

Appendix 1 - Detailed Directorate Revenue Budget Forecast Outturn 2023/24 as at Quarter Two

Adult Social Care Summary

	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Movement from Q1 (Forecast Variance before Financial Recovery Plan)	Financial Recovery Plan	Forecast Outturn Variance (if Financial Recovery Plans assured)	Issues Ref. No.
	£m	£m	£m	£m	£m	£m	£m	
				Adv/(Fav)	Adv/(Fav)		Adv/(Fav)	
Public Protection	0.652	0.652	0.565	(0.087)	(0.002)		(0.087)	
Service Strategy	(5.779)	(6.837)	(6.947)	(0.110)	(1.018)		(0.110)	
Prevention, Provider & Support Services	(5.074)	(5.269)	(5.586)	(0.317)	0.080		(0.317)	1
Access & Safeguarding Services	5.857	6.109	6.152	0.043	0.257		0.043	2,3
Specialist and Lifelong Learning	3.386	3.129	3.073	(0.056)	0.154		(0.056)	
Purchased Care : Residential	22.479	25.115	25.951	0.836	(0.118)	(0.066)	0.770	4
Purchased Care : Direct Payments	7.172	7.720	7.724	0.004	0.041		0.004	
Purchased Care : Supported Tenancies	9.085	10.074	10.046	(0.028)	0.054		(0.028)	
Purchased Care : Enablement & Support	3.164	3.595	4.021	0.426	0.355		0.426	5
Purchased Care : Day Care	1.476	1.591	1.651	0.060	0.003		0.060	
Purchased Care : Personal Care	9.024	9.922	10.030	0.108	0.149	(0.073)	0.035	
Purchased Care : Other (incl Prior years Growth/Inflation allocation)	(1.634)	(6.151)	(5.354)	0.797	(1.249)	(0.080)	0.717	6
Total Directorate	49.808	49.649	51.325	1.676	(1.297)	(0.219)	1.457	

KEY ISSUES

Ref. No.	Service Area	Forecast Variance £m	Reason
1	Prevention, Provider & Support Services	(0.317)	Underspend on pay costs £(0.214)m due to vacancies and a combination of underspend in running costs and additional income from Health £(0.140)m.
2	Access & Safeguarding Services	(0.327)	Underspend on pay costs £(0.310)m in the main due to vacancies
3	Access & Safeguarding Services: Temporary Accommodation	0.370	Increased use of hotels to provide temporary accommodation, £0.567m partially offset by utilisation of homelessness grant, £(0.197)m
4	Purchased Care : Residential	0.836	Increased Residential care costs, £1.063m, a net increase of 29 placements; is partially offset by additional income receivable from service users and Health
5	Purchased Care: Enablement & Support	0.426	Overspend is driven by a net increase of 27 care packages, £0.455m, partially offset by additional health income receivable
6	Purchased Care: Other	0.797	Increased income from service user community care packages £(0.112)m, offset by higher costs driven from a net increase in demand, £0.909m
	Other variances +/- £150,000	(0.109)	
		<u>1.676</u>	

Key risks (not included in forecast):

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

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Public Health Summary

	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Movement from Q1 (Forecast Variance before Financial Recovery Plan)	Financial Recovery Plan	Forecast Outturn Variance (if Financial Recovery Plans assured)	Issues Ref. No.
	£m	£m	£m	£m	£m	£m	£m	
				Adv /(Fav)	Adv /(Fav)		Adv /(Fav)	
Substance Misuse	3.855	3.855	3.547	(0.308)	0.000	0.000	(0.308)	1
Misc Public Health	(12.163)	(12.163)	(12.233)	(0.070)	0.000	0.000	(0.070)	2
Best Start In Life	3.279	3.279	3.279	0.000	0.000	0.000	0.000	
Health Protection	1.091	1.091	1.108	0.017	0.000	0.000	0.017	
Healthy Environments	0.144	0.144	0.144	0.000	0.001	0.000	0.000	
Ill Health Prevention	0.377	0.377	0.373	(0.004)	0.000	0.000	(0.004)	
Public Mental Health	0.137	0.137	0.131	(0.006)	0.000	0.000	(0.006)	
Transfer surplus to PH reserve	0.000	0.000	0.371	0.371	(0.001)	0.000	0.371	3
Total Directorate	(3.280)	(3.280)	(3.280)	0.000	0.000	0.000	0.000	

KEY ISSUES

Ref. No.	Service Area	Forecast Variance £m	Reason
1	Substance Misuse	(0.308)	A reduction in pay costs has arisen from delayed recruitment to vacant posts and a lower level of prescribing costs.
2	Misc Public Health	(0.070)	An underspend, £(0.070)m relates to lower pay costs arising from delayed recruitment to vacant posts
3	PH Reserve	0.371	It is proposed to transfer any underspend to an Public Health earmarked reserve, per the grant guidance/conditions
	Other variances +/- £150,000	0.007	
		0.000	

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Children's Care Summary

Children's Care	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Movement from Q1 (Forecast Variance before Financial Recovery Plan)	Financial Recovery Plan	Forecast Outturn Variance (if Financial Recovery Plans assured)	Issues Ref. No.
	£m	£m	£m	£m	£m	£m	£m	
				Adv / (Fav)	Adv / (Fav)		Adv / (Fav)	
Assessments & Safeguarding Care Planning	9.618	9.623	8.129	(1.494)	(0.539)	0.000	(1.494)	1
Children Looked after, Corporate Parenting and Children with Disabilities	3.792	3.823	3.467	(0.356)	(0.082)	0.000	(0.356)	2
Fostering, Adoption and Connected Carers	16.824	16.780	17.550	0.770	0.584	0.000	0.770	3
External Residential	10.309	10.241	13.634	3.393	(0.421)	(0.400)	2.994	4
Internal Residential services	3.793	3.837	5.310	1.473	0.574	0.000	1.473	5
Other Services	6.287	6.165	5.366	(0.798)	(0.398)	0.000	(0.798)	6
Management, Business Development & Admin	4.026	4.182	4.366	0.184	(0.194)	(0.050)	0.134	7
Total Directorate	54.649	54.650	57.822	3.172	(0.476)	(0.450)	2.723	

KEY ISSUES

Ref. No.	Service Area	Forecast Variance	Reason
1	Assessments & Safeguarding Care Planning	(1.494)	£1.494m a reduction in Assessments and Child in Need numbers has resulted in savings from Pay costs as vacant posts are held and S17 and team costs reduce.
2	Children Looked after, Corporate Parenting and Children with Disabilities	(0.356)	£(0.356)m underspend on Pay costs is due to vacant posts across the service along with reduced running costs
3	Fostering, Adoption and Connected Carers	0.770	An increase in placements and projected Inter-agency adoption fees will result in an overspend, £0.770m
4	External Residential	3.393	An overspend, £3.393m, is a result of increasing external residential numbers due to market sufficiency and lower Education contributions
5	Internal Residential services	1.473	An overspend, £1.473m, is due to increased agency costs partially due to a delay in delivery of a saving initiative to increase in-house residential capacity
6	Other Services	(0.798)	An underspend on pay costs, £(0.798)m, is due to vacant posts held across resource teams.
7	Management, Business Development	0.184	£0.184m overspend is forecast due to increased staffing costs
		<u>3.172</u>	

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Education & Partnerships Summary

	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Movement from Q1 (Forecast Variance before Financial Recovery Plan)	Financial Recovery Plan	Forecast Outturn Variance (if Financial Recovery Plans assured)	Issues Ref. No.
	£m	£m	£m	£m	£m	£m	£m	
				Adv /(Fav)	Adv /(Fav)		Adv /(Fav)	
Management Budgets	0.414	0.307	0.307	0.000	0.000		0.000	
Central & Schools DSG Funded Budget	(0.858)	(0.858)	(0.858)	(0.000)	0.000		(0.000)	
Achievement	0.704	0.704	0.704	0.000	0.000		0.000	
SEN & Vulnerable Learners	0.899	0.899	0.899	0.000	(0.064)		0.000	
Access to Education (Excl ITU)	0.109	0.109	0.126	0.017	0.019	(0.017)	(0.000)	
Integrated Transport Unit	3.707	3.707	5.587	1.879	0.463	(0.400)	1.479	1
Partnerships	0.517	0.517	0.564	0.047	0.007	(0.047)	(0.000)	
Total Directorate	5.494	5.387	7.330	1.943	0.425	(0.464)	1.479	

Excluded from Council outturn

DSG - High Needs block	30.266	30.008	33.239	3.231
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KEY ISSUES

Ref. No.	Service Area	Forecast Variance	Reason
1	Integrated Transport Unit	1.879	An overspend is forecast within the Integrated Transport Unit as a result of increased demand for home to school combined with higher prices to supply services. Efforts continue to address through mitigations.
	Other variances +/- £150,000	0.063	
		<u>1.943</u>	

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Regeneration Summary

	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Movement from Q1 (Forecast Variance before Financial Recovery Plan)	Financial Recovery Plan	Forecast Outturn Variance (if Financial Recovery Plans assured)	Issues Ref. No.
	£m	£m	£m	£m	£m	£m	£m	
				Adv /(Fav)	Adv /(Fav)		Adv /(Fav)	
Director Of Regeneration	0.132	0.132	0.132	0.000	0.000	0.000	0.000	
Economic Growth	0.090	0.090	(0.053)	(0.143)	(0.111)	0.000	(0.143)	1
Regeneration Development	(1.349)	(1.349)	(1.378)	(0.029)	(0.009)	0.000	(0.029)	
Planning Services	0.275	0.275	0.391	0.116	(0.005)	0.000	0.116	2
Property Services		5.502	5.496	(0.006)	0.061	0.000	(0.006)	
Highways & Transport	2.535	0.000	0.000	0.000	0.000	0.000	0.000	
Commercial	(4.698)	(4.692)	(5.021)	(0.329)	(0.012)	0.000	(0.329)	3
Cultural Services	1.117	1.117	1.026	(0.091)	(0.141)	0.000	(0.091)	4
Marketing & Comms	0.465	0.465	0.423	(0.042)	(0.018)	0.000	(0.042)	
Community Learning	(0.554)	(0.554)	(0.426)	0.128	0.001	0.000	0.128	5
Total Directorate	(1.987)	0.986	0.590	(0.396)	(0.234)	0.000	(0.396)	

KEY ISSUES

Ref. No.	Service Area	Forecast Variance	Reason
1	Economic Growth	(0.143)	On 4 October 2023, Executive approved the "Review of Town Centre and Community Safety Funding" report. The report agreed one year's grant funding for two posts within the service, resulting in cost recovery on pay costs.
2	Planning Services	0.116	A major housing application previously anticipated to be received in-year is no longer expected to be submitted resulting in an overspend, £0.086m for Development Control services
3	Commercial	(0.329)	An favourable income forecast is due to The Cleveland Centre, £(0.406)m which is partially offset by additional costs incurred by The Captain Cook Shopping Precinct where one of the major tenants has gone into administration.
4	Cultural Services	(0.091)	An net underspend is due to an increase in ticket sales for Town Hall and Theatre performances and receipt of grants
5	Community Learning	0.128	An overspend, £0.128m is due to Adult Education increased pay costs which are not recovered from grant funding
	Other variances +/- £150,000	(0.077)	
		<u>(0.396)</u>	

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Environment & Community Summary

	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Movement from Q1 (Forecast Variance before Financial Recovery Plan)	Financial Recovery Plan	Forecast Outturn Variance (if Financial Recovery Plans assured)	Issues Ref. No.
	£m	£m	£m	£m	£m	£m	£m	
				Adv /(Fav)	Adv /(Fav)		Adv /(Fav)	
Strategic Asset Management	5.271	0.105	0.136	0.031	(0.009)	0.000	0.031	
Property & Commercial	(0.926)	(1.261)	(0.887)	0.374	0.139	(0.074)	0.300	1
Environment Services	13.226	15.797	16.515	0.718	0.083	(0.091)	0.627	2
EPCS General	0.251	0.321	0.271	(0.050)	0.000		(0.050)	
Supporting Communities	2.406	2.406	2.070	(0.336)	(0.769)		(0.336)	3
Total Directorate	20.228	17.368	18.105	0.737	(0.556)	(0.165)	0.572	

KEY ISSUES

Ref. No.	Service Area	Forecast Variance	Reason
1	Property & Commercial	0.509	Bereavement Services overspend is due to £0.299m, income shortfall largely due to a reduction in the number of Cremations, coupled with an increase in operational costs, £0.210m
1	Property & Commercial	(0.140)	Increase in Universal Free School Meal funding income
2	Environment Services	1.017	an overspend on Waste Disposal services is due to an increase in Tonnage price, additional plant shutdown costs and waste management fee rises
2	Environment Services	0.150	An overspend on Agency costs for fleet fitters due to recruitment issues and an increase in vehicle hire costs whilst waste and area care vehicles await repair
2	Environment Services	(0.253)	Additional grant funding received towards Pothole Repairs
2	Environment Services	(0.218)	An favourable forecast due to Street Lighting engineers recovered to the capital scheme for column replacement works
3	Supported Communities	(0.379)	Community Safety Wardens saving, awaiting Exec approval for 1 year funding from grant.
	Other variances +/- £150,000	0.051	
		0.737	

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Legal & Governance Summary

	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Movement from Q1 (Forecast Variance before Financial Recovery Plan)	Financial Recovery Plan	Forecast Outturn Variance (if Financial Recovery Plans assured)	Issues Ref. No.
	£m	£m	£m	£m	£m	£m	£m	
				Adv /(Fav)	Adv /(Fav)		Adv /(Fav)	
Legal Services	2.012	1.956	2.048	0.092	(0.082)		0.092	1
Democratic Services	1.649	1.649	1.615	(0.034)	0.004		(0.034)	
Human Resources	1.560	1.559	1.480	(0.079)	(0.069)		(0.079)	
Governance, Policy & Information	2.184	2.262	2.232	(0.030)	(0.151)		(0.030)	
ICT	2.473	2.473	2.393	(0.080)	(0.080)		(0.080)	2
Coroner's Service	0.364	0.364	0.494	0.130	0.008		0.130	3
Director of LGS	0.003	0.041	0.046	0.005	0.000		0.005	
Total Directorate	10.245	10.304	10.308	0.004	(0.370)	0.000	0.004	

KEY ISSUES

Ref. No.	Service Area	Forecast Variance	Reason
1	Legal Services	0.092	Increase in External Counsel costs employed for Childcare cases, noting difficulties in recruiting internally to support cases
2	ICT	(0.080)	Underspend is due to pay costs driven from vacant posts
3	Coroner's Service	0.130	Overspend is due to outstanding charges from Health Authority to Coroner, some of which relate to 2022/23.
	Other variances +/- £150,000	(0.138)	The majority of underspend is due to pay costs driven from vacant posts and lower spend on member allowances (for Democratic Services, Human Resources and Governance, Policy & Information)
		<u>0.004</u>	

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Chief Executive Summary

Finance	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Movement from Q1 (Forecast Variance before Financial Recovery Plan)	Financial Recovery Plan	Forecast Outturn Variance (if Financial Recovery Plans assured)	Issues Ref. No.
	£m	£m	£m	£m	£m	£m	£m	
				Adv /(Fav)	Adv /(Fav)		Adv /(Fav)	
Chief Executive*	0.000	0.234	0.222	(0.012)	(0.012)		(0.012)	1
Total Directorate	0.000	0.234	0.222	(0.012)	(0.012)	0.000	(0.012)	

KEY ISSUES

<u>Ref. No.</u>	<u>Service Area</u>	<u>Forecast Variance (£)</u>	<u>Reason</u>
1	Chief Executive	(0.012)	Small saving due to annual leave taken
		<u>(0.012)</u>	

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Finance Summary								
	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Movement from Q1 (Forecast Variance before Financial Recovery Plan)	Financial Recovery Plan	Forecast Outturn Variance (if Financial Recovery Plans assured)	Issues Ref. No.
	£m	£m	£m	£m	£m	£m	£m	
				Adv /(Fav)	Adv /(Fav)		Adv /(Fav)	
Chief Executive*	0.234	0.000	0.000	0.000	0.000		0.000	
Director of Finance	0.127	0.257	0.257	0.000	0.000		0.000	
Financial Planning & Support	0.686	0.808	0.808	0.000	0.000		0.000	
Central Support Services & Overheads to Grants	(1.831)	(1.831)	(1.831)	0.000	0.000		0.000	
Finance & Investments	2.395	2.369	2.369	0.000	0.000		0.000	
Pensions Governance & Investments	0.534	0.534	0.534	0.000	0.000		0.000	
Resident & Business Support - Operational / Non-Housing Benefits Subsidy	0.100	0.100	(0.427)	(0.527)	(0.815)		(0.527)	1
Resident & Business Support - Housing Benefits Subsidy	0.850	0.850	1.327	0.477	0.200		0.477	2
Strategic Commissioning & Procurement	1.335	1.549	1.451	(0.098)	0.000		(0.098)	
Total Directorate	4.429	4.635	4.488	(0.147)	(0.614)	0.000	(0.147)	

KEY ISSUES

Ref. No.	Service Area	Forecast Variance (£)	Reason
1	Resident & Business Support - Operational / Non-Housing Benefits Subsidy	(0.527)	Underspend of £(0.527)m is due to review and revision of bad debt provision calculation, partially offset by a shortfall from court costs income and increased staffing costs previously grant funded
2	Resident & Business Support - Housing Benefits Subsidy	0.477	An overspend, £0.477m is due to an increase in the number of homelessness cases coupled with an increase in the cost of temporary accommodation and the resulting Housing Benefit Subsidy not covering these full costs.
	Other variances +/- £150,000	(0.098)	
		<u>(0.147)</u>	

Key risks (not included in forecast)

Further increases in homelessness costs

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Central Summary

	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Movement from Q1 (Forecast Variance before Financial Recovery Plan)	Financial Recovery Plan	Forecast Outturn Variance (if Financial Recovery Plans assured)	Issues Ref. No.
	£m	£m	£m	£m	£m	£m	£m	
				Adv /(Fav)	Adv /(Fav)		Adv /(Fav)	
General Fund	(0.261)	(0.261)	(0.261)	0.000	0.000		0.000	
Capital Financing	9.276	9.276	9.286	0.010	0.210		0.010	1
Added Years Pensions	1.216	1.216	1.183	(0.033)	(0.033)		(0.033)	
Change Fund	0.730	0.730	0.730	0.000	0.000		0.000	
Pay & Prices Contingencies	5.217	5.217	6.668	1.451	0.000		1.451	2
Centrally Held Grants	(27.796)	(27.796)	(27.796)	0.000	0.000		0.000	
Corporate Governance	0.000	0.023	0.023	0.000	0.000		0.000	
Senior Management Review	0.086	0.049	0.000	(0.049)	(0.049)		(0.049)	
Flexible Use of Capital Receipts	(3.000)	(3.000)	(3.000)	0.000	0.000		0.000	
Contingency for Future Uncertainty	1.300	0.786	0.786	0.000	0.000		0.000	
Supplier Incentive Payments Rebates	0.000	0.000	0.000	0.000	0.000		0.000	
External Audit **	0.000	0.182	0.382	0.200	0.000		0.200	3
Total Directorate	(13.232)	(13.579)	(12.000)	1.579	0.128	0.000	1.579	

KEY ISSUES

Ref. No.	Service Area	Forecast Variance (£m)	Reason
1	Capital Financing	0.010	Swing in variance since Q1 due to requirement to restructure debt at higher interest cost due to LOBO loans called in
2	Pay & Prices Contingencies	1.451	Projected overspend relates to the additional costs expected for the national pay award over budget provision. 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	External Audit	0.200	Overspend is due to higher 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.
	Other variances +/- £150,000	(0.082)	
		<u>1.579</u>	

Key risks (not included in forecast)

Further increase in external audit fees / 2023/24 pay award not yet agreed