

Agenda Item	<b>9ii</b>
Report No	<b>HC/15/21</b>

**Committee:** Highland Council

**Date:** 24<sup>th</sup> June 2021

**Report Title:** Annual accounts 2020/21 and revenue and capital budget outturn figures

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

## **1. Purpose/Executive Summary**

- 1.1 In line with the requirements of the CIPFA Financial Management Code this report provides Members with the details of financial performance during financial year 2020/21.
- 1.2 The report provides a link to the Council's 20/21 annual accounts document with the financial performance reported therein further explained by the management accounting information normally received by the Corporate Resources and other strategic committees.
- 1.3 When the budget for financial year 2020/21 was set on the 4<sup>th</sup> March 2020 the severity of the Covid pandemic was still just emerging. So dynamic has the situation over the last 15 months been that some of the key words now most frequently used in everyday life, 'Covid', 'coronavirus' and 'pandemic' appeared a grand total of zero times in that 2020 report. Despite the challenging circumstances faced by the Council overall financial performance in-year has been very positive, supplemented by significant amounts of funding received from the Scottish government.
- 1.4 Overall the Council has recorded a budget surplus of £20.2m for financial year 2020/21 with that surplus being added to the Council's non earmarked general fund reserve. As at the 31<sup>st</sup> March 2021 that general reserve stands at £43.4m, in excess of the target level for that reserve of £24.7m, leaving a potential £18.7m available for phase 2 or 3 investment.
- 1.5 This report also provides details of the key service and subjective expenditure budget variances during 2020/21, details of the Covid funding received in-year, a chronology of the changing financial position reported throughout the year and details of specific 'earmarked' balances held at year end, including £9.81m for approved Phase 1 investment.

## **2.**

### **Recommendations**

2.1 Members are asked to:

- i) Receive the unaudited Annual Accounts for the Highland Council, Highland Charities Trust, Highland Charitable Trust and the Highland Council Pension Fund for the year ended 31st March 2021 and note that these will be presented to the appointed auditor by the prescribed date of the 30th June 2021
- ii) Note the revenue, capital and Housing Revenue Account financial performance in the year 2020/21

## **3. Implications**

3.1 Resource implications are outlined within the report, with a non-earmarked general fund balance of £43.4m as at 31<sup>st</sup> March 2021.

3.2 The Council faces a significant number of risks which may have a significant financial impact including the ongoing Covid response, recovery and overall financial impact; financial sustainability (with a residual budget gap of £20m forecast over 2022/23 and 2023/24), ongoing Brexit impacts, climate change, demographic change and the condition of our roads and assets. As outlined in the report on medium term financial planning later on today's Council agenda there is uncertainty around future levels of core Government funding for local authorities as well as risks around inflationary increases in pay and other costs. The Council's non-earmarked general fund balance is a way of funding any cost pressures arising from the crystallisation of these risks or dealing with any new and emergent risks.

3.3 There are no specific Legal, Community (Equality, Poverty, Rural and Island), Climate Change / Carbon Clever or Gaelic implications arising directly as a result of this report.

#### 4. Annual accounts 2020/21

- 4.1 The Annual Accounts summarise the transactions and provide the year end position for financial year 2020/21- the year ended 31st March 2021.
- 4.2 The Council is required to prepare annual accounts under the Local Authority Accounts (Scotland) Regulations 2014 and in accordance with proper accounting practices. The accounts are prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (The Code). The Code is based on International Financial Reporting Standards (IFRS)
- 4.3 The regulations require the unaudited accounts to be submitted to the appointed auditor no later than the 30th June and require elected members to consider the unaudited accounts at a meeting no later than the 31st August. Once audited, it is intended that the accounts will be taken to the Audit and Scrutiny Committee, along with the auditor's report, on the 23rd September 2021.
- 4.4 The audited accounts and auditor's report for the Highland Council Pension Fund will be presented to the Pensions Committee and Board on the 22<sup>nd</sup> September 2021.
- 4.5 Due to their size the accounts documents have not been appended to this report but can instead be found on the Council's website: [www.highland.gov.uk/accounts](http://www.highland.gov.uk/accounts)
- 4.6 As a high level overview of the Council's performance in the year the management commentary section of the Council's accounts can be seen at the start of the accounts document. The management commentary is intended to assist users in understanding the objectives and strategy of the Council, and provide a review of its business and financial performance in the year. In addition, it provides information on the principal risks and uncertainties which are likely to affect the future development and performance of the Council.
- 4.7 The Council's key financial statements, including the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Expenditure and Funding Analysis, Balance Sheet, Cash Flow Statement, Remuneration Report and Annual Governance Statement, along with supporting notes, can be seen in the full accounts document via the above web link.
- 4.8 Having been impacted by the late approval of the 2019/20 accounts some asset revaluation work is still underway for Council dwellings. In the draft accounts the 2019/20 valuations for Council dwellings have been included as the 2020/21 figures. The revised valuations for 2020/21 will be included in the final accounts.
- 4.9 The subsequent sections of this report provide more detail of the revenue and capital budget outturns for the year, give a chronology of how that position has changed over the course of the year, provide information on the substantial government grant funding for the year (specifically in relation to the Covid response) and provide an explanation of the Council's reserves and balances position as at the 31<sup>st</sup> March 2021.
- 4.10 The contents of this report and the annual accounts aim to satisfy the requirement of Section 7 of the CIPFA Financial Management Code- 'External financial reporting'. In particular it should be noted that as per the requirement of the Code *'The chief finance officer has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the Code of Practice on Local Authority Accounting in the United Kingdom.'* A further

requirement of the code is that *'The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions'*. Evidence of compliance of this element of the Code can be seen from the next item on today's Council meeting agenda on medium term financial planning and investment.

- 4.11 At 31st March 2021 the Pension Fund had net assets of £2.394bn as can be seen in the Net Assets Statement in the Pension Fund accounts. The increase in the value of net assets over the year was principally due to investment returns and increases in the value of fund assets. The pension fund undergoes a triennial actuarial valuation. The last such valuation was undertaken for the Fund's position as at 31st March 2020 and revealed that the Fund's assets were sufficient to meet 100% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date.

## 5. 2020/21 revenue budget- summary of outturn position

- 5.1 The table below provides a summary of the figures in **Appendix 1** to give an overall position for the 2020/21 year-end outturn. The quarter 3 figures reported to the Corporate Resources committee are provided in the rightmost column for comparative purposes.

	Annual Budget £m	Year-end outturn £m	Year-end variance £m <b>Outturn</b>	Year-end variance £m <b>Q3</b>
<b>Expenditure</b>				
Service budgets (Appendix 1, Table A- top half)	£518.7m	£523.1m	£4.4m	£15.8m
Other budgets (Appendix 1, Table A- bottom half)	£85.4m	£59.4m	-£26.0m	-£13.0m
Contribution to investment funds and reserves (Appendix 1, Table C)	£52.2m	£52.8m	£0.6m	£0m
<b>Total (X)</b>	<b>£656.3m</b>	<b>£635.3m</b>	<b>-£21.0m</b>	<b>£2.8m</b>
<b>Income (Table D)</b>				
Government income	£517.8m	£517.8m	£0m	£7.1m
Budgeted Council tax income	£130.5m	£129.7 m	-£0.8m	-£1.1m
Planned use of earmarked reserves	£8.0m	£8.0m	£0m	£0m
<b>Total (Y)</b>	<b>£656.3m</b>	<b>£655.5m</b>	<b>-£0.8m</b>	<b>£5.9m</b>
<b>Difference between expenditure and income- 'Budget (surplus)/deficit' (=X-Y)</b>	<b>£0</b>	<b>-£20.2m</b>	<b>-£20.2m</b>	<b>-£3.1m</b>

- 5.2 The bottom line of the table above shows that the overall year end position is a surplus (or net underspend) of £20.2m. The paragraphs below, and subsequent sections of this report, will provide an explanation of the elements making up that surplus.

- 5.3 As shown in the top row of the table at 5.1, net service expenditure was overspent as the impact of Covid 19 required unplanned expenditure and has led to significantly reduced service income. Net expenditure was £4.4m above the budgeted level, a significant improvement from the position forecasted at Quarter 3. Sections 6 and 7 of this report provide more details of the factors underlying service budget variances and elements of significant change from the Q3 forecast.
- 5.4 The second row of the table comprises a number of other budget lines and shows a £26m underspend. This underspend principally reflects additional general funding received from government to address the overall financial impact of Covid (as opposed to funding provided for specific response activity). This additional income more than offsets the service budget pressures from the line above. More detail on the additional income that has been received from government is provided in section 9 of this report.
- 5.5 The third rows in the expenditure and income sections of the table show changes made to our earmarked, non-earmarked and other reserves over the course of the year. More details on reserves is provided in section 10 of this report.
- 5.6 The first row in the income section of the table above reflects the funding the Council receives from the Scottish Government. The budget for this row has been updated to reflect the confirmed level of funding for the year. The overall government funding envelope increased significantly over the course of the year as additional Covid funds were made available. Further detail of these funds is provided in section 9.
- 5.7 Covid 19 had an adverse impact on one of the Council's corporate income streams, Council Tax income. This adverse impact reflects both reductions in overall income collectable as well as a slower than expected rate of growth in the council tax base (the number of rateable properties). A £0.8m shortfall in Council Tax income occurred, a further improvement from the position reported at Q3.

## 6. 2020/21 revenue budget- explanation of variances by service

- 6.1 **Appendix 1** provides the usual monitoring statement format with **Table A** providing variance detail by service and other significant budget heads. Details of individual service positions will be reported to the respective August strategic committees. Overall the Council is reporting a net overspend of £4.372m against service budgets which is an improvement of £11.452m on that previously reported of £15.824m. **Appendix 17** provides some information on the main movements in each service's reported position between the quarter 3 forecast and quarter 4 outturn.
- 6.2 The Communities and Place Service returned an underspend of £0.493m for the year. This is an improvement of £1.498m on that previously reported at Quarter 3 when an overspend of £1.005m was forecast. The overall variance is due to a combination of underspends because of Covid disruption, principally in waste management services as waste tonnage was reduced and in community spaces where seasonal workers could not be recruited for grounds maintenance during lockdown. Covid grant funding supported increased activity and costs in community support, contact and engagement across the ward management, registrar and customer services teams as they adjusted services and set up new Covid projects. There were some unbudgeted Covid mobilisation and recovery costs in stores, fleet and bereavement services and a shortfall in environmental health income affected by EU exit. **Appendix 8** gives the summary financial position for the service. Compared to Quarter 3 forecasts there was significant improvement in recovering income in Quarter 4 for waste collection and grounds

maintenance. This along with the underspends above, Covid grant and ongoing expenditure controls enabled an improved budget position.

- 6.3 The Education & Learning Service returned an underspend of £4.370m for the year. This is an improvement of £2.474m on that previously reported of £1.897m. The overall variance is attributable to continued improvement on the Early Learning & Childcare (ELC) budget offsetting pressures both in respect of Covid and in the Service Management Budget. **Appendix 9** gives the summary financial position for the service.

The improvement in the year-end position for Early Years reflects the continued impact of the Covid lockdown on the construction phase of the ELC 1140 hours expansion programme. This one off in-year underspend helped to offset significant budget pressures in relation to the Covid response including Keyworker Childcare Provision and Supply Retention Scheme Payments.

The pressure on the Service Management budget arises from agreed management restructure savings from previous years which will be addressed as part of the ongoing Council redesign.

The School Recovery and Covid response budget shows a reduction in the overspend previously reported in respect of the forecast costs for Personal Protective Equipment resulting from the further lockdown during Quarter 4.

- 6.4 The Health and Social Care Service returned an underspend of £1.163m for the year. This is an improvement of £2.253m on that previously reported of an overspend of £1.090m. The overall variance is principally due to an underspend in the provision of children's services offset by unbudgeted Covid expenditure and delays in the redesign of the new service, again as a consequence of Covid. **Appendix 10** gives the summary financial position for the service. The reasons for the improved financial position are twofold, Covid costs in relation to looked after children have not materialised and the overspend against this line in the budget has reduced; and the level of staff vacancies were expected to reduce, however recruitment has been slow due to Covid.

- 6.5 The Infrastructure, Environment and Economy Service returned an overspend of £7.546m for the year. This an improvement of £1.395m on that previously reported of £8.941m. The overall variance is attributable to overspends in three areas of activity namely the directorate, roads & transport and trading operations. **Appendix 11** gives the summary financial position for the service.

The Directorate Section includes all of the Service's unallocated efficiency savings from previous years which are yet to be allocated permanently to other budget headings in the Service, some of which will be addressed as part of the ongoing Council redesign.

The Roads & Transport overspend of £4.863m is due to three areas of activity. There was a £1.423m overspend on the winter maintenance budget due to the severe winter weather experienced in the last quarter of the financial year. Also, there was an overspend of £1.422m in relation to school and public transport contracts, a proportion of which relates to the additional costs related to the schools return. The final position on the loss of car park income was a shortfall of £1.713m.

Trading Operations comprise the Piers and Harbours and Corran Ferry budgets. Income for both activities improved throughout the year, however there was still a shortfall of £1.330m for the year. Brexit has had an effect on harbours income, however it was not as bad as initially thought.

Although not attributed to the Infrastructure, Economy and Environment service budget, the general Covid funding received from Government as referenced in section 9.2 of this report was intended to address pressures of the type described above and more than offsets the overall reported pressure on the service budget.

The improvement in the year end position is due to increased income in respect of planning fees, building warrants, investment properties and trading operations. The level of cost relating to the schools' return is lower than previously anticipated and has therefore further improved the position along with a general control in expenditure.

6.6 The Performance and Governance Service returned an underspend of £0.106m for the year. This is a slight improvement of £0.017m on that previously reported of £0.089m. There are various overspends, mainly due to a shortfall in income, however they have been covered by underspends due to a curtailment on expenditure, both due to Covid. These variations, and the reasons for them, have all been reported previously to Corporate Resources Committee. **Appendix 12** gives the summary financial position for the service. The improvement throughout the year is due to increased licencing income and an underspend on the Members budget.

6.7 The Property and Housing Service returned an overspend of £3.381m for the year. This is an improvement of £3.973m on that previously reported of £7.354m. The overall variance can be summarised as shortfalls in school meals income and in staff recharges to the capital programme; additional costs in relation to schools cleaning; and an increase in facilities management costs, all as a result of Covid. The overspends have been somewhat mitigated by an underspend on property costs and a Non-Housing Revenue Account underspend on the homelessness budget due to a combination of increased spot purchase income and staff vacancies. **Appendix 13** gives the summary financial position for the service.

Although not attributed to the Property and Housing service budget, the general Covid funding received from Government as referenced in section 9.2 of this report was intended to address pressures of the type described above and more than offsets the overall reported pressure on the service budget.

The improvement in the year end position is due to Covid costs not materialising as anticipated, however this has been offset by a shortfall in income for project delivery as a direct result of Covid restrictions, the suspension of construction contracts and early IT network issues during the periods of homeworking.

6.8 The Resources and Finance Service returned an underspend of £0.678m for the year. This is a slight improvement of £0.025m on that previously reported of £0.653m. Pressures in relation to lost income and additional ICT costs incurred in relation to the Covid response are more than offset from underspends linked to vacant posts and other contractual underspends. There is a further pressure of unallocated savings relating to prior years, however this again has been mitigated by underspends within the overall budget. These variations, and the reasons for them, have all been reported previously to Corporate Resources Committee. **Appendix 14** gives the summary financial position for the service.

6.9 The Transformation Service returned an underspend of £0.072m for the year. This is a slight improvement of £0.003m on that previously reported of £0.069m. **Appendix 15** gives the summary financial position for the service. The Transformation budget includes

the 2020/21 Change Fund with the uncommitted funds at year end added to the Change Fund earmarked balance as happened in 2019/20.

6.10 The Welfare budget returned an overspend of £0.327m for the year. This is an increase of £0.185m on that previously reported of £0.142m. The overspends on housing benefit, clothing grants and advice services are all attributable to Covid. **Appendix 16** gives the summary financial position for the service.

**7. 2020/21 revenue budget- areas of significant variance by subjective expenditure category (Covid impact)**

7.1 **Appendix 2** provides a summary of the variances by service and expenditure and income type. The overspends mainly relate to the impact of Covid 19 on non-staffing expenditure and fee and charge income with considerable mitigation from underspends against staffing budgets and additional grant income. There is an improvement from the quarter 3 position across all expenditure and income types.

7.2 The movement throughout the year on Service estimated outturns was a total improvement on the Quarter 1 position of £31.905m from an overspend of £36.277m to the final position at the year end of an overspend of £4.372m.

7.3 The main elements of the movement can be summarised as an improvement in the income position of £7.524m; anticipated Covid costs not materialising throughout the year £18.217m; additional grant funding received £10.428m; offset by a reduction in staff vacancies and additional winter maintenance costs.

**8. 2020/21 revenue budget- chronology of reporting**

8.1 Over the course of the last year twelve separate financial and budget reports were brought to meetings of either the full Highland Council or the Corporate Resources committee. Links to those reports can be seen in the background papers section of this report. The regularity of the reporting and changing financial position reported over the period simply reflect the incredibly dynamic nature of the circumstances faced over the year.

8.2 The table below provides a chronology of the reporting with a brief summary of the position reported, with the year end position incredibly positive given the outlook at the beginning of the year.

<b>Date</b>	<b>Meeting</b>	<b>Report</b>	<b>Summary</b>
5/3/20	HC	2020/21 budget	Budget setting for 20/21, no Covid impact factored in
3/6/20	CR	'Covid 19- Financial Resilience'	High level outlook on financial impact of Covid- mid (£65.7m) and worst (£96.9m) case budget gap scenarios presented. Recommendation to lobby government for additional funding
25/6/20	HC	'Annual accounts 19/20 and revenue budget 20/21'	Explanation of factors underpinning potential budget gap, details of government funding and mitigation action taken locally



30/7/20	HC	'Budget impact of Covid 19-understanding the gap'	Details of updated gap, estimated at £47.7m before the application of government funding
20/8/20	CR	'Corporate revenue monitoring to 30 <sup>th</sup> June 2020'	Central case scenario gap of £28.3m (after government funding) forecast. Optimistic case of balanced budget presented.
10/9/20 (but deferred to 1/10/20)	HC	'Revenue budget 20/21-update report'	Updated assumption of central scenario budget gap of £22.7m mitigated to a balanced position by year end if additional government funding forthcoming
1/10/20	HC	'Revenue budget update report-October 2020'	Update on 10/9 paper particularly around government funding with gap of £11.3m forecast based on revised expectations of government funding
29/10/20	HC	'Revenue budget update report'	No updated figures. Update on 'fiscal flexibilities' provided
11/11/20	CR	'Corporate revenue monitoring to 30 <sup>th</sup> September 2020'	Forecast of £8.7m year end overspend reflecting improving position across service budget.
17/12/20	HC	'Revenue budget update report'	No material updates to November Corporate Resources figures.
25/2/21	CR	'Corporate revenue monitoring to 30 <sup>th</sup> December 2020'	Forecast year end surplus of £3.1m. Improvement due to increasing clarity on Covid impact, positive budget management and confirmed government funding
4/3/21	HC	'Revenue budget 2021/22 to 2023/24'	2021/22 budget setting. Update on 20/21 position including further positive impact of additional government funding.
25/3/21	HC	'Revenue budget 2021/22 to 2023/24-update'	Further update on anticipated 20/21 outturn identifying a potential £9.6m for phase 2 or 3 investment.
Today	HC	This paper	Annual surplus of £20.2m, year end non-earmarked general fund reserve £43.4m

8.3 As the table above shows the improvement in the forecast outturn position over the course of the year has improved significantly. The major factor in that improvement relates to additional government funding received, with the initial figures presented in June 2020 reflecting no additional government funding and the outturn figure reflecting £57.5m of additional government revenue funding received during 2020/21. More detail on government funding is provided in section 9 of this report.

8.4 Sections 6 and 7 of the report also provide more detail on movements across the year as the understanding of the financial impacts of Covid has developed. The Council has been able to maintain close control on its spend and now sits in a positive position as a result. As articulated in the budget report many risks in relation to Covid do still remain and it is unclear how long Covid may be with us and the amount of recovery activity that will be required.

## 9. Summary of additional Covid funding received from government

9.1 As referenced in section 8.3 above substantial additional funding has been received from government over the course of the year. For the purposes of this report the focus is on the revenue budget funding that has been received but the Council has also received £1.34m in additional capital funding as well as administering over £150m of business grant funding that has been passported to Highland businesses.

9.2 In terms of additional revenue funding received the table below provides a summary by high-level category of the funding made available to the local government sector across Scotland and the allocations for Highland

	Scotland			Highland		
	2020/21 £m	2021/ 22 £m	Total £m	2020/ 21 £m	2021/ 22 £m	Total £m
Schools & Learning	243.6	95.0	338.6	12.1	4.0	16.1
Free School Meals & Welfare	247.5	177.1	424.6	9.5	3.1	12.6
Business & Welfare Grants Admin	14.5	10.1	24.6	1.0	0.2	1.2
Other - Specified	84.2	152.0	236.2	4.1	1.4	5.5
Other - General	729.0	259.0	988.0	30.7	12.0	42.7
<b>Total Revenue Grant Funding excluding Business Grants</b>	<b>1,318.8</b>	<b>693.1</b>	<b>2,012.0</b>	<b>57.5</b>	<b>20.7</b>	<b>78.2</b>

From the table above it is immediately apparent that the level of financial support for the sector has been incredible, with over £2bn additional funding already confirmed across financial years 2020/21 and 2021/22.

9.3 Whilst Highland has received £57.5m in 2020/21 not all of this funding has been deployed in year with around £11.7m being carried forward into 2021/22 to meet additional spend in the new financial year. **Appendix 18** provides an itemised breakdown of the 58 separate funding streams that were confirmed during the year, along with a brief explanation of how the funding was spent and any funding elements that have been carried forward into 2021/22.

## 10. 2020/21 year-end reserves and balances

10.1 **Appendix 7** of this report provides a high level summary of the changes in the Council's general fund earmarked and non-earmarked reserves over the year. The key distinction between these two types of reserve is as follows:

- **Non-earmarked reserves**- funds held as a general contingency against risk or for as yet unspecified investment.
- **Earmarked reserves**- funds held for specific and/or statutory reasons which is committed to particular spend/investment.

10.2 Over the course of the year non-earmarked reserves have increased from £15.5m to £43.4m. The main components of this move are:

- The general surplus of £20.2m as identified in section 5 of this report
- The planned increase of this reserve by £4.9m as part of the agreed 20/21 budget

- The centralisation of 2019/20 year-end school DSM balances of £2.9m (over 20/21 DSM balances have recovered to £3.1m)

10.3 As part of the 2021/22 budget agreed in March Council agreed to maintain the value of the non-earmarked reserve at £24.7m with any surplus reserve above that level able to be considered for phase 2 or 3 investment. Considerations of where such investment might be made are contained in the subsequent item on this meeting's agenda.

10.4 Earmarked reserves have increased over the course of the year from £20.3m at the start of the year to £53.6m at the end of the year. Much of that increase can be attributed to the additional general Covid funding received during 2020/21 which has enabled the creation of the Phase 1 investment fund, as well as many of the specific Covid funding streams which have been carried forward for planned spend in 2021/22. **Appendix 19** provides a summary of the different earmarked balances including explanations of their purpose and the largest element are outlined below:

- Specific Covid funding carried forward for use in 2021/22- £17.9m
- Phase 1 investment fund- £9.8m
- Developer contributions- £7.0m
- School DSM balances- £3.1m
- Scottish Crown Estate funding- £3.0m

10.5 Whilst no formal year-by-year spend profile has been drawn up it is anticipated that at least half of the total amount of earmarked balances will be expended during 21/22, bringing the 21/22 year-end balance down to more normal levels.

## 11. 2020/21 capital budget- outturn position and explanation of variances

11.1 **Appendix 20** provides a summary of the reprofiled current year budgets and spend and income to date. The reprofiled budget was approved at Highland Council in January 2021. The year-end actual figures provided reflect the net project expenditure, i.e. project costs incurred less project-specific income received.

11.2 Overall there has been a net expenditure of £44.685m in the year. This reflects the fact that significant project income has been received but that there have been delays in incurring costs. For the year £76.559m of gross expenditure has been incurred.

11.3 Of the project income received the largest element relates to early years funding. Other funding streams relate to active travel, timber transport, European funding, City-Region deal funding, town centre funding, regeneration funding and vacant and derelict land funding. These funding streams have been offset against specific project costs as they are incurred, and any unspent sums have been carried forward into financial year 2021/22.

11.4 The year-end position shows net expenditure of £44.685m. This sum is funded from the general capital grant (including flood scheme funding) receivable by the Council of £24.967m with the shortfall made up from borrowing.

11.5 **Appendix 21** provides more detail on individual project spend and will form the basis of the outturn capital reports to August Strategic Committees. Nearly all budget variances relate to project slippage and all slippage will be included in reprofiled budgets for 2021/22.

11.6 **Appendix 22** provides the summary position for the Housing Revenue Account (HRA). As with the general fund budget a considerable amount of slippage is showing as a result of the pandemic. At year end expenditure of £48.799m has been incurred against a total budget of £60.236m resulting in total slippage of £11.437m. The lower than budgeted expenditure will see a consequential decrease in borrowing required for the year. The estimated spend at Quarter 3 was £45.832m, therefore increased activity in Quarter 4 accounted for an increase in spend of £2.967m.

## 12. Housing revenue account- 2020/21 outturn position and variances

12.1 As shown in **Appendix 3** the Housing Revenue Account (HRA) returned an underspend of £4.474m for the year. This is an increase of £2.901m on that reported of £1.563m for quarter 3. The underspend is principally due to underspends on staffing costs and the repairs and maintenance budget. Due to Covid it was not possible to deliver the repairs service due to the constraints and restrictions imposed by Scottish Government as a consequence of Covid. The year-end underspend will be added to the HRA reserve as outlined to the Housing and Property Committee in March 2021 and the increase will be used to catch up on the backlog of housing repairs in 2021/22.

Designation: Executive Chief Officer- Resources and Finance

Date: 14<sup>th</sup> June 2021

Authors: Edward Foster, Head of Corporate Finance; Mike Mitchell, Services Finance Manager

Background Papers- Revenue budget:

[https://www.highland.gov.uk/download/meetings/id/76543/item\\_3\\_revenue\\_budget\\_2021\\_to\\_202223](https://www.highland.gov.uk/download/meetings/id/76543/item_3_revenue_budget_2021_to_202223)

[https://www.highland.gov.uk/download/meetings/id/76661/item\\_5\\_covid-19\\_financial\\_resilience](https://www.highland.gov.uk/download/meetings/id/76661/item_5_covid-19_financial_resilience)

[https://www.highland.gov.uk/download/meetings/id/76701/item\\_6\\_annual\\_accounts\\_201920\\_and\\_revenue\\_budget\\_202021](https://www.highland.gov.uk/download/meetings/id/76701/item_6_annual_accounts_201920_and_revenue_budget_202021)

[https://www.highland.gov.uk/download/meetings/id/76798/item\\_13\\_budget\\_impact\\_of\\_covid-19\\_%E2%80%93\\_understanding\\_the\\_gap](https://www.highland.gov.uk/download/meetings/id/76798/item_13_budget_impact_of_covid-19_%E2%80%93_understanding_the_gap)

[https://www.highland.gov.uk/download/meetings/id/76864/item\\_4\\_corporate\\_revenue\\_monitoring\\_report\\_to\\_30\\_june\\_2020](https://www.highland.gov.uk/download/meetings/id/76864/item_4_corporate_revenue_monitoring_report_to_30_june_2020)

[https://www.highland.gov.uk/download/meetings/id/77019/item\\_15\\_revenue\\_budget\\_202021\\_%E2%80%93\\_update\\_report](https://www.highland.gov.uk/download/meetings/id/77019/item_15_revenue_budget_202021_%E2%80%93_update_report)

[https://www.highland.gov.uk/download/meetings/id/77128/item\\_4\\_revenue\\_budget\\_update\\_report-october\\_2020](https://www.highland.gov.uk/download/meetings/id/77128/item_4_revenue_budget_update_report-october_2020)

[https://www.highland.gov.uk/download/meetings/id/77201/item\\_11\\_revenue\\_budget\\_update\\_report](https://www.highland.gov.uk/download/meetings/id/77201/item_11_revenue_budget_update_report)

[https://www.highland.gov.uk/download/meetings/id/77344/item\\_3\\_corporate\\_revenue\\_monitoring\\_report\\_to\\_30\\_september\\_2020](https://www.highland.gov.uk/download/meetings/id/77344/item_3_corporate_revenue_monitoring_report_to_30_september_2020)

[https://www.highland.gov.uk/download/meetings/id/77561/item\\_16\\_revenue\\_budget\\_update\\_report](https://www.highland.gov.uk/download/meetings/id/77561/item_16_revenue_budget_update_report)

[https://www.highland.gov.uk/download/meetings/id/77824/4\\_corporate\\_revenue\\_monitoring\\_report\\_to\\_31\\_december\\_2020](https://www.highland.gov.uk/download/meetings/id/77824/4_corporate_revenue_monitoring_report_to_31_december_2020)

[https://www.highland.gov.uk/download/meetings/id/77862/item\\_4\\_revenue\\_budget\\_202122\\_to\\_202324](https://www.highland.gov.uk/download/meetings/id/77862/item_4_revenue_budget_202122_to_202324)

[https://www.highland.gov.uk/download/meetings/id/77933/14\\_revenue\\_budget\\_202122\\_to\\_202324\\_-\\_update](https://www.highland.gov.uk/download/meetings/id/77933/14_revenue_budget_202122_to_202324_-_update)

Background Papers- Capital budget:

[https://www.highland.gov.uk/download/meetings/id/77129/item\\_5\\_learning\\_estate\\_improvement\\_programme\\_and\\_capital\\_priorities](https://www.highland.gov.uk/download/meetings/id/77129/item_5_learning_estate_improvement_programme_and_capital_priorities)

[https://www.highland.gov.uk/download/meetings/id/77202/item\\_12\\_highland\\_council\\_capital\\_plan\\_201819\\_to\\_202223\\_update\\_report](https://www.highland.gov.uk/download/meetings/id/77202/item_12_highland_council_capital_plan_201819_to_202223_update_report)

[https://www.highland.gov.uk/download/meetings/id/77562/item\\_17\\_highland\\_council\\_capital\\_plan\\_201819\\_to\\_202223\\_update\\_report](https://www.highland.gov.uk/download/meetings/id/77562/item_17_highland_council_capital_plan_201819_to_202223_update_report)

[https://www.highland.gov.uk/download/meetings/id/77825/5\\_corporate\\_capital\\_monitoring\\_report\\_to\\_31\\_december\\_2020](https://www.highland.gov.uk/download/meetings/id/77825/5_corporate_capital_monitoring_report_to_31_december_2020)

<b>Revenue Expenditure Monitoring Report - General Fund Summary</b>
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<b>1 April to 31 March 2021</b>
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	Actual Near Final £000	Annual Budget £000	Year End Variance £000
<b>Table A: By Service</b>			
Communities & People/Place	32,775	33,268	(493)
Education & Learning	202,757	207,127	(4,370)
Health, Wellbeing & Social Care	142,898	144,061	(1,163)
Infrastructure & Environment and Economy	39,872	32,326	7,546
Performance & Governance	4,352	4,458	(106)
Property & Housing	68,264	64,883	3,381
Resources & Finance	22,602	23,280	(678)
Transformation	1,712	1,784	(72)
Welfare Services	7,891	7,564	327
<b>Service Total</b>	<b>523,123</b>	<b>518,751</b>	<b>4,372</b>
Valuation Joint Board	2,984	2,984	0
HiTrans Requisition	91	91	0
Non Domestic Rates reliefs	658	671	(13)
Loan Charges	55,636	55,845	(209)
Unallocated Budget	0	26,094	(26,094)
Unallocated Corporate Savings	0	(339)	339
<b>Total General Fund Budget</b>	<b>582,492</b>	<b>604,097</b>	<b>(21,605)</b>

**Table B: By Subjective**

Staff Costs	354,121	368,280	(14,159)
Other Costs	454,206	467,738	(13,532)
<b>Gross Expenditure</b>	<b>808,327</b>	<b>836,018</b>	<b>(27,691)</b>
Grants	(69,994)	(59,566)	(10,428)
Other Income	(155,841)	(172,355)	16,514
<b>Total Income</b>	<b>(225,835)</b>	<b>(231,921)</b>	<b>6,086</b>
<b>Total Revenue Expenditure</b>	<b>582,492</b>	<b>604,097</b>	<b>(21,605)</b>

**Table C: Appropriations to Reserves**

Contribution to earmarked balances	41,004	41,004	0
Contribution to non-earmarked balances	7,798	7,798	0
Affordable housing contribution from 2nd homes council tax	3,459	2,900	559
Contribution to Other reserves	503	503	0
<b>Total Contributions to Balances</b>	<b>52,764</b>	<b>52,205</b>	<b>559</b>

**Table D: Financed By**

Aggregate External Finance as notified	473,024	473,024	0
Additional resources	44,778	44,778	0
Council Tax	129,713	130,535	(822)
Use of earmarked balances	7,697	7,697	0
Use of/(Contribution to) non earmarked balances	(20,158)	66	(20,224)
Use of Other reserves	202	202	0
<b>Total General Fund Budget</b>	<b>635,256</b>	<b>656,302</b>	<b>(21,046)</b>

<b>Revenue Expenditure Monitoring Report - General Fund Summary</b>
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<b>1 April to 31 March 2021</b>
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	Staff Costs Variance £000	Other Costs Variance £000	Grants Variance £000	Other Income Variance £000	Total Variance £000
<b>Table A: By Service</b>					
Communities & People/Place	(5,031)	(377)	(1,064)	5,979	(493)
Education & Learning	(2,813)	285	(1,731)	(111)	(4,370)
Health & Social Care	(2,780)	1,818	(190)	(11)	(1,163)
Infrastructure & Environment and Economy	(2,527)	6,119	(6,068)	10,022	7,546
Performance & Governance	(33)	(207)	(42)	176	(106)
Property & Housing	190	(1,075)	94	4,172	3,381
Resources & Finance	(1,120)	2,129	(88)	(1,599)	(678)
Transformation	(44)	(8)	0	(20)	(72)
Welfare	0	3,323	(1,339)	(1,657)	327
Valuation Joint Board	0	0	0	0	0
HiTrans Requisition	0	0	0	0	0
Non Domestic Rates reliefs	0	(13)	0	0	(13)
Loan Charges	0	228	0	(437)	(209)
Unallocated Budget	0	(26,094)	0	0	(26,094)
Unallocated Corporate Savings	0	339	0	0	339
<b>Total General Fund Budget</b>	<b>(14,158)</b>	<b>(13,533)</b>	<b>(10,428)</b>	<b>16,514</b>	<b>(21,605)</b>

<b>Revenue Expenditure Monitoring Report - Housing Revenue Account Summary</b>
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<b>1 April to 31 March 2021</b>
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	Actual Near Final £000	Annual Budget £000	Year End Variance £000
Staff Costs	10,798	12,431	(1,633)
Other Costs	20,214	22,994	(2,780)
Loan charges and interest	20,755	20,997	(242)
<b>Gross Expenditure</b>	<b>51,767</b>	<b>56,422</b>	<b>(4,655)</b>
House Rents	(52,607)	(52,998)	391
Other rents	(3,103)	(2,987)	(116)
Other income	(437)	(375)	(62)
Interest on Revenue Balances	(94)	(62)	(32)
<b>Gross Income</b>	<b>(56,241)</b>	<b>(56,422)</b>	<b>181</b>
<b>Total HRA</b>	<b>(4,474)</b>	<b>0</b>	<b>(4,474)</b>



## Revenue Expenditure Monitoring Report - General Fund Budget

1 April to 31 March 2021

	£m	£m
<b>Budget as Agreed by Highland Council on 5 March</b>		<b>625.834</b>
Less : Contributions to Reserves included in Agreed Budget		
Contribution to non-earmarked balances	(4.909)	
Contribution to earmarked balances	(1.685)	
Affordable housing contribution from 2nd homes council tax	<u>(2.900)</u>	(9.494)
Less : Ring-fenced Grants (Gaelic, Criminal Justice, Attainment Funding, Early Years)		(30.718)
<b>Grant Funding Redeterminations</b>		
Criminal Justice Social Work (ring-fenced grant)	(0.017)	
Early Years (ring-fenced grant)	0.044	
Teacher Induction Scheme	0.975	
Teachers for Ethnic Minorities Correction	(0.001)	
Rapid Rehousing Transition Grant Correction	0.006	
Educational Psychologists Payment	0.009	
EU Brexit Funding	0.025	
Covid-19 redeterminations (see Appendix 5)	54.276	
	<u>55.317</u>	
Less : Redeterminations of Ring-fenced Grants	<u>(0.027)</u>	55.290
<b>Use of Non-earmarked Balances</b>		
Developer Contributions IORB	0.066	
	<u>0.066</u>	0.066
<b>Use of Earmarked Balances</b>		
BRIS	1.095	
1+2 Languages	0.002	
Additional Support for Learning	0.421	
Brexit Co-ordination	0.010	
Salix	1.584	
World Heritage Centre	0.050	
Welfare Issues: Match Funding for ESF Poverty & Social Inclusion	0.058	
Brexit Co-ordination	0.010	
Developer Contributions	<u>1.578</u>	4.808
<b>Use of Other Reserves</b>		
Insurance Fund	0.202	
	<u>0.202</u>	0.202
<b>Contribution to Earmarked Balances</b>		
Crown Estate	(1.742)	
EU Brexit Funding	(0.025)	
Salix	(1.110)	
NHS Adult Services- Covid income carry forward	(4.000)	
ICT Funds	(0.725)	
1+2 Languages	(0.005)	
Counselling	(0.731)	
RTTP	(0.196)	
DSM Balances	(2.388)	
Phase 1 Investment Funds	(9.810)	
Elections	(0.500)	
Change Fund	(1.103)	
Business Change & Improvement Fund	(1.032)	
Developer Contributions	(2.053)	
Consolidation of Living Wage	(1.000)	
Covid-19 Earmarking (see Appendix 5)	<u>(12.899)</u>	(39.319)
<b>Contribution to Non earmarked Balances</b>		
	<u>0.000</u>	0.000
<b>Contribution to Other Reserves</b>		
Repairs and Renewal Fund	(0.503)	
	<u>(0.503)</u>	(0.503)
<b>Presentational Adjustments</b>		
Offset BRIS income budget against 2019/20 earmarked BRIS	(1.095)	
Covid-19 Grant Funding Redeterminations for Agent Transactions	<u>(0.974)</u>	(2.069)
<b>Total General Fund Budget at 31 March 2021</b>		<b><u>604.097</u></b>

<b>Revenue Expenditure Monitoring Report - General Fund Budget</b>
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<b>1 April to 31 March 2021</b>
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**Covid-19 Grant Funding Redeterminations**

	Redeter- mination £m	Contribution to Earmarked Balances £m
Associated with COVID 19	7.356	
Local Authority Hardship Fund	2.373	0.467
Scottish Welfare Fund Top Up	0.738	0.625
Food Fund	1.199	
Registrars of Death	0.026	
Community Justice CPP Transitional Funding Extra	0.013	0.006
Extra Environmental Health Officers	0.090	0.068
Test & Protect Combined	0.124	0.121
Winter Plan - RRTP	0.187	0.187
Additional UKG Consequentials (Confirmed)	2.326	
Children and young people's mental health	0.712	0.697
Business Support Grant Admin	0.960	
Education Recovery Funding	1.162	
Additional Education - Teachers	1.086	1.086
Additional Education - Digital inclusion	0.562	0.562
Additional Education - Home Learning Support Fund	0.400	0.400
Winter Hardship £100 payments & admin (80% of £16m)	0.421	
January Free School Meal provision	0.231	
Lost Income Scheme	6.892	
General Covid Funding	11.752	
Additional Free School Meals to cover Dec/Jan Holidays *	0.255	0.255
Additional Funding for Free School Meals to 26 Feb 2021	0.191	0.009
PESF Boost	0.191	0.191
Additional Teachers & Support Staff (funding for 2021/22)	1.176	1.176
Support for Schools - Additional Staff (funding for 2021/22)	1.086	1.086
Additional Free School Meals Easter	0.140	0.140
Winter Hardship £100 payments & admin (balance)	0.042	
Spring Hardship £100 payments	0.537	0.013
Tackling Financial Security over Winter	0.279	0.064
Tackling Financial Security over Winter - Increase	0.700	0.700
Flexible Fund to Support People Impacted by Restrictions	1.424	1.424
Additional Education Recovery Funding	4.066	
Test & Protect Expansion	0.086	0.086
Discretionary Fund	5.493	3.537
Total per Appendix 4	54.276	12.899
Add : CTRS Additional Support - offset against council tax income budget	1.180	
Total Covid-19 redeterminations per FC 5-2021	55.456	

\* GRG redetermination paid in error as funding already received as specific grant. Earmarked to offset 2021/22 downward GRG redetermination.

<b>Revenue Expenditure Monitoring Report - General Fund Budget</b>
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<b>1 April to 31 March 2021</b>
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**Table A : Unallocated Budget**

	£m
Roads investment	1.293
Unallocated Covid19 Funding	24.801
Unallocated Budget at 31 March 2021	<u><u>26.094</u></u>

**Table B : Unallocated Corporate Savings**

	£m	Category
Procurement	(0.228)	
Property Asset Management	(0.111)	
Unallocated Corporate Savings at 31 March 2021	<u><u>(0.339)</u></u>	

<b>Revenue Expenditure Monitoring Report - General Fund Budget</b>
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<b>1 April to 31 March 2021</b>
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**General Fund Balance**

	Earmarked balances £m	Non- earmarked balances £m	Total £m
General Fund Balance at 1 April 2020	20.255	15.451	35.706
(Use of)/contribution to balances included in budget as agreed by Highland Council on 5 March 2020	1.685	4.909	6.594
Removal of earmarking (DSM)	(2.889)	2.889	0.000
Use of balances per Appendix 4	(4.808)	(0.066)	(4.874)
Contribution to balances per Appendix 4	39.319	0.000	39.319
Movement in balance per Appendix 1	33.307	7.732	41.039
Net service underspend per Appendix 1	0.000	21.605	21.605
Appropriations to other reserves	0.000	(0.559)	(0.559)
Additional resources	0.000	0.000	0.000
Council tax shortfall	0.000	(0.822)	(0.822)
General Fund Balance at 31 March 2021	53.562	43.407	96.969

<b>COMMUNITIES AND PLACE SERVICES BUDGET 2020/21 OUTTURN</b>
--

	£'000 Annual Budget	£'000 Year End Outturn	£'000 Year End Variance
<b>BY ACTIVITY</b>			
Waste Management Services	24,869	24,091	(778)
Public Health & Bereavement Services	2,229	2,438	209
Community Spaces	2,228	1,400	(828)
Community Support, Contact & Engagement	2,836	2,715	(121)
Stores & Logistics	527	1,239	712
Administration	579	892	313
<b>TOTAL</b>	<b>33,268</b>	<b>32,775</b>	<b>(493)</b>
<b>BY SUBJECTIVE</b>			
Staff Costs	45,614	40,583	(5,031)
Other Expenditure	40,087	39,710	(377)
<b>Gross Expenditure</b>	<b>85,701</b>	<b>80,293</b>	<b>(5,408)</b>
Grant Income	(412)	(1,476)	(1,064)
Other Income	(52,021)	(46,042)	5,979
<b>Total Income</b>	<b>(52,433)</b>	<b>(47,518)</b>	<b>4,915</b>
<b>NET TOTAL</b>	<b>33,268</b>	<b>32,775</b>	<b>(493)</b>

**EDUCATION AND LEARNING OUTTURN STATEMENT 2020-21**
**Appendix 9**
**31/03/2021**
**£'000  
Annual  
Budget**
**£'000  
Year End  
Outturn**
**£'000  
Year End  
Variance**
**BY ACTIVITY**

Service Management Team & Support  
Pensions, Insurance and Other Pan-Service Costs  
Commissioned HLH Services  
Grants to Voluntary Organisations  
Hostels  
Crossing Patrollers/School Escorts  
Secondary Schools  
Primary Schools  
Schools General  
Learning and Teaching  
Early Learning & Childcare  
Additional Support - Schools  
Additional Support - Special Schools  
Specialist Additional Support Services  
  
COVID-19 Response  
  
**Grand Total Education and Learning**

(790)  
2,206  
16,170  
1,025  
1,099  
764  
73,643  
67,145  
3,835  
1,330  
8,140  
24,751  
4,771  
2,284  
  
754  
  
**207,127**

544  
2,011  
16,785  
848  
1,042  
611  
73,621  
66,765  
2,101  
792  
2,674  
24,789  
4,956  
2,161  
  
3,058  
  
**202,757**

1,334  
(195)  
615  
(177)  
(57)  
(153)  
(22)  
(380)  
(1,734)  
(538)  
(5,466)  
38  
185  
(123)  
  
2,304  
  
**(4,370)**

**BY SUBJECTIVE**

Staff Costs  
Other Expenditure  
**Gross Expenditure**  
Grant Income  
Other Income  
**Total Income**

196,845  
41,883  
**238,728**  
(30,994)  
(607)  
**(31,601)**

194,031  
42,168  
**236,200**  
(32,725)  
(718)  
**(33,443)**

(2,813)  
285  
**(2,528)**  
(1,730)  
(111)  
**(1,842)**

**NET TOTAL**
**207,127**
**202,757**
**(4,370)**

**HEALTH, SOCIAL CARE AND WELLBEING SERVICES BUDGET OUTTURN 2020/21**

	£'000 Annual Budget	£'000 Year End Outturn	£'000 Year End Variance
<b>BY ACTIVITY</b>			
<b>Service Management and Support</b>			
Management Team	173	565	392
Business Support	830	785	(45)
COVID-19 Response	0	1,298	1,298
	<b>1,003</b>	<b>2,648</b>	<b>1,645</b>
<b>Adult Services</b>			
Commissioned Adult Services	100,904	100,904	0
Mental Health Teams	1,201	1,090	(111)
Criminal Justice Service	58	60	2
Other Services for Vulnerable Adults	1,316	1,368	52
	<b>103,479</b>	<b>103,422</b>	<b>(57)</b>
<b>Children's Services</b>			
Looked After Children	25,042	25,254	212
Family Teams	18,419	15,055	(3,364)
Other Services for Children	7,004	6,919	(85)
Commissioned Children's Services Income from NHS	(10,886)	(10,400)	486
	<b>39,579</b>	<b>36,828</b>	<b>(2,751)</b>
<b>TOTAL</b>	<b>144,061</b>	<b>142,898</b>	<b>(1,163)</b>
<b>BY SUBJECTIVE</b>			
Staff Costs	37,038	34,258	(2,780)
Other Expenditure	123,193	125,011	1,818
<b>Gross Expenditure</b>	<b>160,231</b>	<b>159,269</b>	<b>(962)</b>
Grant Income	(16,147)	(16,337)	(190)
Other Income	(23)	(34)	(11)
<b>Total Income</b>	<b>(16,170)</b>	<b>(16,371)</b>	<b>(201)</b>
<b>NET TOTAL</b>	<b>144,061</b>	<b>142,898</b>	<b>(1,163)</b>

<b>INFRASTRUCTURE, ENVIRONMENT AND ECONOMY BUDGET OUTTURN 2020/21</b>
---

	£'000 Annual Budget	£'000 Year End Outturn	£'000 Year End Variance
<b>BY ACTIVITY</b>			
Directorate	(847)	378	1,225
Economic Development	742	526	(216)
Housing Development	1,588	1,295	(293)
Planning, Environment & Building Standards	69	505	436
Infrastructure	(815)	(629)	186
Energy & Sustainability	414	429	15
Roads & Transport	34,755	39,618	4,863
Trading Operations	(3,580)	(2,250)	1,330
<b>TOTAL</b>	<b>32,326</b>	<b>39,872</b>	<b>7,546</b>
<b>BY SUBJECTIVE</b>			
Staff Costs	39,657	37,130	(2,527)
Other Expenditure	56,841	62,960	6,119
<b>Gross Expenditure</b>	<b>96,498</b>	<b>100,090</b>	<b>3,592</b>
Grant Income	(5,481)	(11,549)	(6,068)
Other Income	(58,691)	(48,669)	10,022
<b>Total Income</b>	<b>(64,172)</b>	<b>(60,218)</b>	<b>3,954</b>
<b>NET TOTAL</b>	<b>32,326</b>	<b>39,872</b>	<b>7,546</b>



<b>PERFORMANCE &amp; GOVERNANCE SERVICE Revenue Outturn Report</b>
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<b>1 April 2020 to 31 March 2021</b>
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	£000 Annual Budget	£000 Year End Outturn	£000 Year End Variance
<b>BY ACTIVITY</b>			
Members	1,695	1,465	(230)
Chief Executive	677	785	108
Emergency Planning	50	33	(17)
Corporate Communications	197	200	3
Corporate Communications - COVID	0	2	2
Legal Services	342	150	(192)
Licensing	(483)	(358)	125
Democratic Services	640	610	(30)
Elections	115	191	76
Trading Standards	546	638	92
Corporate Audit & Performance	680	636	(44)
<b>Total</b>	<b>4,458</b>	<b>4,352</b>	<b>(106)</b>
<b>BY SUBJECTIVE</b>			
Staff Costs	5,324	5,291	(33)
Other Costs	663	456	(207)
<b>Gross Expenditure</b>	<b>5,987</b>	<b>5,747</b>	<b>(240)</b>
Grants	(25)	(67)	(42)
Other Income	(1,504)	(1,328)	176
<b>Total Income</b>	<b>(1,529)</b>	<b>(1,395)</b>	<b>134</b>
	<b>4,458</b>	<b>4,352</b>	<b>(106)</b>

<b>PROPERTY AND HOUSING SERVICE BUDGET OUTTURN 2020/21</b>
--

	£'000 Annual Budget	£'000 Year End Estimate	£'000 Year End Variance
<b>BY ACTIVITY</b>			
Directorate	(4,583)	(2,044)	2,539
CCFM	16,823	18,559	1,736
PPP & Wick SFT	28,105	28,048	(57)
Revenue Manintenance	6,699	6,659	(40)
Properties	14,275	13,992	(283)
Non-HRA	3,564	3,050	(514)
<b>TOTAL</b>	<b>64,883</b>	<b>68,264</b>	<b>3,381</b>
<b>BY SUBJECTIVE</b>			
Staff Costs	26,628	26,818	190
Other Expenditure	63,349	62,274	(1,075)
<b>Gross Expenditure</b>	<b>89,977</b>	<b>89,092</b>	<b>(885)</b>
Grant Income	(5,818)	(5,724)	94
Other Income	(19,276)	(15,104)	4,172
<b>Total Income</b>	<b>(25,094)</b>	<b>(20,828)</b>	<b>4,266</b>
<b>NET TOTAL</b>	<b>64,883</b>	<b>68,264</b>	<b>3,381</b>

## RESOURCES AND FINANCE SERVICE Revenue Outturn Report

**1 April 2020 to 31 March 2021**

	£000 Annual Budget	£000 Year End Outturn	£000 Year End Variance
<b>BY ACTIVITY</b>			
Directorate	307	680	373
Resources & Finance - COVID	-	8	8
People	1,868	1,814	(54)
ICT Services	10,369	9,893	(476)
ICT Services - COVID	-	232	232
Revenues & Business Support	7,393	6,869	(524)
Corporate Finance	3,343	3,106	(237)
<b>Total</b>	<b>23,280</b>	<b>22,602</b>	<b>(678)</b>
<b>BY SUBJECTIVE</b>			
Staff Costs	15,452	14,331	(1,121)
Other Costs	12,035	14,164	2,129
<b>Gross Expenditure</b>	<b>27,487</b>	<b>28,495</b>	<b>1,008</b>
Grants	-	(88)	(88)
Other Income	(4,207)	(5,805)	(1,598)
<b>Total Income</b>	<b>(4,207)</b>	<b>(5,893)</b>	<b>(1,686)</b>
	<b>23,280</b>	<b>22,602</b>	<b>(678)</b>

## TRANSFORMATION SERVICE Revenue Outturn Report

1 April 2020 to 31 March 2021

	£000 Annual Budget	£000 Year End Outturn	£000 Year End Variance
<b>BY ACTIVITY</b>			
Change Fund	1,157	1,157	0
Commercial and Efficiency Team	627	555	(72)
<b>Total</b>	<b>1,784</b>	<b>1,712</b>	<b>(72)</b>
<b>BY SUBJECTIVE</b>			
Staff Costs	1,722	1,678	(44)
Other Costs	62	54	(8)
<b>Gross Expenditure</b>	<b>1,784</b>	<b>1,732</b>	<b>(52)</b>
Grants	0	0	0
Other Income	0	(20)	(20)
<b>Total Income</b>	<b>0</b>	<b>(20)</b>	<b>(20)</b>
<b>Total</b>	<b>1,784</b>	<b>1,712</b>	<b>(72)</b>

## Welfare Outturn Report 2020/21

	£000 Annual Budget	£000 Year End Outturn	£000 Year End Variance
<b>BY SERVICE</b>			
Housing Benefit	2,858	3,152	294
Council Tax Reduction Scheme*	13,749	13,881	132
Scottish Welfare Fund Grants	1,304	1,304	0
Educational Maintenance Allowances	-	-	0
School Clothing Grants	715	736	21
Advice Services	1,010	1,022	12
Milton Activity Hub Grant	-	-	0
Food Fund	1,612	1,612	0
Fuel Poverty	65	65	0
<b>Welfare Total</b>	<b>21,313</b>	<b>21,772</b>	<b>459</b>

\* N.B. The CTRS variance shows against the Council Tax income line in appendix 1

**BY SUBJECTIVE**

Staff Costs	0	0	0
Other Costs	57,699	61,153	3,454
<b>Gross Expenditure</b>	<b>57,699</b>	<b>61,153</b>	<b>3,454</b>
Grants	(689)	(2,028)	(1,339)
Other Income	(35,697)	(37,353)	(1,656)
<b>Total Income</b>	<b>(36,386)</b>	<b>(39,381)</b>	<b>(2,995)</b>
	<b>21,313</b>	<b>21,772</b>	<b>459</b>

Service	Variance 31-Dec	Variance 31-Mar	Movement Q3 to Q4	Key components of movement
Communities & Place	1,005	- 493	- 1,498	Increase in refuse collection income £0.207m; underspend in waste & recycling contracts £1.065m; street cleaning underspend £0.110m; ground maint income from HLH and HRA £0.302m; increase in environmental health income and reduction in costs, including staffing £0.247m; increase in workshop income and reduction in fleet costs £0.251m; COVID costs increase due to reallocation of costs and earmarking of COVID specific grant £0.513m; reduced for a shortfall on burial ground income £0.123m.
Education & Learning	- 1,897	- 4,370	- 2,473	Increase in ELC underspend due to the delay in roll-out of 1140 hours due to COVID £0.715m; COVID cost estimates overstated by £1.1m; reduction in schools budgets to take account of second lock-down implications on learning and teaching budgets £0.763m; general underspends across other budget headings £0.509m; offset by HLH fee adjustment for pay items as part of core management agreement £0.614m.
Health & Social Care	1,090	- 1,163	- 2,253	COVID cost estimates overstated by £1.183m; reduction in overspend on LAC and F&A £0.238m; SDS saving £0.393m; increased underspends on Family Teams and Other Services for Children mainly due to staff vacancies £1.089m; offset by increased management team costs as a consequence of disaggregating from the former C&L Service £0.198m; NHS commissioned childrens services income provision £0.486m.
Infrastructure, Environment & Economic Performance & Governance	8,941 - 89	7,546 - 106	- 1,395 - 17	Income improvement Planning £0.773m; Building Warrants £0.426m; Invest Properties £0.147m; improved margin on marine fuel sales £0.592m; increase in staff recharges to PSHG £0.218m; overall economic development underspend increased by £0.221m; reduction in transport costs re COVID £0.786m; improved roads position re Sconser Quarry income £0.277m; offset by an overspend in winter maintenance occurring in Q4 £1.423m; provision on IABP loan £0.394m; fall in Car Park income in Q4 £0.103m; shortfall in PDU surplus £0.091m.
Property & Housing	7,354	3,381	- 3,973	Reduction in COVID costs line of £4.763m however COVID costs now shown against CCFM resulting in increased overspend of £0.901m; improvement on PPP/Wick SFT position £0.171m; increase in underspends on other property budgets £0.242m; property support underspend increase £0.196m, mainly due to a credit on building dilapidations provision; Non-HRA underspend increase of £0.509m on the Homelessness budget due to a combination of increased spot purchase income and staff vacancies; offset by an increase in the shortfall in the designs teams productivity, particularly Architects £1.016m.
Resources & Finance	- 653	- 678	- 25	
Transformation	- 69	- 72	- 3	
Welfare Services	142	327	185	Increased overspend on Housing Benefit of £0.152m with small overspends on clothing grants and advice services.
	<u>15,824</u>	<u>4,372</u>	<u>- 11,452</u>	

Ref.	Description	Category	Highland allocation	How Funding is Being/has been Spent	Funding included in general revenue grant carried forward to 2021/22 £m	Unspent specific grant funding carried forward to 2021/22 £m
			2020/21 £m			
R-01	Hardship Fund	Other - General	2.373	Bulk of this funding being used to offset cross-Council covid 19 pressures. Balance used to increase Ward discretionary budgets to support local Covid response activity in 20/21- any unused elements of that have been earmarked for use in 21/22	0.467	0.000
R-02	Scottish Welfare Fund Additional Funding	FSM & Welfare	0.738	Ongoing provision of crisis and community care grants. This is a core Grant administered by local authorities since 2013. Additional funding received to respond to Covid-related demands.	0.625	0.000
R-03	Food Fund	FSM & Welfare	1.199	For provision of food for humanitarian support and to offset ongoing budget pressure arising from FSM voucher payments during school holidays and educational restrictions.	0.000	0.000
R-04	Additional Funding Support Associated with Covid 19	Other - General	7.356	Funding is being held centrally to offset Covid related pressures shown across the Council's services. Funding will not be allocated to specific services to offset pressures so the impact of Covid on service budgets can be better understood.	0.000	0.000
R-05	Discretionary Housing Payments Additional Funding	FSM & Welfare	0.135	For provision of Discretionary Housing Payments to bridge all or some of the gap between benefit available to help with rent and the actual amount of rent due. Local authorities have been administering this scheme since 2001.	0.000	0.000
R-06	Death Registration Service	Other - Specified	0.026	To cover moving to a seven day a week service for Registrars for death registration in 2020.	0.000	0.000
R-07	Community Justice Co-ordinators	Other - Specified	0.013	Allocated to Community Justice budget	0.006	0.000
R-08	Digital Inclusion - Revenue	Schools & Learning	0.205	Digital Inclusion interventions including: G-Suite Enterprise, Soundtrap, Readwrite, R Studio & Software Subscription	0.000	0.090
R-09	Provision of Additional Teachers & Support Staff	Schools & Learning	1.470	£0.3m 6fte Virtual Academy, £1.1m 32fte ASG Recovery Posts, £0.8m 14fte Targeted Support	0.000	0.999
R-10	Provision of Additional Teachers	Schools & Learning	0.882	£0.3m PT Guidance, £0.7m COVID related Supply Cover & £0.3m Secondary increased stay on rates	0.000	0.000
R-11	Provision of Additional Teachers & Support Staff (funding for 2021/22 but paid 2020/21)	Schools & Learning	1.176	Element of funding relating to lines R-09 & R-10 which covers the summer term in 21/22 FY	1.176	0.000
R-12	Consequential	Other - General	2.326	Funding is being held centrally to offset Covid related pressures shown across the Council's services. Funding will not be allocated to specific services to offset pressures so the impact of Covid on service budgets can be better understood.	0.000	0.000
R-13	Safe Re-opening of Schools	Schools & Learning	1.162	Funding is being held centrally to offset Covid related pressures shown across the Council's services. Funding will not be allocated to specific services to offset pressures so the impact of Covid on service budgets can be better understood. This particular funding is linked to specific budget pressures around school transport and school property, cleaning and FM costs.	0.000	0.000
R-14	Safe Re-opening of Schools - Additional (see also "Education Recovery - Safety Mitigations in Schools")	Schools & Learning	1.743	Funding is being held centrally to offset Covid related pressures shown across the Council's services. Funding will not be allocated to specific services to offset pressures so the impact of Covid on service budgets can be better understood. This particular funding is linked to specific budget pressures around school transport and school property, cleaning and FM costs.	0.000	0.000
R-15	Support for People at Risk including those Isolating	FSM & Welfare	0.651	Fully deployed on humanitarian assistance costs in 2020/21 including food hubs, distribution centre, property and fleet costs, Helping Hands ICT system to track requests, food supplies, fuel poverty grants and call handling overtime costs. No carry forward into 2021/22	0.000	0.000
R-16	Free School Meals during Summer 2020 Holidays	FSM & Welfare	0.462	Provision of FSM vouchers for eligible pupils from 1 July - 18 August. Total funding received £462,095. No budget pressure arising from this spend.	0.000	0.000
R-17	Council Tax Reduction Scheme (CTRS)	FSM & Welfare	1.180	Specifically to award Council Tax Reduction to help reduce Council Tax bills for homeowners and those in the social/private rented sectors.	0.000	0.000
R-18	Free School Meals during October 2020, Christmas 2020 & February 2021 Holidays	FSM & Welfare	0.255	Provision of FSM vouchers for eligible pupils during Oct 2020 to Feb 2021 school holiday periods. Funding received £0.255m. Voucher spend £0.314m.	0.000	0.000
R-19	Free School Meals during Easter 2021 Holidays	FSM & Welfare	0.140	Provision of FSM vouchers - funding allocation £0.140m.	0.140	0.000
R-20	Financial Insecurities / Support for Individuals at Financial Risk	FSM & Welfare	0.700	£0.150m to offset budget pressure for school clothing grants. £0.550m allocated to local Fuel Support Fund - provides for £60 per household in Feb. Approval from Corporate Resources Committee 25 Feb, to extend the scheme to March and April. This will be a total investment of around £1m and will be supplemented by funding from the support for people funding.	0.064	0.000
R-21	Discretionary Housing Payments Additional Funding	FSM & Welfare	0.093	For provision of Discretionary Housing Payments to bridge all or some of the gap between benefit available to help with rent and the actual amount of rent due. Local authorities have been administering this scheme since 2001.	0.000	0.000
R-22	Additional Environmental Health Officers	Other - Specified	0.090	Support staff posts recruited to assist Environmental Health Officers (EHO), plus temporary EHO to deal with Covid business compliance and related public health referrals.	0.068	0.000

R-23	Test and Protect Funds - Support for People	FSM & Welfare	0.026	Cover costs of call handling and self-isolation support including food	0.023	0.000
R-24	Test and Protect Funds - Local Self-Isolation Assistance - to 11/01/21	FSM & Welfare	0.098	Recruited new call handlers given need to make 3 outbound calls to those self-isolating, plus ongoing food support and distribution plus information leaflets distributed through community testing mobile units for people attending on how to access support to self-isolate and welfare benefits	0.098	0.000
R-25	Loss of income (original)	Other - General	3.108	Funding is being held centrally to offset Covid related pressures shown across the Council's services. Funding will not be allocated to specific services to offset pressures so the impact of Covid on service budgets can be better understood.	0.000	0.000
R-26	Mental Health Services for Children & Young People - Pandemic Response	Other - Specified	0.534	Funding for 5 workstreams identified by the community to deliver Caithness Cares Pathfinder Project with an element of support for tiers 1 & 2 which will form the basis of a blueprint for other areas	0.534	0.000
R-27	Mental Health Services for Children & Young People - CYPMHW Framework Grant	Other - Specified	0.178	2 secondments + Community Projects to support Caithness Cares	0.163	0.000
R-28	Young People's Guarantee - Additional Grant	Other - Specified	1.166	Provision of work placements (Council Youth Trainee and Graduate Interns) and wage incentive grant scheme to encourage employers to provide permanent jobs.	0.000	1.166
R-29a	£100 Winter Hardship Payments - Initial Allocation (excluding Admin)	FSM & Welfare	0.408	£100 voucher paid to all pupils eligible for FSM based on low incomes. P1-3 receiving universal provision of FSMs were not eligible. Full cost recovery.	0.000	0.000
R-29b	£100 Winter Hardship Payments - Admin	Grants Admin	0.013	Administration costs, including transaction costs paid to voucher pay out providers in respect of this scheme. Full cost recovery.	0.000	0.000
R-29c	£100 Winter Hardship Payments - Top-up Based on Actual Payments	FSM & Welfare	0.042	£100 voucher paid to all pupils eligible for FSM based on low incomes. P1-3 receiving universal provision of FSMs were not eligible. This top-up provided for pupils newly entitled to FSMs based on low incomes after the initial cut-off date. Full cost recovery.	0.000	0.000
R-30	Winter Plan for Social Protection - Funding for Vulnerable Children & Young People	Other - Specified	1.065	Spent on vulnerable children and their families. £798,445 on 20/21 covid related spend. Rest c/f to 21/22.	0.000	0.266
R-31	Flexible Funding for Protection Level 4 Areas	FSM & Welfare	1.424	Resource for 10 Community Support Coordinator posts (initially 12 months) and data analyst post as agreed at Council July 2020 recruited from June 2021. Allowance for further food distribution costs including fleet and for further food supplies and support.	1.424	0.000
R-32	Administration of Self Isolation Support Grants (original allocation)	Grants Admin	0.031	Administration costs, including transaction costs paid to voucher pay out providers.	0.000	0.000
R-33	Administration of Business Grant Payments	Grants Admin	0.960	Funding being held centrally to offset costs associated with business grants administration incurred across Council services. Business grant administration primarily done through reprioritising existing Council staff, supplemented or backfilled where necessary.	0.000	0.000
R-34	Rapid Rehousing Transition Plans Additional Funding	Other - Specified	0.187	3 x Rapid Rehousing Transition Officers plus joint funding with NHSH on a Housing First project and expanding a Shared Accommodation pilot project	0.187	0.000
R-35	Support for Schools - Teachers	Schools & Learning	1.086	Roll forward current level of ASG recovery teachers/support staff for next academic session & support for phase 2 of Virtual Academy	1.086	0.000
R-36	Support for Schools - Digital Inclusion	Schools & Learning	0.562	Service plans being developed around Innovate to Educate	0.562	0.000
R-37	Support for Schools - Home Learning Support Fund	Schools & Learning	0.400	Service plan for an ASG approach in new academic session following Summer of Hope	0.400	0.000
R-38	Support for Schools - Additional Staff (funding for 2021/22 but paid 2020/21)	Schools & Learning	1.086	Support for schools to mitigate against COVID-19 impact in preparation for the recommendations of the DSM review	1.086	0.000
R-39	Free School Meals during 5-29 January 2021	FSM & Welfare	0.231	FSM vouchers for eligible pupils, based on low income. Expenditure of £0.276m with funding of £0.231m giving rise to a budget pressure.	0.000	0.000
R-40	Free School Meals during 2-26 February 2021	FSM & Welfare	0.191	Excludes 3 day holiday period 15-17 Feb inclusive as that funding is included in the Oct, Christmas and Feb funding allocation. For 2-26 Feb, all eligible FSM pupils based on low income received vouchers up to 17 Feb. From 18 Feb, all eligible P4-S6 pupils received vouchers as P1-3 returned to school on 18 Feb and can access in-school provision of FSMs.	0.009	0.000
R-41	Loss of Income (increase)	Other - General	3.784	Funding is being held centrally to offset Covid related pressures shown across the Council's services. Funding will not be allocated to specific services to offset pressures so the impact of Covid on service budgets can be better understood.	0.000	0.000
R-43	Financial Insecurities / Support for Individuals at Financial Risk (uplift)	FSM & Welfare	0.700	This funding will be used to part-fund the local fuel support fund and other welfare related activity during 2021/22	0.700	0.000
R-44a	£100 Spring Hardship Payments (excluding Admin)	FSM & Welfare	0.524	These payments were made to low income families, in receipt of free school meals. Full cost recovery.	0.000	0.000
R-44b	£100 Spring Hardship Payments - Admin	Grants Admin	0.013	Funding provided to cover the administration, including transaction costs, of the Spring Hardship payments.	0.013	0.000
R-45	Covid Pressures including for Lost Income	Other - General	11.752	Funding is being held centrally to offset Covid related pressures shown across the Council's services. Funding will not be allocated to specific services to offset pressures so the impact of Covid on service budgets can be better understood.	0.000	0.000



R-46	Education Recovery - Safety Mitigations in Schools (see also "Safe Re-opening of Schools - Additional")	Schools & Learning	2.323	Funding is being held centrally to offset Covid related pressures shown across the Council's services. Funding will not be allocated to specific services to offset pressures so the impact of Covid on service budgets can be better understood. This particular funding is linked to specific budget pressures around school transport and school property, cleaning and FM costs.	0.000	0.000
R-48	Partnership Action for Continuous Employment (PACE)	Other - Specified	0.115	Initiatives for persons facing redundancy	0.000	0.115
R-49	Test and Protect Funds - Local Self-Isolation Assistance - 12/01/21-30/03/21	FSM & Welfare	0.086	Recruited new call handlers given need to make 3 outbound calls to those self-isolating, plus ongoing food support and distribution plus information leaflets distributed through community testing mobile units for people attending on how to access support to self-isolate and welfare benefits	0.086	0.000
R-51	Free School Meals during March 2021	FSM & Welfare	0.154	Excludes 3 day holiday period 15-17 Feb inclusive as that funding is included in the Oct, Christmas and Feb funding allocation. For 2-26 Feb, all eligible FSM pupils based on low income received vouchers up to 17 Feb. From 18 Feb, all eligible P4-56 pupils received vouchers as P1-3 returned to school on 18 Feb and can access in-school provision of FSMs.	0.000	0.000
R-52	PESF Boost	Other - Specified	0.191	To support parents to access and progress in the workplace	0.191	0.000
R-57	Administration of Self Isolation Support Grants (additional allocation for 2020/21)	Grants Admin	0.026	To cover the administrative resource requirements of Self-Isolation Support Grant	0.000	0.000
R-64	£500 Self Isolation Support Payments	FSM & Welfare	0.088	These £500 payments are available to those who are required to self-isolate and will lose income as they are unable to work from home.	0.000	0.000
R-65a	£500 Payments for H&SC Staff	Other - Specified	0.406	For payments of £500 to Health and Social Care staff	0.000	0.000
R-65b	£500 Payments for H&SC Staff - Admin	Grants Admin	0.006	Supporting costs incurred in administration of payments of £500 to Health and Social Care staff	0.000	0.000
R-66	Support for Vaccination Roll-out	Other - Specified	0.137	Funding spent to offset costs incurred in providing support for the vaccination roll out	0.000	0.000
R-67	School Transport	Other - Specified	0.026	Funding for school transport providers for protective measures	0.000	0.000
<b>TOTAL COVID-19 REVENUE FUNDING EXC BUSINESS GRANTS</b>			<b>57.501</b>		<b>9.107</b>	<b>2.636</b>

## Earmarked Balances

## Appendix 19

Description	Updated Balance as at 31/03/21 £	Expected Balance as at 31/03/22 £	Service	Intended Use of Earmarked Balance
<b>Covid19 Funding</b>				
Business Grants (B-14)	3,536,620	0	I&E&E	Discretionary Grant Fund to support businesses affected by COVID restrictions
<i>Schools &amp; Learning</i>				
Additional Education - Teachers (R-35)	1,086,000	362,000	E&L	Roll forward current level of ASG recovery teachers/support staff for next academic session & support for phase 2 of Virtual Academy
Additional Education - Digital inclusion (R-36)	562,000	187,333	E&L	Service plans being developed around Innovate to Educate
Additional Education - Home Learning Support Fund (R-37)	400,000	133,333	E&L	Service plan for an ASG approach in new academic session following Summer of Hope
Additional Teachers & Support Staff (funding for 2021/22) (R-11)	1,176,000	0	E&L	Element of funding relating to ASG Recovery posts, Virtual Academy, Supply & Guidance which covers the summer term in 21/22 FY
Support for Schools - Additional Staff (funding for 2021/22) (R-38)	1,086,000	0	E&L	Support for schools to mitigate against COVID-19 impact in preparation for the recommendations of the DSM review
<i>Welfare</i>				
Additional Funding for Free School Meals to 26 Feb 2021 (R-40)	9,064	0	Welfare	Provision of free school meal vouchers for period to 26 Feb 21.
Additional Free School Meals Easter (R-19)	140,000	0	Welfare	Provision of free school meal vouchers for Easter 21 holiday period.
Spring Hardship £100 payments - admin (R-44b)	13,000	0	Welfare	A £100 payment for low income households eligible for free school meals.
Test and Protect Funds - Support for People (R-23)	23,099	0	C&P	Additional temporary call handling posts and costs, support for self isolation including communications linked to community testing.
Test and Protect Funds - Local Self-Isolation Assistance (R-24)	98,000	0	C&P	Additional temporary call handling posts and costs, support for self isolation including communications linked to community testing.
Test & Protect Expansion (R-49)	86,000	0	C&P	Additional temporary call handling posts and costs, support for self isolation including communications linked to community testing.
Tackling Financial Security over Winter (R-20)	64,104	0	Welfare	To help mitigate increased demand for school clothing grants and to support the local fuel support fund.
Tackling Financial Security over Winter - Increase (R-43)	700,000	0	Welfare	To help mitigate the pressure from the local fuel support fund.
Flexible Fund to Support People Impacted by Restrictions (R-31)	1,424,000	0	C&P	10 temporary Community Support Coordinators and data analyst (approved at Council July 2020) additional food support, distribution, food allowance and other self-isolation support.
<i>Other</i>				
Environmental Health Officers (R-22)	67,629	0	C&P	EHO staffing and support
Mental Health (R-26 & R-27)	697,249	0	E&L	Funding for 5 workstreams identified by the community to deliver Caithness Cares Pathfinder Project with an element of support for tiers 1 & 2 which will form the basis of a blueprint for other areas
PESF Boost (R-52)	191,000	0	I&E&E	To support parents to access and progress in the workplace
Covid19 Funding - Overpaid Amount to be Repaid (R-18)	255,000	0	Corporate	2020/21 covid funding redetermination - already paid as specific grant - to be repaid via 2021/22 downward redetermination
Covid19 Response	185,368	0	Corporate	Covid response funding earmarked at 2019/20 available to support Covid 19 response and recovery
NHS Highland Adult Services	5,600,000	0	HW&SC	Government funding (£4m) held on behalf of NHS Highland to be paid to them as part of the Adult Services quantum in 2021/22. £1.6m to meet other increased quantum costs in 2021/22
Ward Discretionary Funds	466,933	0	C&P	Unspent WDB Covid funding from 2020/21 carried forward and available for spend in 2021/22.
	<b>17,867,066</b>	<b>682,667</b>		

**Phase 1 Investment Fund**

Economic Prosperity Fund	6,000,000	1,000,000	I&E&E	A targeted response to the needs arising during the pandemic impacting upon individuals, families, communities and business wealth and prosperity: recognising that job opportunity, sustainability and creation are essential across the Highlands. Spend likely to span 2 financial years
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Place-Based Investment	2,100,000	0	C&P	Devolved to ward budgets. Process already in place for administering ward discretionary budgets. Process for additional £100k to address the four harms of Covid circulated to Members in late April 2021. Governance is through Area Committees for Ward Management Team to administer. Decision may be required to carry forward any underspend at year end if not all funds are committed by then (as for carry forward from 2020/21).
Visitor Management Strategy	1,500,000	0	C&P/I&E&E	Allocation to several functions in the I&E and C&P Services as set out in the Visitor Management Plan to Tourism Committee in April 2021 with update reports to strategic committees.
Ward Discretionary Funds	210,000	0	C&P	Phase 1 investment fund allocation of £10k per ward.
	<b>9,810,000</b>	<b>1,000,000</b>		

#### Other funds

Developing the Young Workforce	70,000	0	E&L	To augment Economic Prosperity Fund
Elections	755,000	755,000	P&G	To ensure appropriate provision is made for the anticipated increase in the costs of administering Council elections and by-elections. Full draw down anticipated in financial year 2022/23 following local government elections in May 2022.
Grants & Match Funding	2,129,769	200,000	Various	For use in various specific projects including ASL, Counselling, Brexit, Community Justice, 1+2 languages, core paths, deprived areas, property systems and RRTP homelessness
IT Investment Fund	1,244,462	800,000	Transformation	Reflecting the biggest change to its ICT support arrangements in over 20 years by bringing service in-house, provision to mitigate possible costs in excess of best estimates to implement this change e.g. TUPE, procuring supporting contracts, transport costs, one-off costs from Wipro to make technical changes to enable the transition.
SALIX Recycling Fund	894,848	500,000	Corporate	Revolving fund based on Salix funding received and energy savings generated to be reinvested in energy efficiency projects
Staffing Conditions and Development Fund	3,452,091	0	Corporate	Funding to address legacy staffing terms and conditions issues, office reviews and other strategic business changes
Scottish Crown Estate	3,034,704	0	I&E&E	Scottish Crown Estate funding not yet drawn down. Decisions on area funds have already been made and are in the process of being distributed. The strategic fund will be distributed over the coming months.
Skye Airstrip	187,000	187,000	I&E&E	Support the delivery of scheduled air services to the Isle of Skye, and to support the ongoing management of the Ashaig airstrip.
Walks to Water	75,544	0	I&E&E	Supporting the delivery of the Flow Country World Heritage Site Nomination Process.
DSM Balances	3,119,024	2,500,000	E&L	Balances held as part of the school 'DSM' scheme
Badaguish Outdoor Centre	459,692	459,692	E&L	Funding from Lottery Fund for new outdoor centre
Change Fund	2,420,655	0	Corporate	Funds held to support the ongoing recovery from the pandemic and associated delivery of performance improvement (e.g. service-specific incremental change and statutory compliance), Service business change and digital developments (e.g. hand held technology including voice recognition capability for social work staff) all of which can also support medium term financial planning.
Commercial Investment Fund	89,000	50,000	Corporate	Fund held to support development of business cases.
Welfare Issues	930,739	100,000	Various	Carried forward Scottish Welfare Fund monies, and match funding for ESF projects
Developers' Contributions	7,022,025	7,022,025	Corporate	As specified in S75 agreement to deliver services and infrastructure impacted by new developments. Fund value will vary over the year as funding drawn down and new contributions received

<b>GRAND TOTAL</b>	<b>53,561,619</b>	<b>14,256,384</b>		
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## MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2020 TO 31ST MARCH 2021

## SERVICE: GENERAL FUND

Project Description	Actual Net	2020/21	2020/21	2020/21	2020/21	2020/21
	Year to Date	Reprofiled Budget	Actual Expenditure	Actual Income	Acceleration / (Slippage)	Overspend / (Underspend)
	£000	£000	£000	£000	£000	£000
COMMUNITY AND LEISURE FACILITIES	177	355	311	(134)	(178)	0
SCHOOLS	17,860	19,509	28,844	(10,984)	(1,649)	0
HEALTH & SOCIAL CARE PROGRAMME	1,723	1,560	1,723	0	163	0
ICT	552	1,130	2,311	(1,759)	(578)	0
ROADS AND BRIDGES	8,903	13,021	11,434	(2,531)	(4,119)	1
ACTIVE TRAVEL	783	303	3,428	(2,645)	480	0
LIGHTING	783	1,500	783	0	(717)	0
FLOOD PREVENTION	1,694	1,869	1,699	(5)	(175)	0
WASTE MANAGEMENT	664	1,082	664	0	(418)	0
FERRIES AND HARBOURS	404	1,345	435	(31)	(941)	0
COMMUNITY WORKS	102	299	102	0	(197)	0
LEISURE FACILITIES	(26)	178	126	(152)	(204)	0
STRATEGIC ASSET MANAGEMENT	4,143	3,947	4,144	(1)	196	0
VEHICLES & PLANT	2,547	2,053	2,758	(211)	494	0
PLANNING & DEVELOPMENT	75	650	9,829	(9,754)	(270)	(305)
CAPITAL CONTRIBUTIONS	96	893	96	0	(800)	3
SELF FUNDING PROJECTS	2,788	2,467	6,354	(3,566)	293	28
HOUSING (NON HRA)	1,417	2,038	1,518	(101)	(621)	0
<b>OVERALL TOTAL</b>	<b>44,685</b>	<b>54,199</b>	<b>76,559</b>	<b>(31,874)</b>	<b>(9,241)</b>	<b>(273)</b>

## MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2020 TO 31ST MARCH 2021

## SERVICE: GENERAL FUND

Project Description	Actual Net	2020/21	2020/21	2020/21	2020/21	2020/21
	Year to Date	Reprofiled Budget	Actual Expenditure	Actual Income	Acceleration / (Slippage)	Overspend / (Underspend)
	£000	£000	£000	£000	£000	£000
<b>COMMUNITY AND LEISURE FACILITIES</b>						
Community and Leisure Facilities	177	355	311	(134)	(178)	0
<b>SCHOOLS</b>						
<b>Secondary School Programme</b>						
Alness Academy	4,010	5,083	4,010	0	(1,073)	0
Charleston Academy	502	456	507	(5)	46	0
Culloden Academy	147	213	147	0	(66)	0
Inverness High School	3,335	2,089	3,335	0	1,246	0
Inverness Royal Academy	439	0	439	0	439	0
Wick Community Campus	261	0	314	(53)	261	0
Tain 3 to 18 Campus	575	500	575	0	75	0
Lochaber Flood Damage	1,710	1,000	1,710	0	710	0
Hub Legacy Projects	0	1,357	0	0	(1,357)	0
Covid Costs - Alness, Inverness High & Merkinch - all are referred to above	0	1,500	0	0	(1,500)	0
Legacy Projects	188	220	188	0	(32)	0
<b>Primary School Programme</b>						
Merkinch Primary	2,666	980	2,666	0	1,686	0
Milton of Leys Primary	30	116	30	0	(86)	0
Smithton Primary	98	(755)	98	0	853	0
Ness Castle Primary	316	619	316	0	(303)	0
Strontian Primary	3	43	3	0	(40)	0
Park Fire Reinstatement	452	966	452	0	(514)	0
Legacy Projects	765	0	765	0	765	0
<b>School Estate Management</b>						
Early Learning and Childcare	0	0	10,926	(10,926)	0	0
Free School Meals	124	250	124	0	(126)	0
Modular Units	223	275	223	0	(52)	0
School Estate Improvement Programme	2,010	4,405	2,010	0	(2,395)	0
Learning Estate Investment Programme	6	192	6	0	(186)	0
<b>HEALTH &amp; SOCIAL CARE PROGRAMME</b>						
Adult Services (NHS)	175	682	175	0	(507)	0
Children's Services/Out of Authority	1,548	878	1,548	0	670	0
<b>ICT</b>						
ICT Transformation	552	1,130	1,207	(655)	(578)	0
Digital Inclusion	0	0	1,104	(1,104)	0	0
<b>ROADS AND BRIDGES</b>						
<b>Structural Road Works</b>						
Road Structural Capital Works	2,249	4,550	2,546	(297)	(2,301)	0
Road Surface Dressing Capital	224	1,500	224	0	(1,276)	0
Bridges, Retaining Walls & Culverts	213	344	213	0	(131)	0
<b>Area Minor Capital Works</b>						
Timber Extraction	501	500	2,225	(1,724)	1	0
<b>Major Road Improvements</b>						
The Inverness West Link	4,961	5,258	5,340	(379)	(297)	0
Inshes Roundabout	9	50	74	(65)	(41)	0

Development Infrastructure, Dingwall	(23)	50	40	(63)	(73)	0
B851/B862 South Loch Ness Road Improvements	373	206	376	(3)	167	0
Stromeferry Rockface	65	50	65	0	15	0
<b>Minor Road Improvements</b>						
Crask Junction	8	5	8	0	0	3
Other Minor Schemes	8	10	8	0	0	(2)
<b>Major Bridge Works</b>						
B863 Invercoe Bridge, Lochaber	157	200	157	0	(43)	0
A862 Muir of Ord Railway Bridge	3	5	3	0	(2)	0
B9090 White Bridge	82	140	82	0	(58)	0
Dulsie Bridge	0	11	0	0	(11)	0
Naver Bridge	47	100	47	0	(53)	0
<b>Lifeline Bridges</b>						
B8007 Glenmore Bridge - Lifeline Bridges	26	20	26	0	6	0
A884 Acharn Bridge - Lifeline Bridges	0	0	0	0	0	0
A884 Achnagavin Bridge - Lifeline Bridges	0	0	0	0	0	0
A831 Comar Refurbishment - Lifeline Bridges	0	22	0	0	(22)	0
<b>ACTIVE TRAVEL</b>						
Car Parking - Portree	444	200	543	(99)	244	0
Car Parking - Fort Augustus	5	10	5	0	(5)	0
Car Parking - Storr	107	(69)	287	(180)	176	0
Car Parking - Inverness Lorry Park	15	10	15	0	5	0
Cycling, Walking & Safer Streets	28	0	929	(901)	28	0
20mph Zones	3	22	10	(7)	(19)	0
Traffic Management Improvements	173	130	173	0	43	0
Community Links PLUS	0	0	189	(189)	0	0
Bus Priority Rapid Development Fund	0	0	89	(89)	0	0
Spaces for People	8	0	1,188	(1,180)	8	0
<b>LIGHTING</b>						
Structural Lighting Works	783	1,500	783	0	(717)	0
<b>FLOOD PREVENTION</b>						
<b>Flood Prevention Schemes</b>						
River Ness Flood Prevention - Tidal Section (Incl Streetscaping)	11	10	11	0	1	0
Smithton / Culloden Flood Alleviation	498	700	501	(3)	(202)	0
<b>Major Flood Schemes</b>						
River Enrick FPW / NFMS	252	250	252	0	2	0
Caol FPW	534	450	536	(2)	84	0
Mill Burn FPS	0	0	0	0	0	0
Conon Bridge Flood Defence Improvements	53	100	53	0	(47)	0
River Gynack FPS / NFMS	18	20	18	0	(2)	0
River Peffery - FPS / NFMS	9	8	9	0	1	0
Golspie FPS / NFMS	1	0	1	0	1	0
River Nairn & Auldearn Burn FPS	0	30	0	0	(30)	0
Kirkhill Watercourse Diversion	0	1	0	0	(1)	0
Risk Management Plans	214	155	214	0	59	0
Flood Improvement Works Knockbain Burn, Dingwall	17	50	17	0	(33)	0
Scalesburn, Wick	1	0	1	0	1	0
Inverness SWMP/ICS	31	20	31	0	11	0
Newtonmore SWMP	6	15	6	0	(9)	0
Dingwall SWMP	15	15	15	0	0	0
Halkirk SWMP	9	15	9	0	(6)	0
Fort William SWMP	17	15	17	0	2	0
Corpach SWMP	8	15	8	0	(7)	0
<b>WASTE MANAGEMENT</b>						
<b>Landfill Extensions</b>						

<b>Landfill Restorations</b>						
Landfill Restoration Programme	155	78	155	0	77	0
<b>Waste Management Strategy</b>						
Residual Waste Management Facility	296	700	296	0	(404)	0
Plant, Infrastructure & Banks	213	304	213	0	(91)	0
<b>FERRIES AND HARBOURS</b>						
Uig Ferry Terminal and Link Span	413	643	413	0	(230)	0
Harbours General Structural Works	(9)	402	22	(31)	(411)	0
Corran Ferry	0	300	0	0	(300)	0
<b>COMMUNITY WORKS</b>						
<b>Burials and Cremations</b>						
Burial Ground Extension - General	0	1	0	0	(1)	0
Burial Ground Kilmorack	4	30	4	0	(26)	0
Burial Ground Glen Nevis	2	40	2	0	(38)	0
Burial Ground Dores	7	30	7	0	(23)	0
Burial Ground Kilvean	50	100	50	0	(50)	0
Burial Ground Alness	19	45	19	0	(26)	0
Burial Ground Dornoch	16	40	16	0	(24)	0
Burial Ground Chapelhill	3	0	3	0	3	0
Inverness Crematorium	1	1	1	0	0	0
War Memorials	0	12	0	0	(12)	0
<b>LEISURE FACILITIES</b>						
<b>Parks and Play Areas - Development</b>						
Inshes Park (Phases 1 to 3)	(26)	178	105	(131)	(204)	0
Play Areas	0	0	21	(21)	0	0
<b>STRATEGIC ASSET MANAGEMENT</b>						
Health & Safety	304	0	304	0	304	0
Engineering Compliance	431	750	431	0	(319)	0
Catering & FM Compliance	287	609	287	0	(322)	0
Property Structures and Fabric	464	500	464	0	(36)	0
Property Security	200	111	200	0	89	0
Water Management	186	307	186	0	(121)	0
Fire Safety	1,450	975	1,450	0	475	0
Asbestos Removal	30	21	30	0	9	0
Energy Management	668	500	668	0	168	0
Rose Street Car Park Solar PVs	2	15	3	(1)	(13)	0
Depots - Health & Safety	23	109	23	0	(86)	0
<b>Office Rationalisation</b>	98	50	98	0	48	0
<b>VEHICLES &amp; PLANT</b>						
Vehicle & Plant Purchases	2,547	2,053	2,758	(211)	494	0
<b>PLANNING &amp; DEVELOPMENT</b>						
<b>Town &amp; Countryside Regeneration</b>						
Storr Car Park	0	0	0	0	0	0
Nairn High Street	216	95	432	(216)	121	0
Fairy Pools (Glen Brittle)	38	50	38	0	(12)	0
Inverness Townscape Heritage	41	41	41	0	0	0
Approaching Inverness	(312)	0	4	(316)	0	(312)
Approaching Inverness	1	1	1	0	0	0
<b>Visitor Management</b>						
Storr Visitor Management	32	125	152	(120)	(93)	0
<b>Misc Assets, Bridges &amp; Structures</b>						
Assets, Bridges & Structures	3	10	20	(17)	(7)	0
Ellen Wood Footpath, Carrbridge	15	15	15	0	0	0
<b>Green Networks, Core Paths &amp; Long Distance Routes</b>						
Green Infrastructure	(1)	25	17	(18)	(26)	0
Long Distance Routes	1	5	1	0	(4)	0
<b>Other Grant Funded Schemes</b>						
Vacant & Derelict Land Fund and Regeneration Fund	0	0	2,477	(2,477)	0	0

Town Centre Fund	0	0	1,211	(1,211)	0	0
City Deal Projects	0	0	4,732	(4,732)	0	0
Electric Vehicle Infrastructure	0	0	647	(647)	0	0
Destination Development	0	0	0	0	0	0
Smart City - Digital Projects	1	250	1	0	(249)	0
Service Point Improvements	4	0	4	0	0	4
Capital Discretionary Fund	36	33	36	0	0	3
<b>CAPITAL CONTRIBUTIONS</b>						
Inverness Justice Centre	96	93	96	0	0	3
Inverness Castle	0	800	0	0	(800)	0
<b>SELF FUNDING PROJECTS</b>						
Longman Campus Site	16	50	16	0	(34)	0
Local Full Fibre Network	863	863	2,841	(1,978)	0	0
27 Harbour Road Acquisition, Inverness	585	557	585	0	0	28
LED Programme for Buildings - SALIX Funded	247	247	1,835	(1,588)	0	0
Solar PV	812	500	812	0	312	0
Whin Park Hydro	265	250	265	0	15	0
<b>HOUSING (NON HRA)</b>						
Private Sector Housing Grants	1,417	1,920	1,507	(90)	(503)	0
Travelling People Sites	0	118	11	(11)	(118)	0
<b>OVERALL TOTAL</b>	<b>44,685</b>	<b>54,199</b>	<b>76,559</b>	<b>(31,874)</b>	<b>(9,241)</b>	<b>(273)</b>



<b>Capital Expenditure Monitoring Report - HRA Summary</b>
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<b>1 April - 31st March 2021</b>
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**Housing Revenue Account**

Annual  
Budget  
£000

Year End  
Outturn  
£000

Year End  
Variance  
£000

Gross Expenditure Budget
--------------------------

60,236
--------

48,799
--------

(11,437)
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**Funding**

Sale of Council House Receipts
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64
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420
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356
-----

Government Grant Income
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20,017
--------

21,357
--------

1,340
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RHI Income
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0
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322
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322
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Sale of LIFT Properties
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0
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19
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19
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CFCR
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826
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0
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(826)
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Landbank Contribution
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3,180
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2,296
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(884)
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Borrowing
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36,149
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24,385
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(11,764)
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<b>Total HRA</b>
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<b>0</b>
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<b>0</b>
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<b>0</b>
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