-profiled into future years savings targets.

Social Work – Adult Services – (Under Budget by £0.219m),

- 3.1.7 This budget is in large part made up of property and transport costs for Social Work Adult Services that have remained with the Council. It also includes an area of direct social work provision, the Mental Health Officer service. There is an underspend of £0.219m. This is due to delayed repairs and lower transport costs.

Development Services – (Over budget by £3.412m, 13.2%)

- 3.1.8 The Service is currently projected to be over budget by £3.412m, an increase of £0.568m from the previous position. The main pressure is waste collection and treatment costs of £1.820m due to changes in operating arrangements and increase in household waste tonnage arising from COVID-19. Roads and Design has also overspent by £1.226m as a result of roads income being lower than budgeted and higher material costs, partly as a result of increased winter expenditure. The purchase of a new cremator unit, funded from revenue, cost an additional £0.320m. The restricted provision of services also resulted in a loss of £0.336m from reduced car parking income. These pressures were partially offset by operational savings of £0.5m.

- 3.1.9 The Council has developed a rent deferment scheme for commercial tenants who have fallen into rent arrears during the lockdown. The primary focus of this was to retain businesses within the portfolio which will mitigate vacancies and rental income loss. This area will continue to be monitored closely, but there appears to be good demand for industrial property and so far occupancy levels remain positive. The shortfall on commercial property for 2020/21 was £0.2m.

Corporate and Housing Services – (Over budget by £0.039m, (0.1%))

- 3.1.10 There is no significant overall movement in the financial projection from the previously reported position. Additional expenditure arising from COVID-19 was £1.6m and includes a cost of £0.7m for personal protective equipment (PPE) for the three Council Services. There was also a loss of printing charges, licensing fees and registration fees income as a result of Covid of £0.5m. This was offset by operational savings arising mainly from staffing vacancies and an underspend of £0.5m in the budget that was created to cover costs to consolidate the Scottish Local Government Living Wage. This is now not required until 2021/22.

Integration Joint Board (IJB)

- 3.1.11 For 2020/21, a net sum of £68.963m (£67.222m from the General Fund) was passed to the IJB. The IJB has come within the budget allocated for 2020/21 an improvement of c£0.5m from the previously reported position in January. This was largely due to residential care services, reflecting continued low occupancy rates compared to pre-Covid levels, together with non-recurring underspends within the assessment and care planning team due to delays in recruitment to vacancies. Savings were also achieved within respite and transport costs. Note that the favourable year end position and the savings achieved masks significant budget pressures within Home Care in the region of £4.4m. Costs have increased by 11% compared to the previous year, reflecting ongoing rising demand in this service area.

Falkirk Community Trust

- 3.1.12 Falkirk Community Trust have ended the financial year on budget, which is a significant improvement from the deficit of £1.2m reported to Members in January. This is primarily a result of additional funding from the Job Retention Scheme and lower operational costs as a result of facilities being closed since December.
- 3.1.13 The most significant financial aspect for the Trust was the loss of customer income of c£6m due to the closure of facilities over the last year. This was mitigated by funding by the Job Retention Scheme and Business Grant Funding Schemes of c£3.6m plus the savings from lower operational costs. Access to the Job Retention Scheme was due to the Trust's status as a charitable organisation.

Revenue Support Grant – (Over budget by £20.340m, (8.1%))

- 3.1.14 The additional Revenue Support Grant for COVID-19 significantly increased from the £9.1m reported in January to £20.3m. Appendix 2 details the total additional grants received during 2020/21, including £14m that has been allocated direct to Services, with the overall position summarised in the table below. In addition to this funding, the Council has administered c£41m of grants to businesses and companies over the last year. An update was provided to Members at the Executive Committee in April.

Description	Grant Rec'd £m	Applied in 20/21 £m	C/Fwd to 21/22 £m
Direct LG Funding (Not ringfenced)	15.1	6.4	8.7
Financial Support to families and individuals	8.3	7.0	1.3
Education Recovery	7.2	3.1	4.1
Test and Protect	0.2	0.2	-
Economic Recovery	3.0	2.6	0.4
Other	0.2	-	0.2
Totals	34.0	19.3	14.7

- 3.1.15 Of the £34m received, £15m was for general pressures arising as a result of the pandemic, with £6m received in late March. It is currently estimated that £8.7m of this funding can be carried forward. While the overall financial position could change and will require to be monitored, it is proposed to apply £7m in the new financial year to offset the fiscal flexibilities built into the budget.
- 3.1.16 The other £19m of funding was for specific purposes including education recovery, funding to support families and communities and economic funding for businesses. As the funding was received this was applied to the relevant areas, however a number of funding streams were received very late in the financial year, leaving little opportunity for it to be used in 2020/21. These balances will be carried forward to be applied in the new financial year and will be distinct and separate from the Council's General Fund Reserve.

Council Tax (Under budget by £0.250m, 0.4%)

- 3.1.17 At the Executive meeting in January it was forecast that the Council tax yield would be under budget by c£0.350m due to increased bad debt, higher council tax reduction costs and a lower number of new build properties completed during 2020/21. However, the overall position has continued to marginally improve, with the shortfall in the council tax yield of £0.250m.

3.2 Trading Account

- 3.2.1 The BMD's work programme was severely disrupted by the current crisis with COVID operating restrictions limiting the amount of work that could be undertaken. This reduced the BMD's expected income by £3.4m, a decrease of £0.3m from the previous projection. This loss of income has been absorbed within the Housing Revenue Account (see para 3.5.1). However, with no surplus generated, this has resulted in a cost to the General Fund of c£0.4m.

3.3 2020/21 Agreed Savings

- 3.3.1 Services have reported the deliverability of savings for 2020/21 in previous financial update reports. There is no substantial change to the position that has been previously reported. The status of savings is detailed at Appendix 3 and summarised in the table below.

	Savings Agreed £'000	Savings Achievable £'000	Net Cost/ (Savings) £'000
<u>Agreed Savings</u>			
Children's Services	(6,299)	(2,833)	3,466
Development Services	(2,380)	(2,059)	321
Corporate & Housing Services	(1,547)	(1,104)	443
	(10,226)	(5,996)	4,230
<u>Service Operational Savings</u>			
Property Savings	-	(146)	(146)
Misc Supplies & Services	-	(70)	(70)
<u>Council Wide Savings</u>			
Living Wage	-	(500)	(500)
Non Domestic Rates		(180)	(180)
Overall Totals	(10,226)	(6,892)	3,334

3.4 General Fund Reserves

- 3.4.1 After adjusting for the additional funding received for COVID-19, the current estimated full year financial effect on the General Fund is an increase of £0.280m, which is an improvement of c£1m from the position reported in January. The table below provides a comparison.

	January £'000	March £'000	Diff £'000
Government Funding	(16,552)	(33,978)	(17,426)
Loss of Income:-			
Service Fees and Charges	2,342	2,345	3
Council Tax	350	250	(100)
Commercial Rents	285	155	(130)
Net Additional Costs	9,428	13,718	4,290
Budget Savings Not Achieved	3,193	3,334	141
Integration Joint Board	502	-	(502)
Falkirk Community Trust	1,217	-	(1,217)
Overall (Surplus)/Deficit	765	(14,176)	(14,941)
COVID Funding C/Fwd	-	13,896	13,896

General Fund Movement	765	(280)	1,045

- 3.4.2 The additional net spend of c£4.3m is largely for business grant funding of £2m, the cost of free school meals of £1m and hardship payments of £2m. These additional costs were matched by additional government funding.
- 3.4.3 Appendix 1 shows a closing General Fund balance of £9.8m, an increase of c£0.280m. The balance is comfortably within the 2% policy range of annual revenue expenditure (giving a range of £7.5m-£11m).
- 3.4.4 As part of the 2021/22 budget, Members agreed to utilise £2m of General Fund Reserves, which would have taken the opening balance for the new financial year down to £7.8m. However, following the receipt of additional revenue support grant of £1.2m for 2021/22, the need to fully use the £2m as originally envisaged in the 2021/22 budget report has been partly removed at this very early stage in the new financial year. The overall financial position will be monitored as the financial year unfolds.
- 3.4.5 The following paragraphs provide details on the expenditure and transfers in respect of all the Council's reserves and earmarked funds. A summary of the transactions and balances is included at Appendix 4.
- 3.4.6 Repairs and Renewals Fund**

Strategic Property Review (£0.729m)

The Council is undertaking a comprehensive review of its property assets including its leased portfolio. This is anticipated to result in withdrawal from a number of existing properties with provision for investment in assets retained and dilapidations costs for buildings being vacated. As a consequence a sum was earmarked to assist these works.

Falkirk Community Trust ICT (£0.061m)

This is the remaining balance available for Falkirk Community Trust to undertake ICT improvements. The sum will be paid to the Trust, through the service payment arrangements, when the works are completed.

Mobile & Flexible Working (£0.183m)

Funding was provided to help cover the additional revenue costs required to undertake the mobile & flexible working project. From the balance of £0.205m at 1 April 2020, £0.022m was utilised to fund 2 modern apprentices. It is anticipated that the balance of £0.183m will be utilised in 2021/22.

Payroll (£0.100m)

A sum of £0.100m was earmarked for the upgrade of payroll systems. This balance will be fully utilised in 2021/22.

Business Intelligence Project (£0.100m)

A sum of £0.100m has been earmarked to continue the work on the Business Intelligence project. This project was previously funded from a successful change fund bid.

ICT - Digital Strategy (£0.250m)

A sum of £0.250m has been earmarked to continue the work on the Council's Digital Strategy and will be utilised in 2021/22.

Building Maintenance (£0.186m)

A Repairs & Renewals reserve of £0.350m was created from the 2019/20 BMD trading surplus. Of this balance £0.164m was spent on the improvements to the Inchyra Road Depot, Grangemouth as part of the BMD redesign phase 2 Council of the Future project. The remaining balance will be utilised in 2021/22.

3.4.7 Earmarked Reserves

The position with each of the funds is as follows:

Insurance Fund (£5.594m)

The Fund is actuarially valued every three years and as previously advised to Members, was subject to an independent actuarial valuation in October 2018 by Aon Insurance Limited. The valuation confirmed that the Fund is broadly healthy. A further valuation is scheduled to take place in 2021. Whilst uncertainties, particularly concerning the value and timing of any potential Abuse claims, remain, it is anticipated that the continuing level of Service contributions and Fund balance should be sufficient to meet any resultant costs over the next three years.

Devolved Schools Management (£2.328m)

The balance as at 31 March 2021 was £2.328m. Of this, £2.095m reflects the schools 2020/21 carry forward and £0.234m reflects ring fenced external monies that cover periods beyond the financial year end.

Economic Development (£0.988m)

The fund has £0.662m for property maintenance/dilapidations works to the Council's industrial and commercial estate and £0.024m for business support/landscape Initiatives. A further £0.302m has been added to the fund in relation to providing for deferred rentals on commercial properties and setting aside income received in connection with telecoms mast sites.

Central Energy Efficiency Fund - CEEF (£0.555m)

This is a self-replenishing fund that allows energy efficiency works to be completed. Under the terms of the funding, energy savings generated are required to pay-back into the fund in order to maintain an ongoing balance for delivery of future projects. The service has an ongoing programme of energy efficiency works to continue to utilise the fund balance.

Change Fund (£0.573m)

Members agreed, as part of the 2020/21 budget process, to earmark a further £0.500m to ensure that the programme of change projects agreed by Council under Council of the Future could be successfully delivered. £0.688m was utilised in 2020/21 and the remaining balance will be carried forward to be fully utilised in 2021/22.

Revenue Grants (£9.035m)

The Revenue Grants reserve consists of the carry forward of grant funding not yet utilised. The largest of these are within Children's Services for the Pupil Equity Fund, which is allocated directly to schools, and the early years expansion programme to increase the provision of nursery hours from 600 to 1,140. This funding will be credited back to Services to appropriately match expenditure and will not affect the Council's overall position in 2021/22

COVID-19 Reserves - £14.670m

As noted above a significant amount of funding relating to COVID was received very late in the financial year, leaving little opportunity for it to be used in 2020/21. It is proposed that £7m will be used to offset the fiscal flexibilities incorporated into the 2021/22 budget, with a further £1.7m available to meet general pressures as they arise. The remaining balance of c£6m is for specific purposes, including education recovery and support for individuals and communities and will be allocated as appropriate during 2021/22. A detailed breakdown of the funding received and carried forward is noted at Appendix 2.

Spend to Save (£1.141m)

Executive previously agreed to fund the following projects

Programme Management Co-ordinators

It was agreed that funding would be provided for 3 Programme Management Co-ordinators to ensure delivery of end to end key change programmes/projects within each Service. £0.208m was fully utilised in 2021/21.

Voluntary Severance

The remaining balance is earmarked to help cover the costs of voluntary severance reflected in the five year business plan. £0.159m was utilised in 2020/21 leaving a balance of £1.141m to be carried forward to help cover the costs in 2021/22.

3.5 Housing Revenue Account (HRA)

- 3.5.1 Overall, the HRA spending of £67.3m (Appendix 5) is c£2.7m below the rents received of £70m, which is £0.5m more than previously reported position. This overall budget saving primarily reflects a reduction in the repair work undertaken of £7.578m, savings in employee costs of £0.737m and capital charges of £1.848m. These savings offset the additional costs of Covid-19, including the costs of additional temporary accommodation of £1.3m and an increase in the rents bad debt provision of £0.6m, increased support services (£0.350m) and reduced house rents/other income (£1.429m).
- 3.5.2 In addition, the savings also absorbs the BMD projected deficit of £3.4m noted at para. 3.2.1. This follows agreement between COSLA and Audit Scotland that even if works are not carried out, the relevant costs (primarily employee costs and overheads) can still be charged to the HRA.

- 3.5.3 All tenants who have fallen into arrears have been contacted and offered support and advice to those who had difficulty in catching up with the rent that was overdue. This has been relatively successful but in a small number of cases the legal process has commenced by serving a Notice for Recovery of Possession and these notices will be issued, only where absolutely essential, from September onwards. These notices offer tenants an opportunity to resolve matters before court action commences.
- 3.5.4 At all stages the eligibility for tenants to receive help from Tenancy Support Fund, or through any other available means is assessed, along with the offer of specialist Debt Advice where appropriate.
- 3.5.5 The reserves balance brought forward at 1 April 2020 was £5.093m and it is anticipated that the current year surplus will increase reserves to £7.825m at 31 March 2021. The budget report in January presented proposals on how the additional £2.7m will be deployed going forward, with £0.6m to be utilised in 2021/22.

3.6 Revenue Budget 2021/22

- 3.6.1 It is very early in the year to assess the financial position going forward. With the continuing rollout of the vaccines, there is a lot more reason to be positive going forward. However, the overall situation remains fragile and Council will undoubtedly face a number of challenges as the year unfolds.
- 3.6.2 One of the most significant financial uncertainties includes the settlement of the pay award for 2021/22. Given the recent announcement of the NHS pay award of 4%, if this was applied across the board it would cost the Council c£7m, £3.5m more than budgeted. If there is a significant move away from the public sector pay policy there is a question of whether the Scottish Government are able to provide any additional funding to Local Government to keep in line with the NHS.
- 3.6.3 However, from a financial perspective the Council has a number of options to address these challenges as they emerge, which includes the COVID reserves, additional financial funding announced for 2021/22 and fiscal flexibilities.
- 3.6.4 As noted above £8.7m of COVID funding is available to be applied to general pressures and it is proposed to use £7m of this to offset the fiscal flexibilities built into the 2021/22 budget. This will leave a balance of £1.7m to address issues as they arise during the course of the year.
- 3.6.5 In addition there has been a number of announcements of significant funding being made available for 2021/22. The allocations for Falkirk have not all been confirmed and, in most cases, the funding received will be matched by new expenditure and will therefore have a neutral effect on the Council's net budget. The most notable exception is the £40m for general revenue expenditure which is not ring-fenced, Falkirk's allocation is £1.2m. As noted above this will partly displace the planned use of £2m of General Reserves in the new financial year. The funding announcements include:

- £40m for general revenue expenditure (Falkirk's share - £1.2m)
- £60m for education recovery costs for 21/22 (Falkirk's share - £1.9m)
- £30m for implementing the real living wage within social care (Falkirk's share £0.9m)
- £105m to further assist with financial insecurity caused by the pandemic
- a number. of funding streams (no one left behind/parental employability/young persons guarantee) to assist with employability
- £38m over 3 years to support a milk/snack scheme for early years
- £50m to support to support the implementation of a phased introduction of free school meal support for primary pupils and targeted free school meal holiday support for eligible children in primary and secondary during 2021
- £14m for community justice services in responding to the pandemic, with £2.5m of this funding for the third sector
- £70m Recycling Improvement Fund, as part of our transition to a fully circular economy and Scotland's 2045 net zero commitment.
- £200 million of additional investment in infrastructure projects (Green Growth Accelerator) to support Scotland's transition to an inclusive, net-zero emissions economy.
- £6m for fleet carbon emissions and electric vehicle infrastructure (capital)
- £325m to support place-based working and regeneration, including community led regeneration, town centre revitalisation, Community Wealth Building and 20-minute neighbourhoods (capital)

3.6.6 The Council will still have the ability to utilise the fiscal flexibilities should the need arise in 2021/22, which includes the use of capital receipts, a loans fund repayment holiday and the restructuring of debt arising from PFI/PPP projects. As previously reported to Members the first two fiscal flexibilities are relatively straight forward to apply, however discussions with the Scottish Government and COSLA are still ongoing regarding the application of the PFI/PPP debt restructuring proposal. This issue has progressed since the budget and draft statutory guidance has now been issued for consultation. It is anticipated that this guidance will be considered during 2021/22 alongside a review of capital funding arrangements, which was triggered by the emergence of fiscal flexibilities. A significant difference with this flexibility is that it will remain available to all local authorities with no time restrictions (capital receipts and the repayment holiday can only be applied in either 2020/21 or 2021/22).

3.6.7 All relevant issues will be monitored during the course of the year and update report will be provided to the August Executive.

4. Consultation

4.1 There is no requirement to carry out a consultation based on the report proposals.

5. Implications

Financial

- 5.1 The financial implications are detailed within the report.

Resources

- 5.2 There are no resource implications arising from the report recommendations.

Legal

- 5.3 There are no legal implications arising from the report recommendations.

Risk

- 5.4 The report has flagged significant risks to the financial sustainability of the Council.

Equalities

- 5.5 EPIAs, as appropriate, were carried out as part of the Budget process which led to the approved Budget Savings and are updated as appropriate.

Sustainability/Environmental Impact

- 5.6 A sustainability assessment was not required.

6. Conclusions

- 6.1 After a challenging year, the projected financial position has marginally improved with an increase in the General Fund of £0.280m. The closing balance of the General Fund is now £9.822m. In addition a further c£14m of COVID funding has been carried forward into the new financial year.
- 6.2 Spending within the Housing Revenue Accounts was £2.7m below budget, increasing the closing reserve to £7.825m. The budget report in January presented proposals on how this increase will be deployed going forward, with a planned use of £0.6m in 2021/22.
- 6.3 While the last financial year presented many unprecedented challenges due to COVID-19, the additional costs arising have been managed within the overall resources available within both the General Fund and the HRA. Although the overall situation is fragile, there is reason to be more optimistic going forward and the Council also has greater financial capacity to deal with issues that may arise.

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Date: 1 June 2021

APPENDICES

Appendix 1 – General Fund Outturn Statement 2020/21

Appendix 2 – COVID Grant Funding 2020/21

Appendix 3 – Savings Assessments

Appendix 4 – Repairs and Renewals, Insurance Fund and Other Earmarked Reserves

Appendix 5 – Housing Revenue Account 2020/21

FALKIRK COUNCIL

GENERAL FUND

PROJECTED REVENUE OUTTURN STATEMENT 2020/21

	Budget	Projected	(Fav)/ Adv		Previous
	£'000	Outturn	Variance		(Fav)/ Adv
		£'000	£'000	%	£'000
Childrens Services	208,663	210,974	2,311	1.1	4,847
Social Work - Adult Services	3,564	3,345	(219)	(6.1)	-
Development Services	25,856	29,268	3,412	13.2	2,844
Corporate & Housing Services	28,986	29,025	39	0.1	(73)
Trading Accounts	(371)	-	371	(100.0)	510
Sub - Total	266,698	272,612	5,914	2.2	8,128
Falkirk Community Trust	10,927	10,927	-	-	1,217
Valuation Board	1,392	1,392	-	-	-
Integration Joint Board	67,222	67,222	-	-	502
Earmarked Funds	6,081	6,081	-	-	-
Capital Financing Costs	12,724	12,724	-	-	(293)
NET EXPENDITURE	365,044	370,958	5,914	1.6	9,554
Financed By :					
Revenue Support Grant	249,753	270,093	(20,340)	(8.1)	(9,139)
Non-Domestic Rates	46,281	46,281	-	-	-
Council Tax	69,010	68,760	250	0.4	350
NET INCOME	365,044	385,134	(20,090)	(5.5)	(8,789)
SURPLUS/(DEFICIT)	-	14,176	(14,176)	(3.9)	765
Add : General Fund Surplus as at 1 April 2020		9,542			
Transfers (to)/from Earmarked Funds		(13,896)			
General Fund Balance as at 31 March 2021		9,822			
Reserves Strategy Policy - Range	7,500 - 11,000				

COVID 19 - Scottish Government Funding

Appendix 2

Funding Allocation	RSG £m	Cash Grant £m	Total Funding £m	Applied in 20/21 £m	C/fwd to 21/22 £m	Use of Funds
Funding directly to Support Local Government						
Hardship Fund (£50m)	1.447		1.447	1.447		This is a discretionary fund and no specific purpose was identified
UK Consequentials (£155m)	4.484		4.484	1.710	2.774	The funding reflects the Council's share of £155m and has been applied to the cost pressures arising from this crisis
UK Consequentials (£49m)	1.418		1.418	1.418		The funding reflects the Council's share of £49m and has been applied to the cost pressures arising from this crisis
General Covid Funding (£275m)	5.964		5.964		5.964	This is a discretionary fund to be applied to offset cost pressures arising from Covid
Loss of Income Scheme (£200m)	1.799		1.799	1.799		Compensation for loss of income
	15.112	0.000	15.112	6.374	8.738	
Funding to support individuals, families and communities						
Scottish Welfare Fund	0.615		0.615	0.615		Added to the existing budget for the Scottish Welfare Fund to provide crisis care and community care grants
Addressing Financial Hardship (1)	0.199	0.353	0.552	0.552		Providing support for individuals at financial risk
Addressing Financial Hardship (2)	0.552		0.552		0.552	As above
Flexible Fund - Level 4	0.868		0.868	0.434	0.434	Supporting people impacted by Covid restrictions
Winter Plan Protection		0.872	0.872	0.654	0.218	Funding to address issues around residential care for children and to provide the additional support required.
Covid Winter Hardship Payment - £100 FSM	0.470		0.470	0.400	0.070	Funding for payments of £100 per eligible child to families in receipt of free school meals during the winter
Covid Spring Hardship Payment - £100 FSM	0.546		0.546	0.546		Funding for payments of £100 per eligible child to families in receipt of free school meals during the spring
Free School Meals and Community Food - Food Banks		0.416	0.416	0.416		Providing food support to vulnerable families and individuals.
Food Fund (April)	0.878		0.878	0.878		Provision of free schools meals and food support to vulnerable families and individuals
Free School Meals and Community Food - School Meals		0.384	0.384	0.384		Provision of free school meals during the holiday periods
Free School Meals (Oct/Dec/Feb)		0.212	0.212	0.212		As above
Free School Meals (Jan 2021)	0.220		0.220	0.220		As above

Funding Allocation	RSG £m	Cash Grant £m	Total Funding £m	Applied in 20/21 £m	C/fwd to 21/22 £m	Use of Funds
Free School Meals (Dec/Jan Holidays)	0.212		0.212	0.212		As above
Free School Meals - (Feb 21)	0.182		0.182	0.182		As above
Free School Meals - (March 21)		0.147	0.147	0.147		As above
Free School Meals - (Easter)	0.134		0.134	0.134		As above
Homelessness Funding - Rapid Rehousing	0.132		0.132	0.132		Funding to support local rapid rehousing transition plans
Council Tax Reduction	0.480		0.480	0.480		Funding to assist with the increased costs of council tax reduction
Mental Health	0.419		0.419	0.419		Additional funding to respond to and support children and young people's mental health and emotional wellbeing issues arising as a result of the Covid-19 pandemic
	5.907	2.384	8.291	7.017	1.274	
Funding for Education Recovery						
Additional Teaching and Support Staff (£50m)	0.519	1.038	1.557	1.038	0.519	Funding for additional teachers and support staff
Additional Teachers (£30m)	0.311	0.623	0.934	0.623	0.311	Funding for additional teachers
Additional Teaching & Support Staff (£25m)	0.774		0.774	0.000	0.774	Additional funding for teachers and support staff received in March
Additional Teaching and Support Staff (£70m)	1.991		1.991	0.000	1.991	Further funding allocated for education recover and associated logistic costs
Education Recovery - Logistics (£20m)	0.569		0.569	0.569		Additional funding for the costs of opening schools including school transport and building cleaning
Additional Education Funding (£45m)	1.345		1.345	0.920	0.425	Additional funding to be used flexibly for additional teachers and support staff, digital devices and providing targeted support
	5.509	1.661	7.170	3.150	4.020	
Test and Protect, Public Health and Supporting People						
Additional Funding for Death Registration	0.018		0.018	0.018		Funding to support the recording of deaths over weekends and public holidays for the first 12 weeks of lockdown.
Test and Protect Funding (Support for People - 1)	0.081		0.081	0.081		Test and Protect Service, which supports individuals who test positive for COVID-19, and their close contacts, to self-isolate.
Test and Protect Funding (Support for People - 2)	0.057		0.057	0.057		As above
Admin for £500 self-isolation grants		0.026	0.026	0.026		Funding to support the administration of self-isolation grants

COVID 19 - Scottish Government Funding

Appendix 2

Funding Allocation	RSG £m	Cash Grant £m	Total Funding £m	Applied in 20/21 £m	C/fwd to 21/22 £m	Use of Funds
	0.156	0.026	0.182	0.182	0.000	
Funding for Economic Recovery						
Young Persons Guarantee		0.840	0.840	0.840		Funding to provide support to young people in realising their potential
General Administration Funding - Business Grants	0.255		0.255	0.062	0.193	Contribution to the administration costs of the managing the COVID business grants
Business Grants	1.939		1.939	1.646	0.293	An element of the business grant support that was paid via the RSG mechanism. This funding part of the c£41m of total support provided to businesses and was recently reported to members. The £293k is specifically for support for taxis and has been carried forward.
	2.194	0.840	3.034	2.548	0.486	
Other						
Environmental Health Officers	0.024		0.024	0.024		Funding to support the recruitment of additional staff during the crisis
Community Justice CPP	0.013		0.013	0.013		Funding to deal with backlog issues
Parental Employability Support Fund (PESF)	0.152		0.152		0.152	Funding to identify and address barriers faced by disabled parents entering and sustaining employment
	0.189	0.000	0.189	0.037	0.152	
	29.067	4.911	33.978	19.308	14.670	

Assessment of 2020/2021 Agreed Savings Options
Children's Services

No	Year	Ref	CotF	Description	Agreed		Deliverability		
					Savings £'000	FTE Impact			
1	20/21	CS21	✓	Support and Learning Review of Additional Support Needs Services	427	2.0	250		177
2	20/21	CS25		Review and Reduction of Childrens Services Central Support Staff	72	2.0			72
3	20/21	CS26	✓	Fees and Charges	75	0.0	75		
4	20/21	CS29	✓	Secondary and Digital Learning Review	380	9.7			380
5	20/21	CS30	✓	Primary Learning Review	367	7.6			367
6	19/20	CS12	✓	Reprovisioning of the School Estate-Mothballing. Full Year Effect of 2019/20 Budget decision	76	0.0			76
7	19/20	CS13	✓	ELC-Realignment of Early years Peripatetic Team. Full Year Effect of 2019/20 Budget decision	225	6.5			225
8	19/20	CS15	✓	Secondary Savings Target - Re-provisioning of school registration process. Full Year Effect of 2019/20 Budget decision	261	0.0			261
9	19/20	CS16	✓	Adjusting the demographic growth projections within secondary schools. Full Year Effect of 2019/20 Budget decision	151	0.0			151
10	19/20	CS18	✓	Primary Savings Target - Redesign of teaching support in nursery classes. Full Year Effect of 2019/20 Budget decision	315	0.0			315
11	19/20	CS19	✓	Primary Savings Target - Removal of additional discretionary support classes. Full Year Effect of 2019/20 Budget decision	109	0.0			109
12	19/20	CS28	✓	Closer to Home - Social Work Childrens Services. Shifting the balance of care and external provision to support children	1,879	0.0	1,179		700
13	20/21			Demographics and Inflation rebasing	1,962	0.0	1,962		
					6,299	27.80	3,466	0	2,833

Assessment of 2020/2021 Agreed Savings Options

Development Services

No	Year	Ref	CotF	Description	Agreed		Deliverability		
					Savings £'000	FTE Impact			
1	20/21	DV9		Review of the Waste Strategy	65	1.00			65
2	20/21	DV31		Staff reduction within the Planning and Environment Unit.	30	1.00			30
3	20/21	DV36	✓	Smart Working Smart Travel Project	200	0.00			200
4	20/21	DV43	✓	Review of Cemeteries and Crematorium operations	34	0.00			34
5	20/21	DV44	✓	Staff reduction in waste Services	90	2.00			90
6	20/21	DV45	✓	Savings through improved efficiency of service - Roads and Grounds Maintenance	155	2.00	155		
7	20/21	DV46	✓	Reform of the Planning and Building Standards Service	186	2.80			186
8	20/21	DV47	✓	Staff savings through improved efficiency of design, Roads and Transport Services	100	1.50			100
9	20/21	DV48	✓	Review of short term vehicle/plant hires	50	0.00			50
10	20/21	DV50		Reduce revenue budgets in Planning & Environment Unit	54	0.00			54
11	20/21	DV55		Reduce the NHSFV travel contractover provision	39	0.00			39
12	20/21	DV61	✓	Electric Vehicle (EV) chargepoint income	10	0.00	10		
13	20/21	DV63	✓	Cemeteries and Crematorium staff Savings	31	0.65	31		
14	20/21	DV64	✓	Reduction in Roads Maintenance Budget	110	0.00			110
15	20/21	DV66	✓	Reduction in Overtime Working - Roads Maintenance	200	4.00	100		100
16	20/21	DV67	✓	Reduction in Overtime Working - Grounds Maintenance	50	1.00	25		25
17	20/21	DV68	✓	Staff reduction in Environmental Health services	50	1.00			50
18	20/21	DV75	✓	Review of commercial property and asset management - third party payments	32	0.00			32

Assessment of 2020/2021 Agreed Savings Options
Development Services

No	Year	Ref	CotF	Description	Agreed		Deliverability		
					Savings £'000	FTE Impact			
19	20/21	DV79	✓	Commercial property & Asset Management Unit staff savings.	70	1.50			70
20	20/21	DV80	✓	Commercial property & Asset Management review of head leases.	58	0.00			58
21	20/21	DV81	✓	Commercial property & Asset Management savings in supplies & services	20	0.00			20
22	19/20	DV37	✓	Savings from installing LED street lighting	199	0.00			199
23	20/21			Inflation Rebasing	547	0.00			547
					2,380	18.45	321	0	2,059

Assessment of 2020/2021 Agreed Savings Options
Corporate & Housing Services

No	Year	Ref	CotF	Description	Agreed		Deliverability		
					Savings £'000	FTE Impact			
1	20/21	CHS4	✓	Procurement savings from supplier contracts	300	0.0	260		40
2	20/21	CHS5	✓	Increased income from contract rebates and prompt payment of invoices	79	0.0	22		57
3	20/21	CHS7	✓	Procurement - staffing - vacancy management	25	0.5			25
4	20/21	CHS12	✓	PT&I Staffing Restructure	98	1.0			98
5	20/21	CHS41	✓	Absence Service Review	134	-			134
6	20/21	CHS47	✓	Increased fee income - licensing and registration	18	0.0	18		
7	20/21	CHS48	✓	Increased legal fee income	12	0.0	12		
8	20/21	CHS54	✓	Increase vacancy management	16	0.0			16
9	20/21	CHS55	✓	Licensing digital channel shift	28	1.0	28		
10	20/21	CHS60	✓	Health & Safety Incident Reporting System	30	1.0			30
11	20/21	CHS61	✓	Self-service payroll support	25	1.0			25
12	20/21	CHS69	✓	Reduction in customer and business support staffing levels	527	24.0	50		477
13	20/21	CHS72	✓	Reduce audit and checking undertaken on the payroll	25	1.0			25
14	20/21	CHS82	✓	Extend purchase of annual leave	20	0.0			20
15	20/21	CHS85	✓	Digital subscriptions	3	0.0			3
16	20/21	CHS86	✓	Telecoms - Review Provision of Telephony	53	0.0	53		
17	20/21	CHS90		Savings from lower commission on debt recovery	54	0.0			54
18	20/21	CHS93	✓	Staff savings - Communications & Participation	21	-			21
19	20/21	CHS95	✓	Staff savings - Policy & Community Planning and Welfare Reform	21	0.5			21

Assessment of 2020/2021 Agreed Savings Options
Corporate & Housing Services

No	Year	Ref	CotF	Description	Agreed		Deliverability		
					Savings £'000	FTE Impact			
20	20/21	CHS96	✓	Staff savings - Governance	18	0.5			18
21	20/21			Inflation Rebasing	40				40
					1,547	30.50	443	0	1,104

					Alternative Savings		Deliverability		
					£'000	FTE Impact			
22				20/21 Property Savings for Bo'ness/Camelon One-stop shop (one year only - underspend)	146				146
23				Miscellaneous Supplies & Services	70				70
					216				216

443	0	1,320
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ANALYSIS OF REPAIRS & RENEWALS FUND

Service		Balance 01/04/2020 £'000	Transfers In £'000	Spend £'000	Transfers Out £'000	Balance 31/03/2021 £'000
Development	Strategic Property Review	729	-	-	-	729
	Crematorium	49	-	-	-	49
	Birkhill Mine Demolition	37	-	-	-	37
	Pavilion Improvement	5	-	-	-	5
FCT	ICT	93	-	(32)	-	61
Corp & Housing	Printworks	39	-	-	-	39
	Mobile & Flexible Working	205	-	(22)	-	183
	Payroll	100	-	-	-	100
	Payroll - Business Intelligence Project	-	100	-	-	100
	ICT Posts	-	250	-	-	250
Building Maintenance		350	-	(164)	-	186
TOTAL		1,607	350	(218)	-	1,739

ANALYSIS OF INSURANCE FUND

Description	Balance 01/04/2020 £'000	Transfers In £'000	Spend £'000	Transfers Out £'000	Balance 31/03/2021 £'000
Insurance	5,336	258	-	-	5,594

ANALYSIS OF GENERAL FUND EARMARKED RESERVES

Description	Balance 01/04/2020 £'000	Transfers In £'000	Spend £'000	Transfers Out £'000	Balance 31/03/2021 £'000
Devolved Schools Management	1,573	2,240	(1,485)	-	2,328
Economic Development	686	302	-	-	988
Central Energy Efficiency	370	185	-	-	555
Change Fund	761	500	(688)	-	573
Revenue Grants	4,549	25,766	(21,280)	-	9,035
Covid Reserves	-	14,670	-	-	14,670
Spend to Save	1,508	-	(367)	-	1,141
TOTAL	9,447	43,663	(23,820)	-	29,290

OVERAL TOTAL	16,390	44,271	(24,038)	-	36,623
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OVERALL NET MOVEMENT	20,233
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Appendix 5

FALKIRK COUNCIL
HOUSING REVENUE ACCOUNT
PROJECTED REVENUE OUTTURN STATEMENT 2020/21 AS AT 31/03/2021

	<u>Budget</u> £'000	<u>Projected</u> <u>Outturn</u> £'000	<u>(Fav)/ Adv</u> <u>Variance</u> £'000	%	<u>Previous</u> <u>Variance</u> £'000
Employee Expenses	7,109	6,372	(737)	(10.4)	(842)
Property Expenses	24,867	17,289	(7,578)	(30.5)	(4,446)
Transport Expenses	30	21	(9)	(30.0)	(10)
Supplies and Services	5,367	7,389	2,022	37.7	2,933
Third Party Payments	1,850	5,490	3,640	196.8	130
Support Services	4,746	5,095	349	7.4	350
Capital Charges	26,055	24,207	(1,848)	(7.1)	(645)
Sub-Total	70,024	65,863	(4,161)	(5.9)	(2,530)
Integration Joint Board	1,414	1,414	-	-	-
Compensatory Lump Sums	-	-	-	-	-
Gross Expenditure	71,438	67,277	(4,161)	(5.8)	(2,530)
Income	71,438	70,009	(1,429)	(2.0)	(282)
Surplus/(Deficit)	-	2,732	2,732		2,248
Add: Surplus brought forward at 1 April 2020		5,093			
Projected Surplus at 31 March 2021		7,825			