

Summary of Key variances and financial recovery plans

The most significant directorate variances and financial recovery plans are summarised in below, with further detail for each Directorate being included in Appendices 1b and 2.

It should be noted that the measures taken to control expenditure in year are a combination of 'one off mitigations' that have a favourable impact only in 2024/25 and plans that deliver 'ongoing' cost reductions or income generation that will have a favourable impact upon the calculated budget gap for 2025/26.

The ongoing pressures that remain as a result of the following will impact upon the 2025/26 budget model:

- Partial or Non-delivery of approved planned savings (RAG Red and Purple)
- Demand and other financial pressures for which a one-off mitigation has been delivered

Directorate	Service Area	Summary of Variances over £250,000	2024/25 Forecast Overspend/ (underspend) £m	Financial Recovery Plan Key Actions	Value of Recovery Plan 2024/25 £m
Adults Social Care	Prevention, Provider & Support Services	Levick Court £0.514m - 2024/25 budget saving currently rated as "RED" : ASC11 Re-provision use of Levick Court £0.311m due to further consideration of alternative options regarding the unit's future cost plus cost of re-provisioned care to the independent sector £0.165m. Partly offset by carers underspend.	0.718		
	Purchasing - savings	£0.278m of 2024/25 budget saving ASC12 Adult Social Care Services transformation currently rated "RED"	0.278	Additional Transformation resources have been approved to undertake care package reviews where Assistive Technology can be implemented as an alternative	(0.150)
	Purchasing - Personal Care	Maximise use of the Discharge grant funding (one-off for 24/25)	(0.306)		
	Purchasing - other	Additional fairer charging income in excess of budget (£0.409m), and additional direct payment surplus in excess of budget	(0.688)		
	Temporary Accommodation	Combination of increased demand and delays in Move On work due to sickness and vacancies in key roles.	0.372		
	Across Directorate	Pay related savings across the Directorate due to new vacancies and delayed/difficulties in recruitment	(0.407)	Additional pay related savings across the Directorate due to new vacancies and delayed/difficulties in recruitment	(0.084)
	Across Directorate	Other variances below £250,000	0.088		
Children's Care	External Residential	Increased numbers of children in external residential placements above budgeted level. Includes 2024/25 budget saving currently rated as "RED" : CC02 Review of Placements £1.1m and CC06 Shift Programme £0.400m	2.702	Placement reviews - based on 9 changes in placements that if successful, reduces forecast outturn based on planned placement moves.	(0.264)
	External Residential	Health contributions (forecast £0.117m saving) and Education contributions (£0.257m pressure) against placements	0.140	Review of contributions	TBC
	Internal Residential	Agency staff covering significant absences and staff pressures.	0.636	Project team to continue to look at sourcing properties to deliver Internal Residential Services to Young people currently placed in External provision for future savings. Permanent recruitment to posts, including marketing campaign and review of recruitment and retention packages.	TBC
	Fostering & Adoption	Increases in internal fostering provision (increase of 10%) changes in policy to be fully implemented across service	0.154	Recruitment of internal foster carers to reduce reliance on Independent Fostering Agencies and higher cost placements	TBC
	Corporate Parenting	Forecast pressure in Children Looked After & Pathways and Children with Disabilities services due to agency posts across the service along with edge of care placements.	0.432	To investigate looking at reducing number of Social worker/Resource worker posts as part of consultant structure plan	TBC
	Management	Forecast pressure from agency costs and posts in both Heads Of Service (3) and Service Manager (4) posts offset by saving in Admin.	0.437	Adverts to go out shortly for vacant senior posts.	TBC

	Across Service Teams	Staff savings from vacant posts held across service teams	(1.044)	To investigate increasing savings on vacant posts to cover overspend in Directorate. Also Children's Services structure review.	TBC
	Across Directorate	Other budget savings for Children's Care (excluding CC02) currently rated "Red" (as detailed in Appendix 4).	0.230	Review of savings required in order to meet existing savings targets , and continue to look at other savings opportunities across the Directorate.	TBC
Education & Partnerships	Integrated Transport Unit	Following a reassessment of demand from start of academic year in September 2024 there is an additional forecast saving of £0.848m for 2024/25. This is in addition to the £0.732m transferred to Central Budgets at Quarter One.	(0.848)	Continue with efficiency of service delivery and routes	TBC
Regeneration	Investment Properties	Income below budget set at Cleveland Centre offset by increased income above budget at Teesside Advanced Manufacturing Park (TAMP) where the sale concluded later than originally expected which provided additional rent to the Council whilst in it's ownership.	0.311		
	Property Services	Savings of £0.608m on the running costs budgets - this includes a one-off rates refund of (£0.195m) relating to the Crematorium	(0.705)		
	Commercial	Saving against the Valuation & Estates budget, this is mainly due to increased income as a result of sales associated with the asset review programme, and leases.	(0.202)		
	Regeneration Management	Saving currently rated "Red" re. improved housing co-ordination and provision (REG07)	0.080		
	Across Directorate	Other variances below £250,000	(0.050)		
Environment & Communities	Bereavement Services	Reduced income due to falling demand for service of £0.428m, and £0.071m due to increased costs relating to equipment and materials to enable burials at cemeteries. This is partially offset by staff savings due to posts being held vacant	0.499	Service review to be undertaken to consider options for reducing operational costs to align to reduced activity and to assess the business case for replacement cremators which are approaching the end of their useful life.	TBC
	Waste Collection	Overachievement of income from implementation of charging for Green Waste Collection Service (£0.515m) partially offset by the junk job saving shortfall £0.054m and other income shortfall £0.078m. Also additional one-off set up costs of £0.316m to deliver Fortnightly Collection and Garden Waste Service.	(0.067)	Service review to be undertaken including zero based budget to be prepared reflecting the change in service operations following implementation of fortnightly collection	TBC
	Fleet Management	Increased staff costs and vehicle hires due to recruitment issues	0.495	Review to be undertaken. Market supplements are being made to solve recruitment issues and avoid greater overspend due to outsourcing work to external supplier.	TBC
	Highways Maintenance	Increased use of internal staff for grant funded projects	(0.151)		
	Street Lighting	Energy costs above budget	0.157	Review to determine whether this will continue or reduce.	TBC
	Car Parking	Residents Permits Charge unlikely to be implemented until 2025 due to software issue creating forecast pressure of £0.125m.	(0.125)		
	Supported Communities	Addition unringfenced grants received that can be used to cover work previously budgeted	(0.778)		
	Across Directorate	Other variances below £250,000	0.619		
Legal and Governance	Across Directorate	Other variances below £250,000	(0.031)		
Central Budgets	Pay and Prices Contingencies	Projected saving on Pay & Prices Pay Award contingency following 24/25 pay award agreement being reached	(0.200)		
	Inflation Held Centrally	Funding set aside centrally to cover income shortfalls within Bereavement Services. Saving reported within Central budgets offsets pressure on Bereavement Services reported under ECS	(0.350)		
	Contingency for Future Uncertainty	Net savings from growth awarded in 24/25 but not yet required, (previously reported within individual Directorates), returned centrally for 24/25. (Waste Disposal - ECS and Integrated Transport Unit - Education & Partnerships)	(1.258)		
	Senior Management Review	Budget saving currently rated as "RED" : CEN02 23/24 Senior Management Review £0.244m.	0.244		
Total Variance			1.382		(0.498)