

EX74. Projected Financial Position 2021/22

The Executive considered a report by the Director of Corporate and Housing Services which provided an update on the financial position of the Council for 2021/22. While the report reflected the current information available, the ongoing impact of COVID 19 continued to create a degree of certainty and circumstances may change during the course of the financial year.

Net expenditure at 31 March 2022 was forecast to be £382m which was £2.807m (0.7%) below the resources available. This was a significant improvement of £10.125m from the last projection. The main reason was the application of fiscal flexibilities in the current financial year, which displaced the application of COVID funding carried forward from the previous year.

Overall Children's Services was marginally under budget, with a favourable movement of £0.562m from the August projection.

Place Services was currently projected to be marginally under budget. The main pressure remained roads maintenance, which was projected to be c£1.6m overbudget. The overspend was largely due to higher material costs and the under achievement of anticipated savings. Waste collection and treatment was still projected to overspend by £1.2m due to changes in operating arrangements and an increase in household waste, both arising from COVID. Additional COVID resources of c£2m and other operational savings had helped to reduce the impact of these two budget pressures.

Corporate and Housing Services was currently projected to underspend, an improvement of c£0.4 from the August position. The reclassification of IT spend on licences from capital to revenue, noted in the last report, had resulted in additional costs of over £1m, however this was being offset by property savings and operational savings arising from staffing vacancies. The service would continue to review the financial position for the current year on an ongoing basis.

For 2021/22, a sum of £72.675m (£70.934m from the General Fund) was passed to the IJB. Total expenditure was expected to remain within budget and a breakeven position was currently forecast for the year. However, this position masked significant financial and operational service pressures within Home Care due to increased demand and complexity together with ongoing short staffing issues. As a result, the number of people currently waiting for packages of care was unprecedented and several external providers were operating under business continuity measures or handing back packages of care (which in turn impacted on the internal service). These pressures were largely being offset by fortuitous underspends in other service areas reflecting lower residential care costs, vacancies within the assessment and care planning team and non-recurring savings within respite and day care services.

In relation to Falkirk Community Trust, the COVID 19 pandemic had significantly impacted on the business of the Trust, including its income generating activities. This resulted in a service payment of £13.755m to the

Trust following a detailed financial assessment of the ongoing impact of COVID on customer income in the current financial year.

Decision

The Executive:-

- (1) noted the Council's projected year-end financial position for 2021/22;**
- (2) noted the position with respect to Reserves;**
- (3) noted the progress on the achievement of approved savings, and**
- (4) instructed Service Directors to continue to take appropriate actions to maintain costs within the approved budget.**