

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

Adult Social Care Summary						
	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Movement from Q2 (Forecast Variance)	Issues Ref. No.
	£m	£m	£m	£m	£m	
				Adv/(Fav)	Adv/(Fav)	
Public Protection	0.652	0.000	0.000	0.000	0.000	
Service Strategy	(5.779)	(7.900)	(7.770)	0.130	0.240	
Prevention, Provider & Support Services	(5.074)	(4.956)	(5.523)	(0.567)	(0.250)	1
Access & Safeguarding Services	5.857	6.437	6.085	(0.352)	(0.395)	2,3
Specialist and Lifelong Learning	3.386	3.301	3.197	(0.104)	(0.048)	
Purchased Care : Residential	22.479	25.658	26.332	0.674	(0.162)	4
Purchased Care : Direct Payments	7.172	7.780	7.784	0.004	0.000	
Purchased Care : Supported Tenancies	9.085	10.071	10.018	(0.053)	(0.025)	
Purchased Care : Enablement & Support	3.164	3.597	4.060	0.463	0.037	5
Purchased Care : Day Care	1.476	1.600	1.650	0.050	(0.010)	
Purchased Care : Personal Care	9.024	9.922	10.539	0.617	0.509	6
Purchased Care : Other (incl Prior years Growth/Inflation allocation)	(1.634)	(3.817)	(3.321)	0.496	(0.301)	7
Total Directorate	49.808	51.692	53.050	1.358	(0.405)	

KEY ISSUES

Ref. No.	Service Area	Forecast Variance £m	Reason
1	Prevention, Provider & Support Services	(0.567)	Underspend on pay costs £(0.270)m due to vacancies, maximising capital for Tees Community Equipment spend £(0.154)m and a combination of underspend in running costs and additional income from Health £(0.146)m.
2	Access & Safeguarding Services	(0.534)	Underspend on pay costs £(0.482)m in the main due to vacancies and underspend on running costs
3	Access & Safeguarding Services: Temporary Accommodation	0.182	Increased use of hotels to provide temporary accommodation, £0.501m partially offset by utilisation of homelessness grants, £(0.319)m
4	Purchased Care : Residential	0.674	Increased Residential care costs, £1.023m, a net increase of 32 placements; is partially offset by additional income receivable from service users and Health care packages
5	Purchased Care: Enablement & Support	0.463	Overspend is driven by a net increase of 23 care packages, £0.495m, partially offset by additional health income receivable
6	Purchased Care: Personal Care	0.617	Overspend is driven by a net increase of care packages and revision of CHC income decisions, £0.571m, and old year invoices greater than the estimated accruals
7	Purchased Care: Other	0.496	Increased income from service user community care packages £(0.348)m, offset by higher costs driven from a net increase in demand, £0.845m
	Other variances +/- £150,000	0.027	
		<u>1.358</u>	

Key risks (not included in forecast):

Additional purchased care growth during Quarter Four has not been factored into the forecast outturn

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Public Health Summary

	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Movement from Q2 (Forecast Variance)	Issues Ref. No.
	£m	£m	£m	£m	£m	
				Adv /(Fav)	Adv /(Fav)	
Substance Misuse	3.855	3.855	3.481	(0.374)	(0.066)	1
Misc Public Health	(12.163)	(11.978)	(12.040)	(0.062)	0.008	
Best Start In Life	3.279	3.279	3.279	0.000	0.000	
Health Protection	1.091	1.091	1.107	0.016	(0.001)	
Healthy Environments	0.144	0.144	0.144	0.000	0.000	
Ill Health Prevention	0.377	0.377	0.353	(0.024)	(0.020)	
Public Mental Health	0.137	0.137	0.131	(0.006)	0.000	
Transfer surplus to PH reserve	0.000	0.000	0.450	0.450	0.079	2
Total Directorate	(3.280)	(3.095)	(3.095)	0.000	0.000	

KEY ISSUES

<u>Ref. No.</u>	<u>Service Area</u>	<u>Forecast Variance</u>	<u>Reason</u>
		£m	
1	Substance Misuse	(0.374)	A reduction in pay costs has arisen from delayed recruitment to vacant posts and a lower level of prescribing costs.
2	PH Reserve	0.450	It is proposed to transfer any underspend to an Public Health earmarked reserve, per the grant guidance/conditions
	Other variances +/- £150,000	(0.076)	
		<u>0.000</u>	

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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 Q2 (Forecast Variance)	Issues Ref. No.
	£m	£m	£m	£m	£m	
				Adv/(Fav)	Adv/(Fav)	
Assessments & Safeguarding Care Planning	9.618	9.871	8.388	(1.483)	0.010	1
Children Looked after, Corporate Parenting and Children with Disabilities	3.792	3.912	3.677	(0.235)	0.121	2
Fostering, Adoption and Connected Carers	16.824	16.830	17.471	0.641	(0.129)	3
External Residential	10.309	10.243	14.479	4.236	0.842	4
Internal Residential services	3.793	4.024	5.042	1.017	(0.455)	5
Other Services	6.287	6.524	5.503	(1.021)	(0.223)	6
Management, Business Development & Admin	4.026	4.288	4.016	(0.272)	(0.456)	7
Total Directorate	54.649	55.692	58.576	2.884	(0.289)	

KEY ISSUES

Ref. No.	Service Area	Forecast Variance	Reason
1	Assessments & Safeguarding Care Planning	(1.483)	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	(0.235)	An underspend on Pay costs is due to vacant posts across the service along with reduced running costs
3	Fostering, Adoption and Connected Carers	0.641	An increase in placements and projected Inter-agency adoption fees will result in an overspend.
4	External Residential	4.236	An overspend is a result of increasing external residential numbers due to market sufficiency and lower Education contributions
5	Internal Residential services	1.017	An overspend 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	(1.021)	An underspend on pay costs is due to vacant posts held across resource teams.
7	Management, Business Development & Admin	(0.272)	A favourable variance against budget due to hard to fill posts resulting in vacant posts
		<u>2.884</u>	

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Education & Partnerships Summary

	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Movement from Q2 (Forecast Variance)	Issues Ref. No.
	£m	£m	£m	£m	£m	
				Adv/(Fav)	Adv/(Fav)	
Management Budgets	0.414	0.319	0.319	0.000	0.000	
Central & Schools DSG Funded Budget	(0.858)	(0.858)	(0.858)	(0.000)	(0.000)	
Achievement	0.704	0.814	0.719	(0.095)	(0.095)	
SEN & Vulnerable Learners	0.899	0.947	0.947	0.000	0.000	
Access to Education (Excl ITU)	0.109	0.132	0.153	0.022	0.005	
Integrated Transport Unit	3.707	3.820	5.301	1.481	(0.398)	1
Partnerships	0.517	0.564	0.599	0.036	(0.011)	
Total Directorate	5.494	5.737	7.180	1.443	(0.500)	

KEY ISSUES

<u>Ref. No.</u>	<u>Service Area</u>	<u>Forecast Variance</u>	<u>Reason</u>
1	Integrated Transport Unit	1.481	An overspend is forecast within the Integrated Transport Unit as a result of increased demand for home to school transport combined with higher prices to supply services. Efforts continue to address through mitigations that have improved position from Quarter Two.
	Other variances +/- £150,000	(0.037)	
		<u>1.443</u>	

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Regeneration Summary						
	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Movement from Q2 (Forecast Variance)	Issues Ref. No.
	£m	£m	£m	£m	£m	
				Adv/(Fav)	Adv/(Fav)	
Director Of Regeneration	0.132	0.137	0.137	0.000	0.000	
Economic Growth	0.090	0.115	(0.045)	(0.160)	(0.017)	1
Regeneration Development	(1.349)	(1.303)	(1.424)	(0.121)	(0.092)	
Planning Services	0.275	0.321	0.346	0.025	(0.091)	
Property Services	0.000	5.569	6.057	0.488	0.494	2
Highways & Transport	2.535	0.000	0.000	0.000	0.000	
Commercial	(4.698)	(4.676)	(5.060)	(0.384)	(0.055)	3
Cultural Services	1.117	0.906	0.652	(0.254)	(0.045)	4
Marketing & Comms	0.465	0.488	0.434	(0.054)	(0.012)	
Community Learning	(0.554)	(0.547)	(0.422)	0.125	(0.003)	
Total Directorate	(1.987)	1.010	0.675	(0.335)	0.179	

KEY ISSUES

Ref. No.	Service Area	Forecast Variance	Issue
1	Economic Growth	(0.160)	The majority of favourable variance is due to rental income at the Boho buildings expected to be higher than budget, creating an underspend of (£0.127m).
2	Property Services	0.488	<p>The review of capitalisation of revenue costs within the Building Maintenance budget has resulted in a forecast overspend of £0.256m, this is an increase of £0.108m from Quarter Two.</p> <p>A review of the Running Costs budgets has resulted in a projected overspend of £0.086m which is predominantly due to increased utility costs, £0.296m worse than what was reported at Quarter Two.</p> <p>Cargo Fleet Depot is forecast to be overspent by £0.176m. This is also due to increased utility costs, an increase in business rates and repair and maintenance costs.</p>
3	Commercial	(0.384)	The Captain Cook Shopping Precinct budget is projected to under achieve against budget by £0.241m. This is as a result of one of the major tenants, Wilko, going in to administration. The projected outturn includes a one off provision of £0.121m for a doubtful debt in relation to rent and service charge arrears owed by Wilko's. The Cleveland Centre income is forecast to over achieve against by (£0.406m). There are savings of (£0.230m) with the budgets for The Crown and House Of Fraser. These are one off savings due to the budget for House Of Fraser being removed from the MTFP in 2024/25.
4	Cultural Services	(0.254)	<p>The Town Hall budgets are projected to over achieve against budget by (£0.134m), this is due to additional shows being scheduled as a result of the works to the Town Hall roof being postponed.</p> <p>The Museums budgets are forecast to over achieve against budget by (£0.109m), this is largely due to a number of vacant posts within the service and the success of the Titanic and Lego exhibitions at the Dorman which have provided significantly more income than originally anticipated.</p>
	Other variances +/- £150,000	(0.025)	
		(0.335)	

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Environment & Community Services Summary

	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Movement from Q2 (Forecast Variance)	Issues Ref. No.
	£m	£m	£m	£m	£m	
					Adv /(Fav)	
Strategic Asset Management	5.271	0.122	0.149	0.027	(0.004)	
Property & Commercial	(0.926)	(0.839)	(0.445)	0.394	0.020	1
Environment Services	13.225	16.448	17.493	1.045	0.327	2
ECS General	0.252	0.327	0.207	(0.120)	(0.070)	
Supporting Communities	2.406	2.603	2.257	(0.346)	(0.010)	3
Public Protection	0.000	0.739	0.600	(0.139)	(0.052)	
Parks	0.000	0.133	0.215	0.082	(0.036)	
Total Directorate	20.228	19.533	20.476	0.943	0.175	

KEY ISSUES

Ref. No.

Service Area

Forecast Variance

Issue

1 Property & Commercial

0.394 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. This is partially offset by increased income from Universal Free School Meal funding, £(0.250)m

2 Environment Services

1.045 An overspend on Waste Disposal services is due to an increase in Tonnage price, additional plant shutdown costs and waste management fee rises, £0.960m. An overspend on Agency costs for fleet fitters due to recruitment issues, £0.123m as well as increased Energy costs for Street Lighting, £0.476m. This is partially offset by increase income from additional grant funding received towards Pothole Repairs and Street Lighting engineers recovered to the capital scheme for column replacement works.

3 Supporting Communities

(0.346) A favourable variance to budget from additional Grant Funding towards supporting Asylum Seekers & Refugees

Other variances +/- £150,000

(0.150)

0.943

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Legal & Governance Services

	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Movement from Q2 (Forecast Variance)	Issues Ref. No.
	£m	£m	£m	£m	£m	
					Adv / (Fav)	
Legal Services	1.433	1.482	1.422	(0.060)	0.035	
Legal Children's Care	0.579	0.579	0.774	0.195	0.008	1
Democratic Services	1.649	1.722	1.708	(0.014)	0.020	
Human Resources	1.560	1.682	1.602	(0.080)	(0.001)	
Governance, Policy & Information	2.184	2.325	2.278	(0.047)	(0.017)	
ICT	2.473	2.577	2.497	(0.080)	0.000	
Coroner's Service	0.364	0.367	0.507	0.140	0.010	
Director of LGS	0.003	0.046	0.046	0.000	(0.005)	
Total Directorate	10.245	10.780	10.834	0.054	0.050	

KEY ISSUES

Ref. No.

Service Area

Forecast Variance

Issue

1

Legal Children's Care

0.195

Increased demand for Childrens Services has resulted in increased High Cost Court Cases requiring use of KC services.

Other variances +/- £150,000

(0.141)

0.054

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Chief Executive Summary

	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Movement from Q2 (Forecast Variance)	Issues Ref. No.
	£m	£m	£m	£m	£m	
				Adv /(Fav)	Adv /(Fav)	
Chief Executive*	0.000	0.234	0.234	0.000	0.012	
Total Directorate	0.000	0.234	0.234	0.000	0.012	

*Chief Executive was reported under Finance Directorate at beginning of 2023/24

KEY ISSUES

Ref. No.

Service Area

Forecast Variance (£)

Reason

No issues to report

0.000

0.000

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Finance Summary

	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Movement from Q2 (Forecast Variance)	Issues Ref. No.
	£m	£m	£m	£m	£m	
				Adv /(Fav)	Adv /(Fav)	
Chief Executive*	0.234	0.000	0.000	0.000	0.000	
Director of Finance	0.127	0.257	0.257	0.000	0.000	
Financial Planning & Support	0.686	0.951	0.951	0.000	0.000	
Central Support Services & Overheads to Grants	(1.831)	(1.836)	(1.836)	0.000	(0.000)	
Finance & Investments	2.395	2.419	2.419	0.000	(0.000)	
Pensions Governance & Investments	0.534	0.552	0.552	0.000	0.000	
Resident & Business Support - Operational / Non-Housing Benefits Subsidy	0.100	0.336	(0.609)	(0.945)	(0.418)	1
Resident & Business Support - Housing Benefits Subsidy	0.850	0.850	1.640	0.790	0.313	2
Strategic Commissioning & Procurement	1.335	1.652	1.472	(0.180)	(0.082)	3
Total Directorate	4.429	5.181	4.846	(0.335)	(0.187)	

*Chief Executive was reported under Finance Directorate at beginning of 2023/24

KEY ISSUES

Ref. No.	Service Area	Forecast Variance (£)	Reason
1	Resident & Business Support - Operational / Non-Housing Benefits Subsidy	(0.945)	Underspend mainly due to (£0.687m) from review and revision of bad debt provision calculation, (£0.238m) court costs and Housing Benefits overpayment income overachieved against budget, (£0.180m) variances on staffing, general supplies and services and other income, offset by £0.160m pressure on increased postage costs
2	Resident & Business Support - Housing Benefits Subsidy	0.790	An overspend, £0.102m 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. The remaining £0.890m is due to differences in the Housing Subsidy receivable between estimated and final, and due to the impact of prior year adjustments
3	Strategic Commissioning & Procurement	(0.180)	Staff savings on vacancies and maternity leave and underspend on grants
	Other variances +/- £150,000	0.000	
		<u>(0.335)</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 Q2 (Forecast Variance)	Issues Ref. No.
	£m	£m	£m	£m	£m	
				Adv /(Fav)	Adv /(Fav)	
General Fund	(0.261)	(0.261)	(0.261)	0.000	0.000	
Capital Financing	9.276	9.276	9.403	0.127	0.117	
Added Years Pensions	1.216	1.216	1.249	0.033	0.066	
Change Fund	0.730	0.730	0.730	0.000	0.000	
Pay & Prices Contingencies	5.217	0.220	0.220	(0.000)	(1.451)	
Centrally Held Grants	(27.796)	(29.624)	(29.624)	0.000	0.000	
Corporate Governance	0.000	0.023	0.023	0.000	0.000	
Senior Management Review	0.086	0.049	0.000	(0.049)	0.000	
Flexible Use of Capital Receipts	(3.000)	(3.000)	(3.000)	0.000	0.000	
Contingency for Future Uncertainty	1.300	0.658	0.000	(0.658)	(0.658)	1
Supplier Incentive Payments Rebates	0.000	0.000	0.000	0.000	0.000	
External Audit	0.000	0.182	0.382	0.200	0.000	2
Fees & Charges Increases	0.000	0.121	0.000	(0.121)	(0.121)	
Total Directorate	(13.232)	(20.411)	(20.878)	(0.467)	(2.047)	

KEY ISSUES

Ref. No.	Service Area	Forecast Variance (£m)	Reason
<u>1</u>	Contingency for Future Uncertainty	(0.658)	No planned further use of current £0.658m budget remaining. Note that amount remaining in budget at year end will depend on cashed capital receipts and therefore what, if any, can be switched to be funded from FUCR rather than Contingency budget. Additionally, final budget unused may change at year end once reconciliation between budgets provided to directorates against actual spend incurred is completed.
2	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	(0.010)	
		<u>(0.467)</u>	

Key risks (not included in forecast)

Further increase in external audit fees