

# Budget Position – Quarter 2 (Period 6)

**Corporate and Communities Overview  
and Scrutiny Panel**

**23 November 2023**

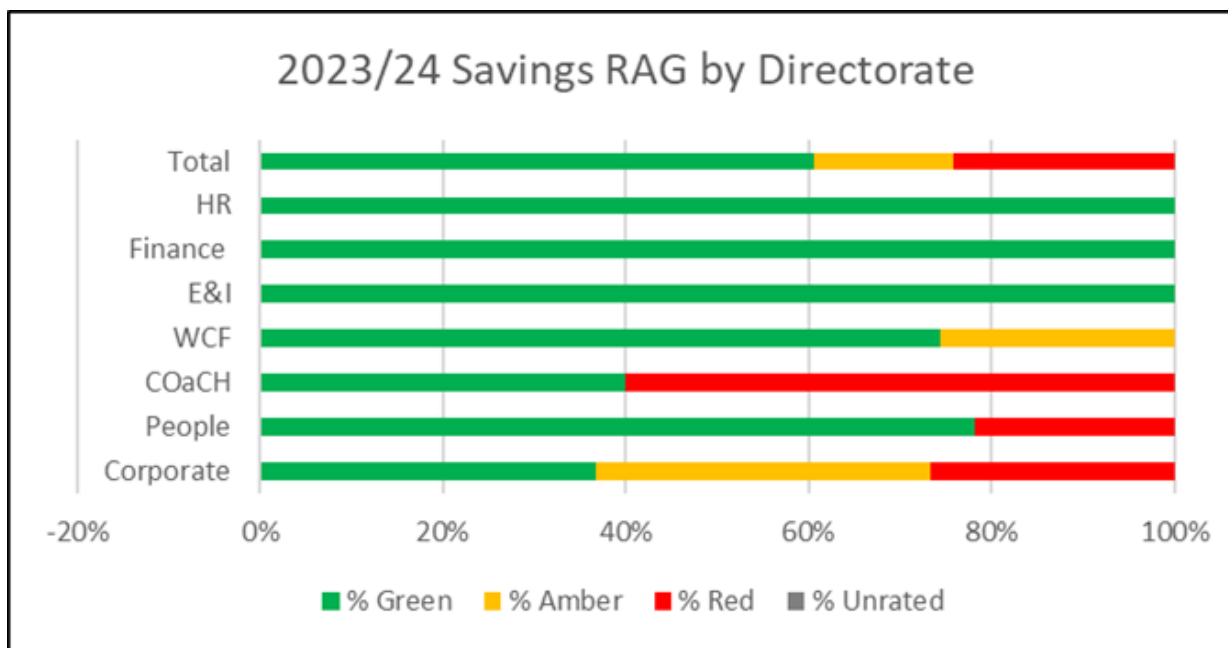
# Corporate Budget Position – Quarter 2 (Period 6)

- Budget Report to Cabinet on 23 November 2023 summarises the financial position for Council and each of the service areas.
- The overall outturn forecast at Period 6 is for a net overspend of £21.9m 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). A further £2m was held for pressures within Home to School Transport (HTST)
- 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 £21.9m
- Significant pressures in Adults, Childrens and Home to School Transport – price and demand, this position is similar for other Local Authorities

# Forecast Financial Position – P6

FY 2023/24 P6			
Service Area	Budget £m	Forecast £m	Variance £m
People – Adults	145.815	151.678	5.863
People – Communities	21.596	22.110	0.514
Children's Services/WCF	111.003	111.003	0.000
Economy & Infrastructure	72.072	72.788	0.716
Commercial & Change	10.291	11.134	0.843
Chief Executive / HR / Finance	3.222	3.184	-0.038
Public Health	0.186	0.186	0.000
<b>Total: Service excl DSG</b>	<b>364.185</b>	<b>372.083</b>	<b>7.898</b>
Corporate Items	36.630	35.130	-1.500
Non-assigned items	0.000	0.000	0.000
<b>WCC TOTAL</b>	<b>400.815</b>	<b>407.213</b>	<b>6.398</b>
WCF	123.325	142.403	19.078
Home to School Transport	22.477	31.977	9.500
<b>WCF Total</b>	<b>145.802</b>	<b>174.380</b>	<b>28.578</b>
<b>WCC &amp; WCF Total Services</b>	<b>546.617</b>	<b>581.593</b>	<b>34.976</b>
<b>Additional Funding:</b>			
Business Rates			-4.100
Use of Reserves			-9.000
<b>Net WCC &amp; WCF Overspend</b>			<b>21.876</b>

- £22.4m of savings built into the overall budget
- 61% rated as green i.e., delivered or expected to be fully delivered, 15% rated amber where there is some risk of non-delivery, and 24% 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 £372m
- 51% 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 (42%), capital receipts (4%) and use of earmarked reserves held for capital (1%) and revenue funding (2%)

Total Expenditure	23/24 Actuals YTD £'000	23/24 Revised Budget £'000	24/25 Revised Budget £'000	25/26 Revised Budget £'000	26/27 Onwards Revised Budget £'000	Total 23/24 + Revised Budget £'000
Open for Business	4,035	30,224	41,218	12,763	5,619	89,824
The Environment	29,777	83,970	51,589	6,000	3,400	144,959
Children and Families	9,978	46,572	55,026	10,474	6,630	118,702
Efficiency and Transformation	529	10,387	5,492	0	0	15,879
Health and Well-Being	37	2,101	891	27	0	3,019
<b>TOTAL</b>	<b>44,356</b>	<b>173,254</b>	<b>154,216</b>	<b>29,264</b>	<b>15,649</b>	<b>372,383</b>

# Financial planning, strategy and the Medium-Term Financial Plan

- 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.
- Any overspend not dealt with in 2023/24 would, potentially, carry over into 2024/25 thereby increasing the requirement for savings in that year.
- 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.

# Spending Controls for the Council

Management actions have been put in place to control spending across the council to reduce the deficit in the current financial year based on the following principles:

- Existing permanent staffing and payroll costs,
- expenditure on goods and services which have already been received,
- contractually committed expenditure,
- urgent expenditure to safeguard vulnerable residents (Adults and Children),
- expenditure required to deliver the council's provision of essential statutory services at a minimum possible level, which includes adults and children's services including HTST,
- agreed political priorities of the council,
- expenditure necessary to achieve value for money and / or mitigate additional in year costs and / or generate additional income where evidenced through an "invest to save" business case.



# Specific 2023/24 Period 6 information

## Areas within remit of the Corporate and Communities Panel

# P6 Financial Position – COACH & CEU

COACH & CEU	2023-24 Gross Budget Q2	2023-24 Net Budget Q2	2023-24 Forecast Outturn Q2	2023-24 Forecast Variance Q2	2023-24 Forecast Variance Q1
	£'000	£'000	£'000	£'000	£'000
COACH - Management	188	-170	84	254	105
Legal and Democratic Services	9,228	6,008	6,063	55	-22
Commercial Management	2,207	622	1,216	594	681
Property Services	10,672	987	1,012	25	238
Digital, IT and Customer Services	10,294	757	722	-35	0
Transformation & Change Team	2,514	2,087	2,037	-50	15
<b>TOTAL COMMERCIAL &amp; CHANGE</b>	<b>35,103</b>	<b>10,291</b>	<b>11,134</b>	<b>843</b>	<b>1,017</b>
					0
Engagement & Communications	1,178	345	337	-8	-6
Health & Safety	358	45	45	0	31
HR-Core	5,316	454	405	-49	-28
Financial Services	8,891	1,999	1,999	0	0
Chief Executive	379	379	398	19	18
<b>TOTAL CHIEF EXECUTIVE UNIT</b>	<b>16,122</b>	<b>3,222</b>	<b>3,184</b>	<b>-38</b>	<b>15</b>

## P6 Headlines – COACH & CEU

- The Commercial and Change Directorate is forecasting to overspend its £10.3m net budget by c£0.8m (8%), with the most significant variances from budget being:-
  - £0.6 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.
  - £0.4 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

# P6 Financial Position – Communities

<b>Communities Revenue Forecast</b>	<b>2023-24 Gross Budget Q2</b>	<b>2023-24 Net Budget Q2</b>	<b>2023-24 Forecast Outturn Q2</b>	<b>2023-24 Forecast Variance Q2</b>	<b>2023-24 Forecast Variance Q1</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Strategic Libraries	0	4,307	4,695	388	375
Museum Services	0	715	715	0	-1
Archives & Archaeology	0	1,576	1,650	74	13
Greenspace & Gypsy Services	0	308	273	-35	26
Community Services Leadership Team	0	148	148	0	0
Registration & Coroner	0	717	778	61	59
Public Analyst	0	0	0	0	0
Trading Standards	0	186	186	0	0
Communities and Partnerships	0	417	357	-60	-30
Adult Front Door	788	429	564	135	135
					0
<b>TOTAL COMMUNITIES</b>	<b>788</b>	<b>8,803</b>	<b>9,366</b>	<b>563</b>	<b>577</b>

# P6 Headlines – Communities

- Communities is forecasting to overspend its £8.8m net budget by c£0.6m (7%), 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.