

DETAILED DIRECTORATE REVENUE BUDGET FORECAST OUTTURN 2023/24 AS AT QUARTER ONE

Adult Social Care Summary								
	Original Net Budget Full Year	Current Net Budget Full Year	Forecast Outturn	Forecast Variance	Financial Recovery Plan	Forecast Outturn Variance	Forecast Outturn Variance as a % of Current Net Budget Full Year	Issues Ref. No.
	£m	£m	£m	£m	£m	£m	%	
				Adv/(Fav)		Adv/(Fav)	Adv/(Fav)	
Public Protection	0.652	0.652	0.568	(0.084)		(0.084)	(12.9)	1
Service Strategy	(13.121)	(14.995)	(14.169)	0.826		0.826	5.5	1
Prevention, Access & Provider Services	7.571	7.803	7.385	(0.418)		(0.418)	(5.4)	1,2
Specialist and Lifelong Learning	5.651	6.036	5.634	(0.402)		(0.402)	(6.7)	1
Purchased Care	49.055	50.312	53.363	3.051	(0.082)	2.969	5.9	3,4
Total Directorate	49.808	49.808	52.781	2.973	(0.082)	2.891	5.8	

KEY ISSUES

Ref No.	Major variances and movements	Forecast Variance (£m)	Reason
1	Staffing budget (across department)	(0.302)	Overall underspend on pay budgets across department due to vacancies, staff not at top of scale etc.
2	Homelessness Temporary accommodation	0.329	Increased use of hotels (at double cost) to provide temporary accommodation due to contracting issues, some mitigation utilising uncommitted homelessness grant (£0.098).
3	Purchased Care growth	0.922	Mainly residential care net growth in demand (£0.993m); Net increase of 20 placements since budget was set (142 new, 122 left/died)
4	Purchased Care growth	2.129	On-going full year effect of purchased care unbudgeted growth in demand between 2021-2023
	Other variances +/- £150,000	(0.105)	
		2.973	

Key risks (not included in forecast):

Additional purchased care growth during Quarters Two to Four has not been factored into the forecast outturn, mitigated by demand management measures identified in the Financial Recovery plan.

DETAILED DIRECTORATE REVENUE BUDGET FORECAST OUTTURN 2023/24 AS AT QUARTER ONE

Public Health Summary								
	Original Net Budget Full Year	Current Net Budget Full Year	Forecast Outturn	Forecast Variance	Financial Recovery Plan	Forecast Outturn Variance	Forecast Outturn Variance as a % of Current Net Budget Full Year	Issues Ref. No.
	£m	£m	£m	£m	£m	£m	%	
				Adv /(Fav)		Adv /(Fav)	Adv /(Fav)	
Sexual Health	1.041	1.041	1.041	0.000		0.000	0.0	
Obesity	0.136	0.136	0.135	(0.001)		(0.001)	(0.7)	
Smoking & Tobacco	0.239	0.239	0.219	(0.020)		(0.020)	(8.4)	
Early Intervention	3.462	3.462	3.462	0.000		0.000	0.0	
Dental Public Health	0.015	0.015	0.015	0.000		0.000	0.0	
Health Improvement Services	0.147	0.147	0.154	0.007		0.007	4.8	
Mental Health	0.185	0.185	0.185	0.000		0.000	0.0	
Substance Misuse	2.818	2.818	2.672	(0.146)		(0.146)	(5.2)	1
Health Protection Outbreak control	0.006	0.006	0.006	0.000		0.000	0.0	
Misc. Public Health	(11.364)	(11.364)	(11.687)	(0.323)		(0.323)	(2.8)	2
Headstart	0.035	0.035	0.035	0.000		0.000	0.0	
Transfer surplus to PH reserve	0.000	0.000	0.483	0.483		0.483		3
Total Directorate	(3.280)	(3.280)	(3.280)	0.000	0.000	0.000	0.0	

KEY ISSUES

<u>Ref No.</u>	<u>Major variances and movements</u>	<u>Forecast Variance (£m)</u>	<u>Reason</u>
1	Cost of Prescription drugs and Dispensing service	(0.200)	Reduction in the cost of prescription drugs and the dispensing service
2	Staffing budget (across department)	(0.358)	Pay underspends across department
3	Public Health Reserve	0.483	In accordance with the Public Health grant conditions, any underspend to be transferred into the Public Health reserve at the year end
	Other variances +/- £150,000	0.075	
		0.000	

Key risks (not included in forecast):

None identified

DETAILED DIRECTORATE REVENUE BUDGET FORECAST OUTTURN 2023/24 AS AT QUARTER ONE

Children's Care Summary								
	Original Net Budget Full Year	Current Net Budget Full Year	Forecast Outturn	Forecast Variance	Financial Recovery Plan	Forecast Outturn Variance	Forecast Outturn Variance as a % of Current Net Budget Full Year	Issues Ref. No.
	£m	£m	£m	£m	£m	£m	%	
				Adv/(Fav)		Adv/(Fav)	Adv/(Fav)	
Assessments & Safeguarding Care Planning (SCP)	9.618	9.567	8.613	(0.954)	0.000	(0.954)	(10.0)	1
Children Looked after (CLA), Corporate Parenting (CP) and Children with Disabilities (CwD)	3.792	3.792	3.518	(0.274)	(0.030)	(0.304)	(8.0)	1
Fostering, Adoption and Connected Carers	16.824	16.824	17.010	0.185	(0.050)	0.135	0.8	2
External Residential	10.309	10.309	14.124	3.814	(0.410)	3.404	33.0	3
Internal Residential	3.793	3.793	4.691	0.899	(0.150)	0.749	19.7	4
Other Services	6.287	6.338	5.937	(0.401)	(0.075)	(0.476)	(7.5)	1
Management, Business Development & Admin	4.026	4.026	4.405	0.379	0.000	0.379	9.4	5
Total Directorate	54.649	54.649	58.298	3.649	(0.715)	2.934	5.4	

KEY ISSUES

<u>Ref. No.</u>	<u>Major variances and movements</u>	<u>Forecast Variance (£m)</u>	<u>Reason</u>
1	Vacant Posts	(1.629)	Posts held vacant across service - Assessments & Safeguarding due to reductions in Assessments and Children in Need numbers (£0.954m) / Corporate Parenting (£0.274m) & Other Services - resource teams (£0.401m)
2	Fostering & Adoption	0.185	Increases in external fostering placements rather than internal
3	External Residential	3.814	Increase in External Residential numbers and extremely high costs for some placements due to market sufficiency and reduction in Education contributions
4	Internal Residential	0.899	Forecast overspend mainly due to £0.7m savings target set in budget and agency staff required
5	Management	0.379	Agency staff in Management in Children's Care
		<u>3.649</u>	

Key risks (not included in forecast):

Further demand and cost increases.

DETAILED DIRECTORATE REVENUE BUDGET FORECAST OUTTURN 2023/24 AS AT QUARTER ONE

Education & Partnerships Summary								
	Original Net Budget Full Year	Current Net Budget Full Year	Forecast Outturn	Forecast Variance	Financial Recovery Plan	Forecast Outturn Variance	Forecast Outturn Variance as a % of Current Net Budget Full Year	Issues Ref. No.
	£m	£m	£m	£m	£m	£m	%	
				Adv/(Fav)		Adv/(Fav)	Adv/(Fav)	
Management Budgets	0.482	0.482	0.482	0.000		0.000	0.0	
Central & Schools DSG Funded Budget	(0.858)	(0.858)	(0.858)	0.000		0.000	0.0	
Achievement	0.098	0.098	0.098	0.000		0.000	0.0	
Special Education Needs (SEN) & Vulnerable Learners	0.896	0.896	0.960	0.064		0.064	7.2	1
Access to Education	0.112	0.112	0.109	(0.002)		(0.002)	(1.9)	
Integrated Transport Unit (ITU)	3.707	3.707	5.124	1.417	(0.128)	1.289	34.8	2
Partnerships	1.057	1.057	1.097	0.040		0.040	3.8	
Total Directorate	5.494	5.494	7.013	1.519	(0.128)	1.391	25.3	

KEY ISSUES

<u>Ref. No.</u>	<u>Major variances and movements</u>	<u>Forecast Variance (£m)</u>	<u>Reason</u>
1	Special Education Needs (SEN)	0.064	Education Psychology agency and demand requirements
2	Integrated Transport Unit	1.417	Contract costs increasing post COVID along with continued increased demand levels continues to impact on service area ability to remain within budget to deliver on statutory responsibilities.
	Other variances +/- £150,000	0.038	
		<u>1.519</u>	

Key risks (not included in forecast):

Further demand and cost increases in Integrated Transport Unit (ITU).

DETAILED DIRECTORATE REVENUE BUDGET FORECAST OUTTURN 2023/24 AS AT QUARTER ONE

Regeneration Summary								
	Original Net Budget Full Year	Current Net Budget Full Year	Forecast Outturn	Forecast Variance	Financial Recovery Plan	Forecast Outturn Variance	Forecast Outturn Variance as a % of Current Net Budget Full Year	Issues Ref. No.
	£m	£m	£m	£m	£m	£m	%	
				Adv / (Fav)		Adv / (Fav)	Adv / (Fav)	
Economic Development	(0.007)	(0.007)	(0.058)	(0.051)	(0.100)	(0.151)	(2,157.1)	
Housing Regeneration	(1.102)	(1.102)	(1.102)	0.000		0.000	0.0	
Valuation & Estates	(4.848)	(4.848)	(5.166)	(0.318)		(0.318)	(6.6)	
Director of Regeneration	0.597	0.597	0.573	(0.024)		(0.024)	(4.0)	
Cultural Services	1.117	1.117	1.168	0.051		0.051	4.6	
Planning Services	0.275	0.275	0.395	0.120		0.120	43.6	
Highways & Transport	2.535	2.535	2.622	0.087	(0.092)	(0.005)	(0.2)	1
Community Learning	(0.554)	(0.554)	(0.427)	0.127		0.127	22.9	2
Total Directorate	(1.987)	(1.987)	(1.995)	(0.008)	(0.192)	(0.200)	(10.1)	

KEY ISSUES

<u>Ref No.</u>	<u>Major variances and movements</u>	<u>Forecast Variance (£m)</u>	<u>Reason</u>
1	Car parking income	0.087	Parking income budgets are forecast to underachieve by £0.092m. Any shortfall will be provided by the car parking reserve at year end.
2	Community Learning Service - Insufficient grant availability	0.127	The Community Learning service does not get supported by the MTFP so has to self fund inflation and pay awards. This is now unachievable as the grant that they receive has not increased in value.
	Other variances +/- £150,000	(0.222)	
		<u>(0.008)</u>	

Key risks (not included in forecast):

The Directorate has significant income budgets which are for rent of the shopping precincts, Centre Square buildings, Teesside Advanced Manufacturing Park and other commercial venues. Should tenancy business failure occur this will have a negative impact on income projections.

DETAILED DIRECTORATE REVENUE BUDGET FORECAST OUTTURN 2023/24 AS AT QUARTER ONE

Environment & Community Services Summary								
	Original Net Budget Full Year	Current Net Budget Full Year	Forecast Outturn	Forecast Variance	Financial Recovery Plan	Forecast Outturn Variance	Forecast Outturn Variance as a % of Current Net Budget Full Year	Issues Ref. No.
	£m	£m	£m	£m	£m	£m	%	
				Adv /(Fav)		Adv /(Fav)	Adv /(Fav)	
Strategic Asset Management	5.271	5.081	5.081	0.000		0.000	0.0	
Property & Commercial	(0.926)	(0.936)	(0.728)	0.208	(0.188)	0.020	2.1	1
Environment Services	13.226	13.426	13.974	0.548	(0.330)	0.218	1.6	2
EPCS General	0.251	0.251	0.201	(0.050)		(0.050)	(19.9)	3
Supporting Communities	2.406	2.406	2.839	0.433	(0.683)	(0.250)	(10.4)	4
Total Directorate	20.228	20.228	21.367	1.139	(1.201)	(0.062)	(0.3)	

KEY ISSUES

<u>Ref No.</u>	<u>Major variances and movements</u>	<u>Forecast Variance (£m)</u>	<u>Reason</u>
1	Bereavement Services	0.145	Increased costs associated with burials, and income below budget due to other local authority crematoriums in area
2	Waste Disposal	0.664	Increase in price per tonnage and demand
3	General	(0.258)	Additional grant received towards Highways Carriageway works
4	Warden Service	0.433	Pressure on Warden Service due to unachieved MTFP saving
	Other variances +/- £150,000	0.155	
		1.139	

Key risks (not included in forecast):

Further inflationary increases in food, fuel and energy.

DETAILED DIRECTORATE REVENUE BUDGET FORECAST OUTTURN 2023/24 AS AT QUARTER ONE

Legal & Governance Services Summary								
	Original Net Budget Full Year	Current Net Budget Full Year	Forecast Outturn	Forecast Variance	Financial Recovery Plan	Forecast Outturn Variance	Forecast Outturn Variance as a % of Current Net Budget Full Year	Issues Ref. No.
	£m	£m	£m	£m	£m	£m	%	
				Adv /(Fav)		Adv /(Fav)	Adv /(Fav)	
Legal Services	2.012	2.012	2.186	0.174		0.174	8.7	1
Democratic Services	2.013	2.013	2.089	0.076		0.076	3.8	
Human Resources	1.560	1.560	1.550	(0.010)		(0.010)	(0.6)	
Governance, Policy & Information	2.184	2.184	2.305	0.121	(0.129)	(0.008)	(0.4)	2
ICT	2.473	2.473	2.473	0.000		0.000	0.0	
Director of LGS	0.004	0.004	0.016	0.012		0.012	344.4	
Total Directorate	10.245	10.245	10.619	0.374	(0.129)	0.245	2.4	

KEY ISSUES

<u>Ref No.</u>	<u>Major variances and movements</u>	<u>Forecast Variance (£m)</u>	<u>Reason</u>
1	Legal Services	0.160	High cost children's court cases resulting in use of Kings Counsel
2	Governance, Policy & Information	0.166	Increased inflation costs from Xerox for printing and cost of Hybrid mail
	Other variances +/- £150,000	0.048	
		0.374	

Key risks (not included in forecast):

Increase in the number of complex Legal Childcare court cases.

DETAILED DIRECTORATE REVENUE BUDGET FORECAST OUTTURN 2023/24 AS AT QUARTER ONE

Finance Summary								
	Original Net Budget Full Year	Current Net Budget Full Year	Forecast Outturn	Forecast Variance	Financial Recovery Plan	Forecast Outturn Variance	Forecast Outturn Variance as a % of Current Net Budget Full Year	Issues Ref. No.
	£m	£m	£m	£m	£m	£m	%	
				Adv /(Fav)		Adv /(Fav)	Adv /(Fav)	
Chief Executive	0.234	0.234	0.234	0.000		0.000	0.0	
Director of Finance	0.127	0.127	0.127	0.000		0.000	0.0	
Financial Planning & Support	0.686	0.686	0.686	0.000		0.000	0.0	
Recharges to Grants & External Bodies	(1.831)	(1.831)	(1.831)	0.000		0.000	0.0	
Finance & Investment (excluding external audit fees)	2.213	2.213	2.213	0.000		0.000	0.0	
External Audit Fees	0.182	0.182	0.382	0.200		0.200	109.9	1
Pensions Governance & Investments	0.534	0.534	0.534	0.000		0.000	0.0	
Resident & Business Support - Operational / Non-Housing Benefits Subsidy	0.100	0.100	0.388	0.288	(0.110)	0.178	178.0	2
Resident & Business Support - Housing Benefits Subsidy	0.850	0.850	1.127	0.277		0.277	32.6	3
Strategic Commissioning & Procurement	1.335	1.335	1.237	(0.098)		(0.098)	(7.3)	
Total Directorate	4.430	4.429	5.096	0.667	(0.110)	0.557	12.6	

KEY ISSUES

<u>Ref. No.</u>	<u>Major variances and movements</u>	<u>Forecast Variance (£m)</u>	<u>Reason</u>
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|---|--|-------|--|
| 1 | External Audit Fees | 0.200 | Higher than budgeted external audit fees arising from the additional work undertaken by the External Auditor in relation to the audit of the statutory accounts and in addressing governance issues associated with the Council's Best Value and governance failures. Also due to national issues in increased work required for audits and limited capacity in the audit market. |
| 2 | Resident & Business Support - Operational / Non-Housing Benefits Subsidy | 0.288 | Pressure due to income shortfalls against budget, including court costs, where as a result of improved collection, less cases taken to court and therefore less court costs income generated. Also pressures on staffing costs due to reduction in level of New Burdens Funding provided by the government, which was previously funding additional staffing resource. |
| 3 | Resident & Business Support - Housing Benefits Subsidy | 0.277 | Pressure due to the increase in homelessness cases and the cost of temporary accommodation, due to insufficient level of suitable available temporary accommodation, and Housing Benefit Subsidy not covering full costs. (A number of local authorities are experiencing a shortfall in subsidy brought about by homelessness and temporary accommodation). A cross cutting review across all service areas involved in providing this service is underway to understand current activities and future needs and to identify more cost effective solutions to meeting the needs of homeless households. |

Other variances +/- £150,000

0.667

Key risks (not included in forecast):

Further increases in homelessness costs and external audit fees

DETAILED DIRECTORATE REVENUE BUDGET FORECAST OUTTURN 2023/24 AS AT QUARTER ONE

Central Budgets Summary								
	Original Net Budget Full Year	Current Net Budget Full Year	Forecast Outturn	Forecast Variance	Financial Recovery Plan	Forecast Outturn Variance	Forecast Outturn Variance as a % of Current Net Budget Full Year	Issues Ref. No.
	£m	£m	£m	£m	£m	£m	%	
				Adv /(Fav)		Adv /(Fav)	Adv /(Fav)	
General Fund	(0.261)	(0.261)	(0.261)	0.000		0.000	0.0	
Capital Financing	9.276	9.276	9.076	(0.200)		(0.200)	(2.2)	1
Added Years Pensions	1.216	1.216	1.216	0.000		0.000	0.0	
Change Fund	0.730	0.730	0.730	0.000		0.000	0.0	
Pay & Prices Contingencies	5.217	5.217	6.668	1.451		1.451	27.8	2
Centrally Held Grants	(27.796)	(27.796)	(27.796)	0.000		0.000	0.0	
Senior Management Review	0.086	0.086	0.086	0.000		0.000	0.0	
Flexible Use of Capital Receipts	(3.000)	(3.000)	(3.000)	0.000		0.000	0.0	3
Contingency for Future Uncertainty	1.300	1.300	1.300	0.000		0.000	0.0	
Total Directorate	(13.232)	(13.232)	(11.981)	1.251	0.000	1.251	9.5	

KEY ISSUES

<u>Ref. No.</u>	<u>Major variances and movements</u>	<u>Forecast Variance (£m)</u>	<u>Reason</u>
1	Capital Financing	(0.200)	Net increase in investment income due to more favourable interest rates than anticipated
2	Pay & Prices Contingencies	1.451	Projected overspend relates to the forecast excess of expected national pay award over budget provision made for this. The pay award is not yet agreed and this remains subject to national pay negotiations. It is proposed that this pressure is passed to Directorates and will be met through the vacancy control process.
3	Flexible Use of Capital Receipts	0	This is based on the Strategy included within the budget report for 23/24 to Council in February 2023. Capital receipts are being closely monitored as part of the Capital Programme along with the transformational expenditure. A review is currently taking place of this and updates will be provided in future budget monitoring reports and any changes to the planned Strategy will be subject to approval by Council and will be reported to DHLUC.

1.251
Key risks (not included in forecast):

2023/24 Pay Award not yet agreed - therefore overspend could be higher