

2023/24 Period 4 Budget Position

**Corporate and Communities Overview
and Scrutiny Panel**

29 September 2023

Corporate Budget Position – P4

- Budget Report to Cabinet on 28 September 2023 summarises the financial position for Council and each of the service areas.
- The overall outturn forecast at Period 4 is for a net overspend of £18.2m after the use of budgeted risk reserves.
- The council has an underlying structural deficit that needs to be addressed due to demand and adults and children's social care and Home to School Transport.
- At budget setting, £7m was identified as likely to be required from reserves (£2m risk for Children's Social Care placements and £5m risk for non-delivery of savings).
- Additional business rates income of £4.1m is also forecast to be received this financial year.
- Applying these mitigations would leave a net forecast overspend of £18.2m
- Significant pressures in Adults, Childrens and Home to School Transport – price and demand, this position is similar for other Local Authorities

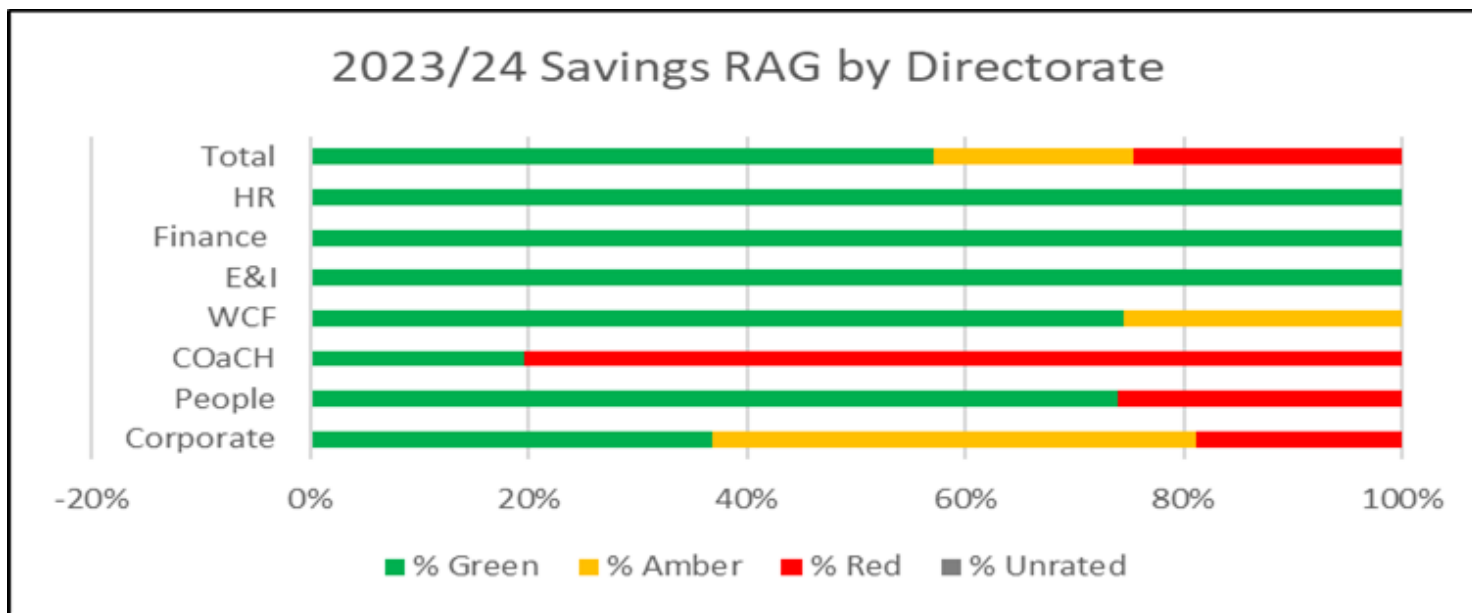
Forecast Financial Position – P4

FY 2023/24 P4			
Service Area	Budget £m	Forecast £m	Variance £m
People – Adults	146.417	152.299	5.882
People – Communities	21.596	22.188	0.592
Children’s Services/WCF	111.003	111.003	0.000
Economy & Infrastructure	72.072	72.733	0.661
Commercial & Change	9.690	10.707	1.017
Chief Executive / HR / Finance	3.222	3.237	0.015
Public Health	0.186	0.186	0.000
Total: Service excl DSG	364.186	372.353	8.167
Corporate Items	36.630	35.130	-1.500
Non-assigned items	0.000	0.000	0.000
WCC TOTAL	400.816	407.483	6.667
WCF Total (Including HTST)	145.277	167.956	22.679
WCC & WCF Total Services	546.093	575.439	29.346
Additional Funding:			
Business Rates			-4.100
WCC & WCF Underlying Budget Pressure			25.246
Use of Reserves agreed at Budget Setting			-7.000
Net WCC & WCF Overspend			18.246

Within this position Provider Services is included within Communities rather than Adults

Savings within the Budget

- £22.4m of savings built into the overall budget
- 57% rated as green i.e., delivered or expected to be fully delivered, 18% rated amber where there is some risk of non-delivery, and 25% rated red where there is significant risk of non-delivery
- £1.6m relate to one-off use of grants, including Public Health, and a further £1.5m are one-off, giving a recurrent pressure from 2024/25 of £3.1m



- Current value of the Capital Programme for 2023/24 to 2026/27, subject to approval by Full Council, totals £370.2m
- 48% is funded via external sources, namely developer contributions (s106 funding) and government grants including those allocated to the County Council for scheme delivery by district partners. The remainder is a mixture of borrowing (40%), capital receipts (5%) and use of earmarked reserves held for capital (7%).

Total Expenditure	2023/24 revised	2024/25 revised	2025/26 revised	2026/27 + revised	Total 2023/24 + Forecast
	£000	£000	£000	£000	£000
Open For Business	36,561	39,905	7,751	5,607	89,824
The Environment	85,671	49,777	6,000	3,400	144,848
Children and Families	46,156	46,283	16,606	8,319	117,364
Efficiency and Transformation	9,620	5,492	0	0	15,112
Health and Well-Being	2,851	191	27	0	3,069
TOTAL	180,858	141,649	30,384	17,326	370,217

Financial planning, strategy and the Medium-Term Financial Plan

- Updated Capital Strategy being requested to be approved.
- Updated data on Treasury Management reported.
- Required refresh of the MTFP has commenced.
- Significant and sustained inflation.
- Extremely challenging time for local government.
- Council remains focused on living within its means.
- 2024/25 budget setting process will once again prove to be extremely tough as the Council seeks to achieve its priorities whilst meeting the growing cost of demand, all from within limited funds.

Specific 2023/24 Period 4 information

Areas within remit of the Corporate and Communities Panel

P4 Financial Position – COACH & CEU

COACH & CEU	2023-24 Gross Budget Q1	2023-24 Net Budget Q1	2023-24 Forecast Outturn Q1	2023-24 Forecast Variance Q1
	£'000	£'000	£'000	£'000
COACH - Management	188	-170	-65	105
Legal and Democratic Services	9,228	6,008	5,986	-22
Commercial Management	2,207	622	1,303	681
Property Services	10,672	987	1,225	238
Digital, IT and Customer Services	10,294	757	757	0
Transformation & Change Team	1,913	1,486	1,501	15
TOTAL COMMERCIAL & CHANGE	34,502	9,690	10,707	1,017
Engagement & Communications	1,178	345	339	-6
Health & Safety	358	45	76	31
HR-Core	5,316	454	426	-28
Financial Services	8,891	1,999	1,999	0
Chief Executive	379	379	397	18
TOTAL CHIEF EXECUTIVE UNIT	16,122	3,222	3,237	15

P4 Headlines – COACH & CEU

- The Commercial and Change Directorate is forecasting to overspend its £9.7m net budget by c£1m (10%), with the most significant variances from budget being:-
 - £0.7 million underachievement in-year of the Wildwood Tenancy Income Target. A six month rent free period has been agreed as part of the lease (to facilitate remedials), resulting in income being delayed until the final quarter of 2023/24.
 - £0.3 million pressure due to the use of consultants for specific corporate projects and pressure on delivery of the vacancy management target.
- The Chief Executives Unit (including finance and HR) are expecting to broadly break-even

P4 Financial Position – Communities

Communities Revenue Forecast	2023-24 Gross Budget Q1	2023-24 Net Budget Q1	2023-24 Forecast Outturn Q1	2023-24 Forecast Variance Q1
	£'000	£'000	£'000	£'000
Strategic Libraries	11,660	4,307	4,682	375
Museum Services	837	715	714	-1
Archives & Archaeology	3,756	1,576	1,589	13
Greenspace & Gypsy Services	2,271	308	334	26
Community Services Leadership Team	160	148	148	0
Registration & Coroner	2,321	717	776	59
Public Analyst	0	0	0	0
Trading Standards	956	186	186	0
Communities and Partnerships	14,360	417	387	-30
Adult Front Door	788	429	564	135
TOTAL COMMUNITIES	37,109	8,803	9,380	577

P4 Headlines – Communities

- Communities is forecasting to overspend its £8.8m net budget by c£0.7m (8%), with the most significant variances from budget being:-
 - Inflationary increases above budget within Hive PFI contract due to higher than expected RPI
 - Timing delay in achievement of the Libraries Unlocked saving until Quarter 4 of the financial year
 - Partial under-achievement of vacancy management target
- The service is investigating areas of income generation and spend reductions to work towards a balanced budget by the year end however risks remain relating to these.