

2023/24 Period 4 Budget Position

Economy Overview and Scrutiny Panel

5 October 2023

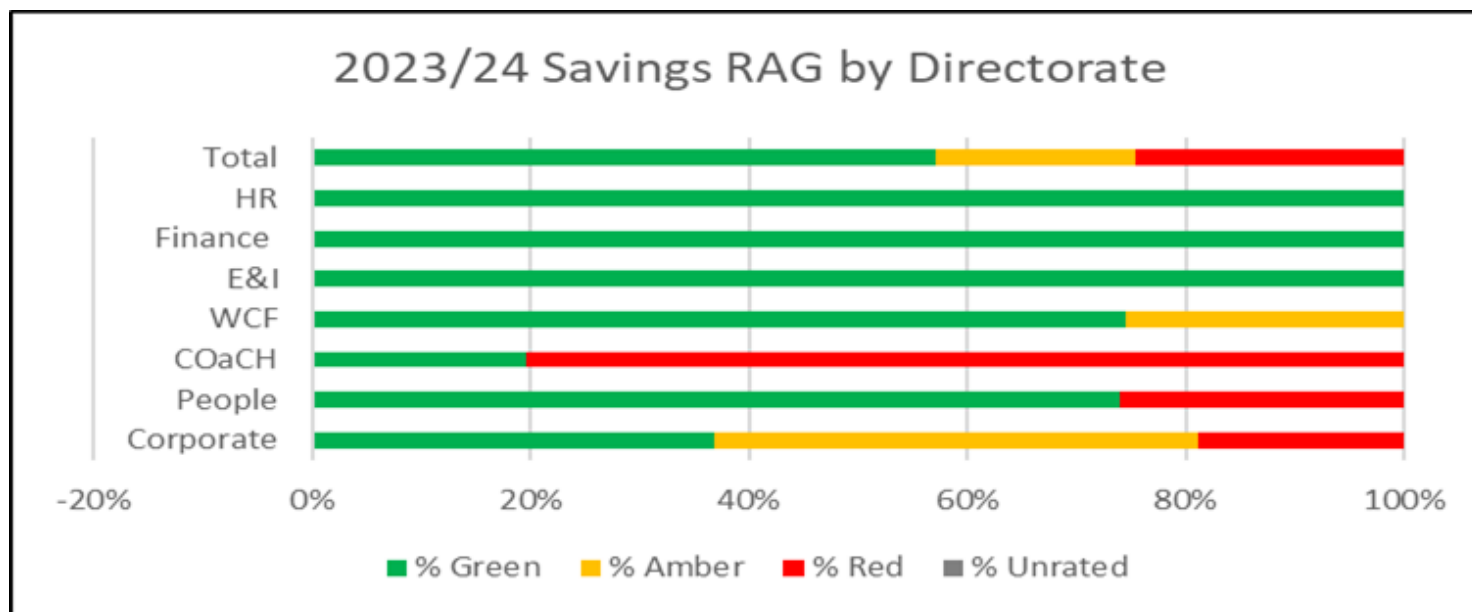
Corporate Budget Position – P4

- 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

- £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 Economy Panel

P4 Revenue Position for E&I

E&I 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
Economy & Sustainability	3,032	1,424	1,421	-3
Planning and Regulation	1,655	890	1,363	473
Infrastructure & Contracts	1,594	1,594	1,618	24
Major Projects	2,570	248	258	10
Passenger Transport Operations	17,766	11,254	11,064	-190
Business Management	871	13	13	0
Road Lighting	5,983	5,919	5,312	-607
Waste Management	53,685	39,229	39,856	627
Network Management	3,979	-33	51	84
Development Management - S278/S38	1,165	206	248	42
Highways Operations & PROW	11,350	11,328	11,529	201
TOTAL ECONOMY & INFRASTRUCTURE	103,650	72,072	72,733	661
Skills and Investment	6,681	347	347	0

Key Headlines - P4 Revenue Position for E&I

- Forecast overspend of c£0.7m (1% of the net budget)
- Inflationary pressures being seen in the department and the continuing need to employ consultants to cover hard to fill vacancies
- The most significant variances from budget
 - Planning and Regulation is forecast to overspend by £0.5 million, with pressures in Transport Planning which is after the full utilisation of the £1.037 million earmarked reserve.
 - Within Waste Management, there is a £0.6 million overspend projected, due to rates on waste tonnage increasing beyond what was assumed at budget setting. This is net of a favourable position relating to recycling within the contract.
 - £0.7 million underspend in Road Lighting, based on the current LED rollout reducing kWh usage by 20% rather than the expected and budgeted 15%.

- Current value of the Capital Programme for 2023/24 to 2026/27, subject to approval by Full Council:
 - £89.8m relating to Open For Business
 - £144.8m relating to The Environment
- Funded by
 - 46% funded from borrowing / capital receipts
 - 42% via Government Grants
 - 12% via developer contributions (s106 funding)
- £90m forecast to be spent this financial year