



Forecast Variance by Executive Director



HRA POSITION - £0.59M Favourable. £0.59M Favourable forecast on depreciation charge is proposed to be added to the overall working balance. Pressures of £2.37M across the HRA relating to rent void loss £0.2M and empty property charges £0.25M, £0.8M Disrepair claims, waste disposal cost, management restructure and termination costs and £1m interest rate cost are being offset by favourable variances on service charge income of £0.18M and interest receivable of £0.08M, and a reduction in planned direct revenue financing contribution of £2.1M.

General Fund Key Messages

> **Current Position £14.1M overspent, a favourable movement of £1.9M from the variance reported to EMB at month 5 (£16.0M overspent).**

> **Children & learning £7.7M overspent,** a favourable movement of £1.00M: £4.1M is because of Home to school transport pressures, £0.5M non achievement of current savings, £3.1M children placement costs, £0.4M additional employee costs due to the anticipated pay offer and £0.1M year of the child costs. There is a further pressure of historic saving targets of £0.2M in Education offset by new cost control initiatives totalling 0.7M through early intervention, reducing accommodation costs, prioritising projects to reduce spend and reducing translation costs by utilising online solutions. In addition costs to Home to school have reduced through an exercise of route optimisation and tendering routes to use larger vehicles reducing the number of journeys.

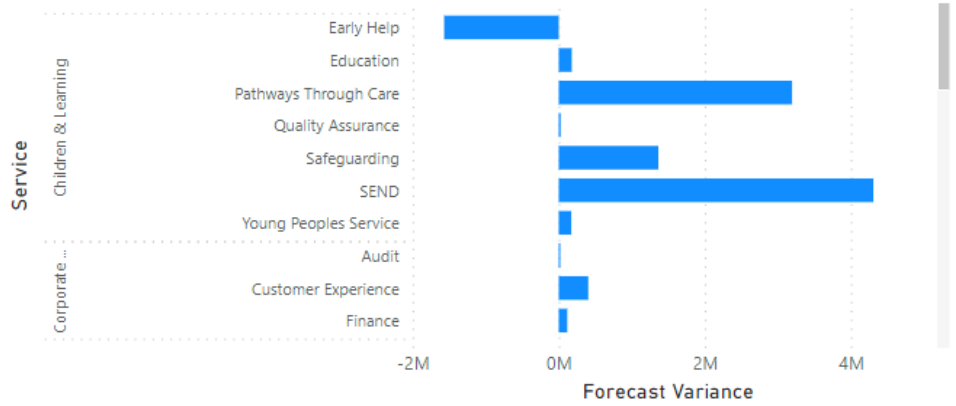
> **Corporate Services £2.35M overspent,** a favourable movement of £0.10M: £1.55M is due to non-achievement of savings, a shortfall in income of £0.77M and a shortfall in the salary budget of £0.53M which mainly relate to forecast variances within the IT budget. The adverse position is reduced by cost control measures within the pension account of £0.23M, forecast savings of £0.14M in the Highways budget and risk management savings of £0.13M.

> **Wellbeing and Housing £4.0M overspent,** a favourable movement of £0.2M: £5.4M is due to increased number and cost of client packages, £0.2M of non-achievement of savings, £0.3M increased bad debt provision and £0.3M increased homelessness costs, offset by employee savings including agency of £0.5M. The adverse position is further offset by new government funding of £1.7M for care costs.

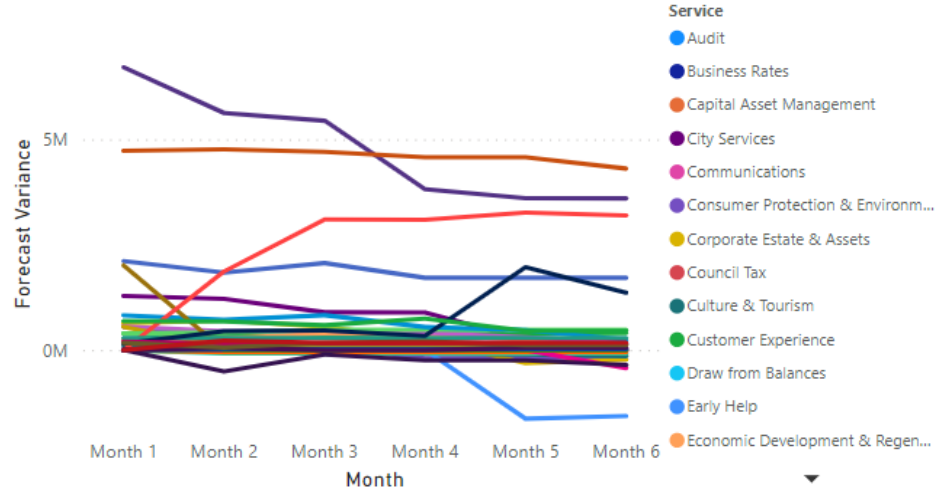
> **Place £0.5M overspent,** a favourable movement of £0.1M: Adverse variances of £0.2M Mayflower Park funding, £0.3M historic agency saving target which cannot be achieved, £0.3M relating to visitor economy, virtual retail for the Art Gallery and Southampton branding. There is a pressure of £0.2M due to non-achievement of the solar bins saving and other minor savings and £0.2M pressure relating to the cost of reactive repairs, increased Coroner costs of £0.1M and £0.2M City Development growth proposal. This is offset by a rates reduction in cultural services of £0.2M and Transportation cost control measures of £0.3M and reduction in the anticipated cost of energy of £0.3M and net increased income of £0.18M, along with a reduction on the Waste Transformation and Improvement budget of £0.3M. Cost control measures are continuing to be developed to address the remaining pressure in year.

- All
- Children & Learning
- Corporate Services
- Place
- Strategy & Performance
- Wellbeing & Housing
- Central Expenditure Items
- General Funding

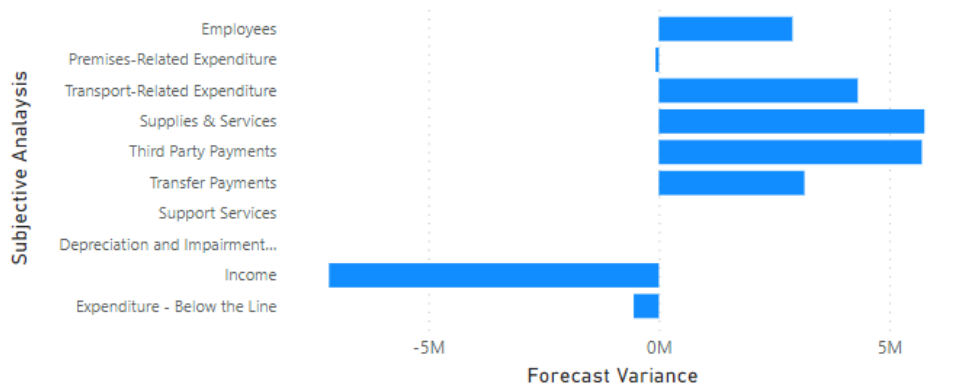
Variance to Budget -



Variance Trends -



Variance by Subjective Analysis -



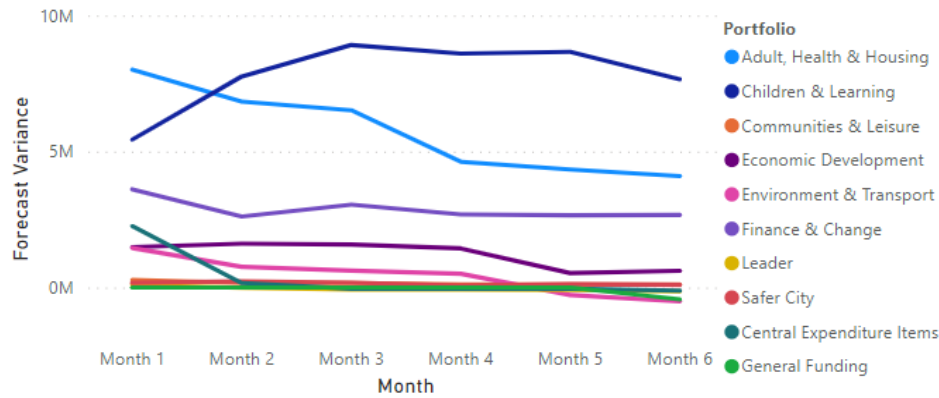
All
Adult, Health & Housing
Children & Learning
Communities & Leisure

Economic Development
Environment & Transport
Finance & Change
Leader

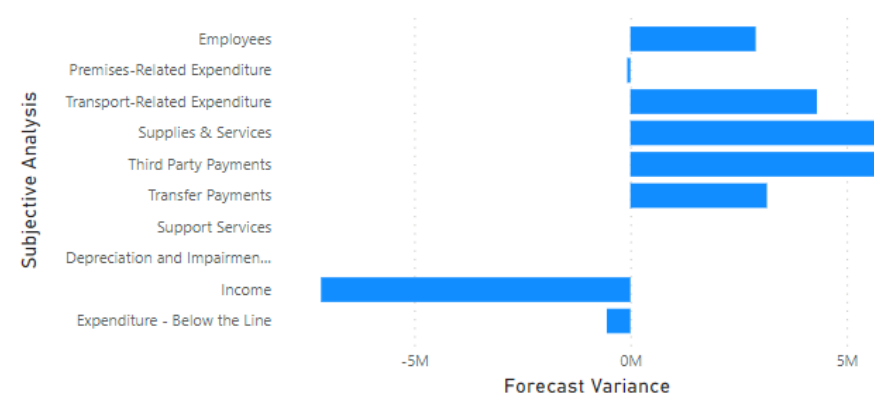
Safer City
Central Expenditure Items
General Funding

Portfolio	Sum of Variance	Variance Movement Compared to Previous Period
Adult, Health & Housing	4,100,613.11	-239,509.93
Children & Learning	7,657,693.97	-1,002,877.74
Communities & Leisure	118,439.81	0.00
Economic Development	614,214.27	82,499.51
Environment & Transport	-507,550.70	-234,264.11
Finance & Change	2,670,748.83	13,339.66
Leader	-138,707.33	-50,224.61
Safer City	96,680.98	-28,722.43
Central Expenditure Items	-115,000.00	-72,000.00
General Funding	-432,000.00	-432,000.00
Total	14,065,132.94	-1,963,759.63

Variance Trends



Variance by Subjective Analysis

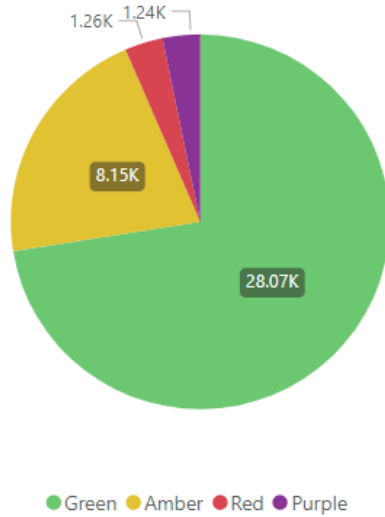




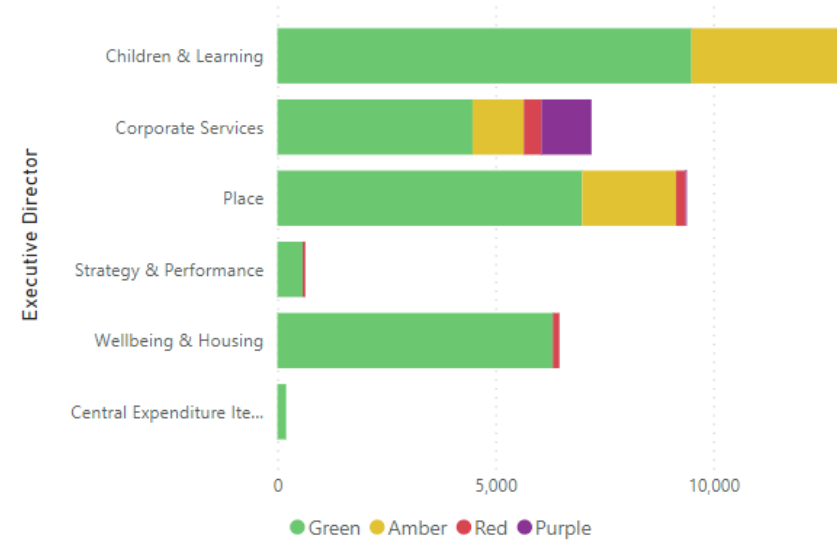
Savings not achieved



Savings Targets 2023/24 RAG Rated £000's



Savings Targets per Directorate £'000s



Key Issues

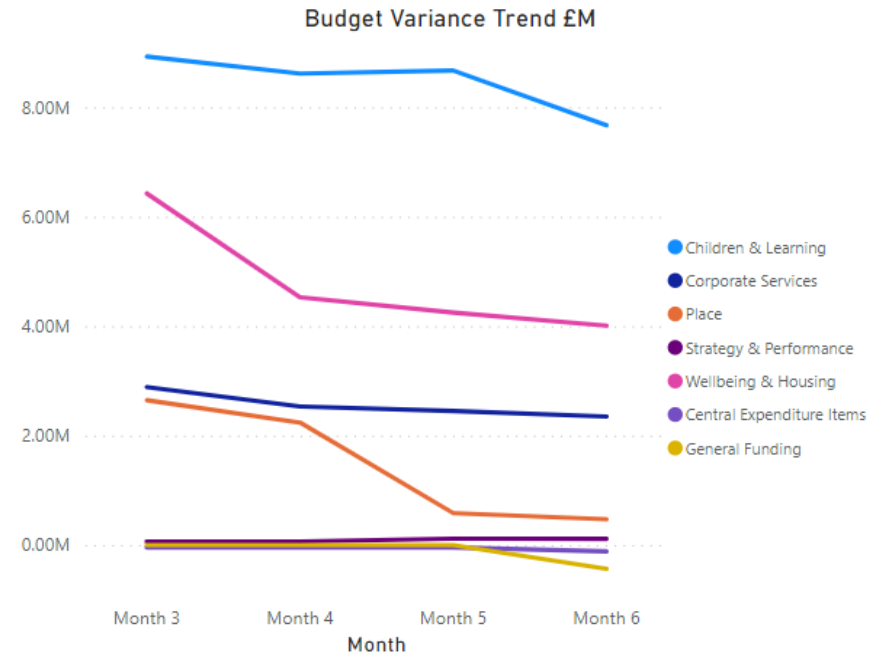
The current rate of non-achievement of savings is 8% or £2.5M forecast not to be achieved (Red & Purple).



General Fund Position



BUDGET MONITORING MONTH 6 (September)				
CURRENT POSITION	Forecast Annual Variance at Period 6	Variance Movement Compared to P5	Significant Forecast Variance Indicator	Improving ↑ / Deteriorating ↓ Movement
Directorate	£M	£M		
Children & Learning	7.67 A	1.00 F	Red	↑
Corporate Services	2.35 A	0.10 F	Red	↑
Place	0.47 A	0.11 F	Red	↑
Strategy & Performance	0.11 A	0.00 F	Red	↑
Wellbeing & Housing	4.01 A	0.24 F	Red	↑
Total Directorates	14.61 A	1.46 F	Red	↑
Centrally Held Budgets	0.11 F	0.07 F	Green	↑
General Funding	0.43 F	0.43 F	Green	↑
Net Deficit/Surplus	14.07 A	1.96 F	Red	↑



The overall movement since month 5 is £1.9M favourable. The main area of movement is Children & Learning (favourable £1.0M)



Variations to Budget per Directorate



Summary of variances to budget

Directorate	Energy	Non Achievement of savings	Client Packages and Placement costs	Coroner costs	Additional employee and agency costs	Income loss	Rates Reduction	Home to school transport	Other	Total
	£M	£M	£M	£M	£M	£M	£M	£M	£M	£M
Children & Learning	0.00	0.49	3.11	0.00	0.44	0.00	0.00	4.10	-0.46	7.67
Corporate Services	0.00	1.55	0.00	0.00	0.53	0.77	0.00	0.00	-0.50	2.35
Place	-0.25	0.24	0.00	0.10	0.03	-0.18	-0.23	0.00	0.76	0.47
Strategy & Performance	0.00	0.06	0.00	0.00	0.06	0.00	0.00	0.00	0.00	0.11
Wellbeing & Housing	0.00	0.14	5.44	0.00	-0.45	0.30	0.00	0.00	-1.42	4.01
Total Directorates	-0.25	2.48	8.55	0.10	0.60	0.90	-0.23	4.10	-1.63	14.62

The main adverse variances are non achievement of savings £2.5M, client packages and placements £8.6M, loss of income £0.9M and Home to School transport £4.1M. These are the key areas where work should be targeted to reduce the adverse position.



Children & Learning



Children & Learning BUDGET MONITORING MONTH 6 (September)									
CURRENT POSITION	Current Budget 2023/24	Forecast 2023/24	Forecast Annual Variance at Period 6	Variance P5	Variance Movement Compared to P5	Significant Forecast Variance Indicator	Improving ↑ / Deteriorating ↓ Movement	Actual to date	Actual Outturn 2022/23
	£M	£M	£M	£M	£M			£M	£M
Children & Learning	64.18	71.85	7.67 A	8.67 A	1.00 F	Red	↑	80.17	75.10
Service Area									
Divisional Management	2.05	1.78	0.27 F	0.00	0.27 F	Green	↑	0.82	2.00
Legal (Children's)	0.60	0.60	0.00	0.00	0.00	Green	-	0.10	0.66
Quality Assurance Business Unit	2.40	2.43	0.03 A	0.02 A	0.00 A	Red	↓	1.01	2.60
Safeguarding	9.70	9.63	0.07 F	0.21 A	0.28 F	Green	↑	4.78	11.10
Children Looked After	29.43	32.26	2.83 A	2.72 A	0.11 A	Red	↓	15.53	35.29
Pathways	0.71	1.08	0.36 A	0.54 A	0.18 F	Red	↑	0.42	(0.00)
ICU - Children's Services	0.37	0.37	0.00	0.00	0.00	Green	-	0.16	0.42
Children & Families First	2.59	2.56	0.07 A	0.07 A	0.00 A	Red	↓	0.86	2.24
Young Peoples Service	2.77	2.85	0.08 A	0.08 A	0.00 A	Red	↓	1.08	2.91
Youth Offending	0.66	0.68	0.01 A	0.01 A	0.00 A	Red	↓	0.61	0.55
	51.29	54.34	3.05 A	3.65 A	0.61 F	Red	↑	25.37	57.77
Stronger Communities	0.02	0.16	0.14 A	0.14 A	0.00	Red	-	0.02	0.09
Education - Home to school transport and property mgt	7.09	11.40	4.32 A	4.71 A	0.40 F	Red	↑	6.03	11.06
Education - Services for schools, High Needs	5.79	5.96	0.17 A	0.17 A	0.00 A	Red	↓	10.21	6.24
	12.88	17.37	4.49 A	4.88 A	0.39 F	Red	↑	16.25	17.30
DSG Central School Services Block	3.45	3.45	0.00	0.00	0.00	Green	-	(0.37)	(0.06)
DSG Early Years Block	13.83	13.83	0.00	0.00	0.00	Green	-	1.14	(0.01)
DSG High Needs Block	21.76	21.76	0.00	0.00	0.00	Green	-	0.52	(0.00)
DSG Schools Block	(39.04)	(39.04)	0.00	0.00	0.00	Green	-	37.23	0.00
	(0.01)	(0.01)	0.00	0.00	0.00	Green	-	38.53	(0.06)
Total Childrens & Learning	64.18	71.85	7.67 A	8.67 A	1.00 F	Red	↑	80.17	75.10

Children & learning £7.7M overspent, a favourable movement of £1.00M: £4.1M is because of Home to school transport pressures, £0.5M non achievement of current savings, £3.1M children placement costs, £0.4M additional employee costs due to the anticipated pay offer and £0.1M year of the child costs. There is a further pressure of historic saving targets of £0.2M in Education offset by new cost control initiatives totalling 0.7M through early intervention, reducing accommodation costs, prioritising projects to reduce spend and reducing translation costs by utilising online solutions. In addition costs to Home to school have reduced through an exercise of route optimisation and tendering routes to use larger vehicles reducing the number of journeys.



Corporate Services



CURRENT POSITION	Corporate Services BUDGET MONITORING MONTH 6 (September)									
	Current Budget 2023/24	Forecast 2023/24	Forecast Annual Variance at Period 6	Variance P5	Variance Movement Compared to P5	Significant Forecast Variance Indicator	Improving ↑ / Deteriorating ↓ Movement	Actual to date	Actual Outturn 2022/23	
	£M	£M	£M	£M	£M			£M	£M	
Corporate Services	39.00	41.35	2.35 A	2.45 A	0.10 F	Red	↑	52.23	39.79	
Service Area										
Accounts Payable	0.27	0.53	0.26 A	0.26 A	0.00	Red	-	0.29	0.41	
Accounts Receivable	2.16	2.34	0.18 A	0.18 A	0.00	Red	-	1.14	2.02	
Business Development Management	0.00	0.00	0.00	0.00	0.00	Green	-	0.01	0.00	
Business Support	1.82	1.99	0.17 A	0.17 A	0.00	Red	-	1.14	2.34	
Centrally Apportionable Overheads	(7.67)	(7.67)	0.00	0.00	0.00	Green	-	(0.74)	(7.64)	
Commercialisation	(0.29)	0.02	0.31 A	0.31 A	0.00	Red	-	(0.05)	0.10	
Corporate Finance	2.91	3.05	0.15 A	0.15 A	0.00	Red	-	1.72	3.05	
Corporate Management	0.24	0.28	0.05 A	0.05 A	0.00	Red	-	0.15	(0.11)	
Customer Services	2.17	2.18	0.01 A	0.01 A	0.00	Red	-	1.17	2.15	
Democratic Representation & Management	2.64	2.59	0.05 F	0.05 F	0.00	Green	-	1.24	2.70	
Facilities Management	0.73	0.80	0.07 A	0.05 A	0.02 A	Red	↓	0.60	2.74	
Highways Contracts	7.92	7.78	0.14 F	0.03 F	0.11 F	Green	↑	4.72	6.93	
HR Services	3.21	3.13	0.08 F	0.08 F	0.00	Green	-	1.89	3.29	
Internal Audit	0.34	0.34	0.00 A	0.00 A	0.00	Green	-	0.03	0.27	
IT Services	9.35	11.05	1.71 A	1.71 A	0.00	Red	-	6.73	10.06	
Land Charges	(0.17)	(0.17)	0.00	0.00	0.00	Green	-	(0.06)	(0.12)	
Legal Services & Customer Relations	1.95	1.90	0.05 F	0.05 F	0.00	Green	-	1.23	1.91	
Leisure Contracts	2.54	2.47	0.07 F	0.07 F	0.00	Green	-	0.80	1.93	
Local Taxation & Benefits Services	2.10	2.30	0.20 A	0.20 A	0.00	Red	-	(0.91)	2.08	
Net Housing Benefit Payments	0.30	0.30	0.00	0.00	0.00	Green	-	27.92	0.52	
Pension & Redundancy Costs	2.56	2.33	0.23 F	0.23 F	0.00	Green	-	0.02	1.86	
Registration of Electors and Elections Costs	0.63	0.64	0.00 A	0.00 A	0.00	Green	-	0.58	0.59	
Risk Management	1.68	1.68	0.00 A	0.01 A	0.01 F	Green	↑	1.79	1.46	
Supplier Management Services	1.61	1.47	0.14 F	0.14 F	0.00	Green	-	0.87	1.24	
Total Corporate Services	39.00	41.35	2.35 A	2.45 A	0.10 F	Red	↑	52.23	39.79	

Corporate Services £2.35M forecast overspend, a favourable movement of £0.10M: £1.55M is due to non-achievement of savings, a shortfall in income of £0.77M and a shortfall in the salary budget of £0.53M which mainly relate to forecast variances within the IT budget. The adverse position is reduced by cost control measures within the pension account of £0.23M, forecast savings of £0.14M in the Highways budget and risk management savings of £0.13M.



CURRENT POSITION	Place BUDGET MONITORING MONTH 6 (September)									
	Current Budget 2023/24	Forecast 2023/24	Forecast Annual Variance at Period 6	Variance P5	Variance Movement Compared to P5	Significant Forecast Variance Indicator	Improving ↑ / Deteriorating ↓ Movement	Actual to date	Actual Outturn 2022/23	
	£M	£M	£M	£M	£M			£M	£M	
Place	28.68	29.15	0.47 A	0.58 A	0.11 F	Red	↑	9.99	26.49	
Service Area										
Air Quality Monitoring	0.22	0.21	0.01 F	0.00	0.02 F	Green	↑	(1.12)	0.22	
Central Repairs & Maintenance	2.09	2.29	0.20 A	0.20 A	0.00	Red	-	0.44	2.42	
City Development	0.31	0.48	0.18 A	0.18 A	0.00	Red	-	0.10	0.00	
City of Culture	0.00	0.00	0.00	0.00	0.00	Green	-	0.00	0.46	
City Services - Commercial Services	0.15	0.11	0.04 F	0.05 A	0.09 F	Green	↑	(0.18)	0.65	
City Services - District Operating Areas	4.21	4.51	0.30 A	0.32 A	0.02 F	Red	↑	3.17	4.70	
City Services - Trees & Ecology	0.88	0.97	0.09 A	0.09 A	0.00	Red	-	0.48	0.87	
City Services - Waste Operations	16.80	16.03	0.77 F	0.72 F	0.05 F	Green	↑	9.33	14.33	
City Services - Management & Compliance	0.50	0.53	0.03 A	0.03 A	0.00	Red	-	0.26	0.30	
City Services - Fleet & Landscapes Trading	(1.68)	(1.14)	0.54 A	0.48 A	0.06 A	Red	↓	(0.53)	(0.74)	
CPRES - Bereavement Services	0.05	0.16	0.11 A	0.08 A	0.03 A	Red	↓	(0.60)	0.84	
CPRES - Environmental Health & Trading Standards	1.59	1.49	0.10 F	0.07 F	0.03 F	Green	↑	0.51	1.42	
CPRES - Licensing	(0.09)	(0.08)	0.01 A	0.01 A	0.00	Red	-	0.01	(0.02)	
CPRES - Parking & Itchen Bridge	(8.14)	(8.60)	0.46 F	0.43 F	0.03 F	Green	↑	(4.43)	(6.63)	
CPRES - Port Health	(0.61)	(0.41)	0.19 A	0.19 A	0.00	Red	-	(0.18)	(0.41)	
CPRES - Private Sector Housing	0.34	0.35	0.00	0.00	0.00	Green	-	(0.28)	0.14	
CPRES - Registration Services	(0.20)	(0.19)	0.01 A	0.01 A	0.00	Red	-	(0.12)	(0.19)	
Cultural Services	2.17	1.99	0.18 F	0.18 F	0.00	Green	↑	0.25	2.45	
Libraries	1.83	1.86	0.03 A	0.08 A	0.04 F	Red	↑	0.79	2.03	
Economic Development	0.07	0.16	0.08 A	0.08 A	0.00	Red	-	0.52	0.23	
Emergency Planning	0.13	0.10	0.02 F	0.02 F	0.00	Green	-	0.14	0.04	
Energy Team	0.05	0.05	0.00	0.00	0.00	Green	-	0.06	0.01	
Flood Risk Management	0.21	0.15	0.06 F	0.06 F	0.00	Green	-	0.06	0.13	
Health & Safety	0.27	0.30	0.03 A	0.03 A	0.00	Red	-	0.15	0.29	
Place Management	(0.10)	0.19	0.28 A	0.28 A	0.00	Red	-	0.01	0.24	
Planning	0.35	0.94	0.59 A	0.59 A	0.00	Red	-	0.44	1.03	
Property Portfolio Management	(6.92)	(6.88)	0.04 A	0.04 F	0.08 A	Red	↓	(5.13)	(6.32)	
Property Services	8.89	8.42	0.47 F	0.47 F	0.00	Green	-	5.61	2.40	
Skills	0.07	0.07	0.00	0.00	0.00	Green	-	0.11	0.13	
Skills, Regeneration & Partnership	0.44	0.43	0.02 F	0.02 F	0.00	Green	-	(0.70)	0.40	
Transportation	4.82	4.68	0.14 F	0.14 F	0.00	Green	↓	0.84	5.06	
Total Place	28.68	29.15	0.47 A	0.58 A	0.11 F	Red	↑	9.99	26.49	

Place £0.5M overspent, a favourable movement of £0.1M: Adverse variances of £0.2M Mayflower Park funding, £0.3M historic agency saving target which cannot be achieved, £0.3M relating to visitor economy, virtual retail for the Art Gallery and Southampton branding. There is a pressure of £0.2M due to non-achievement of the solar bins saving and other minor savings and £0.2M pressure relating to the cost of reactive repairs, increased Coroner costs of £0.1M and £0.2M City Development growth proposal. This is offset by a rates reduction in cultural services of £0.2M and Transportation cost control measures of £0.3M and reduction in the anticipated cost of energy of £0.3M and net increased income of £0.18M, along with a reduction on the Waste Transformation and Improvement budget of £0.3M. Cost control measures are continuing to be developed to address the remaining pressure in year.



Strategy & Performance



Strategy & Performance BUDGET MONITORING MONTH 6 (September)									
CURRENT POSITION	Current Budget 2023/24	Forecast 2023/24	Forecast Annual Variance at Period 6	Variance P5	Variance Movement Compared to P5	Significant Forecast Variance Indicator	Improving ↑ / Deteriorating ↓ Movement	Actual to date	Actual Outturn 2022/23
	£M	£M	£M	£M	£M			£M	£M
Strategy & Performance	3.72	3.83	0.11 A	0.12 A	0.00 F	Red	↑	2.05	3.58
Service Area									
Business Development Management Team	0.20	0.20	0.00	0.00	0.00	Green	-	0.04	0.33
Corporate Communications	0.93	0.99	0.06 A	0.07 A	0.00 F	Red	↑	0.64	0.92
Data & Intelligence	0.18	0.19	0.01 A	0.01 A	0.00	Green	-	0.23	0.34
Projects, Policy & Performance	1.59	1.69	0.10 A	0.10 A	0.00	Red	-	0.79	1.50
Strategic Management of the Council	0.81	0.76	0.05 F	0.05 F	0.00	Green	-	0.37	0.48
Total Strategy & Performance	3.72	3.83	0.11 A	0.12 A	0.00 F		↑	2.05	3.58



Wellbeing & Housing



CURRENT POSITION	Wellbeing & Housing BUDGET MONITORING MONTH 6 (September)									
	Current Budget 2023/24	Forecast 2023/24	Forecast Annual Variance at Period 6	Variance P5	Variance Movement Compared to P5	Significant Forecast Variance Indicator	Improving ↑ / Deteriorating ↓ Movement	Actual to date	Actual Outturn 2022/23	
	£M	£M	£M	£M	£M			£M	£M	
Wellbeing & Housing	95.19	99.20	4.01 A	4.25 A	0.24 F	Red	↑	32.94	94.14	
Service Area										
Adults - Adult Services Management	1.16	1.16	0.00	0.00 A	0.00 F	Green	↑	0.69	1.69	
Adults - Long Term	45.14	48.68	3.54 A	3.25 A	0.30 A	Red	↓	18.40	48.28	
Adults - Provider Services	4.46	4.48	0.01 A	0.14 A	0.12 F	Red	↑	2.09	4.61	
Adults - Reablement & Hospital Discharge	8.80	8.60	0.20 F	0.15 F	0.05 F	Green	↑	4.87	8.21	
Adults - Safeguarding AMH & OOH	14.02	14.26	0.24 A	0.51 A	0.07 F	Red	↑	6.17	18.69	
Community Safety, Alcohol Related Crime, CCTV	0.30	0.27	0.02 F	0.02 F	0.00	Green	-	0.10	0.23	
Domestic Violence	0.56	0.58	0.02 A	0.02 A	0.00	Red	-	0.33	0.54	
Grants to Voluntary Organisations	0.54	0.54	0.00	0.00	0.00	Green	-	0.23	0.84	
Housing Needs	2.66	2.92	0.26 A	0.26 A	0.00	Red	-	(2.57)	2.02	
ICU - Provider Relationships	14.97	15.11	0.14 A	0.57 A	0.23 F	Red	↑	5.79	15.70	
ICU - System Redesign	1.64	1.74	0.10 A	0.10 A	0.00	Red	-	0.93	2.02	
Leisure Strategy	0.10	0.10	0.00	0.00	0.00	Green	-	0.02	0.05	
Public Health - Health Improvement	1.70	1.70	0.00	0.00	0.00	Green	-	0.25	2.18	
Public Health - Health Protection and Surveillance	9.80	9.80	0.00	0.00	0.00	Green	-	2.64	9.88	
Public Health - Management & Overheads	(15.28)	(15.28)	0.00	0.00	0.00	Green	-	(8.76)	(15.82)	
Public Health - Non-ringfenced	0.19	0.19	0.00	0.00	0.00	Green	-	0.09	2.40	
Public Health - Population Healthcare	3.77	3.77	0.00	0.00	0.00	Green	-	0.03	3.76	
Social Fund & Property	0.18	0.18	0.00	0.00	0.00	Green	-	(0.20)	0.27	
Stronger Communities	0.52	0.43	0.09 F	0.09 F	0.00	Green	-	1.87	0.53	
Travellers Sites	(0.04)	(0.04)	0.00	0.00	0.00	Green	-	(0.04)	0.03	
Total Wellbeing & Housing	95.19	99.19	4.01 A	4.25 A	0.24 F	Red	↑	32.94	94.14	
Breakdown by overall area:										
Adult Social Care	73.58	77.18	3.60 A	3.61 A	0.00 F	Red	↑	32.22	71.47	
ICU	16.61	16.85	0.24 A	0.47 A	0.23 F	Red	↑	6.72	15.73	
Public Health	0.19	0.19	0.00	0.00	0.00	Green	-	(5.76)	2.40	
Housing	2.66	2.92	0.26 A	0.26 A	0.00	Red	-	(2.57)	2.02	
Leisure	0.10	0.10	0.00	0.00	0.00	Green	-	0.02	0.05	
Stronger Communities	2.05	1.96	0.09 F	0.09 F	0.00	Green	-	2.30	2.47	

Wellbeing and Housing £4.0M overspent, a favourable movement of £0.2M: £5.4M is due to increased number and cost of client packages, £0.2M of non-achievement of savings, £0.3M increased bad debt provision and £0.3M increased homelessness costs, offset by employee savings including agency of £0.5M. The adverse position is further offset by new government funding of £1.7M for care costs.



Capital



<u>Directorate</u>	Budget	Forecast	Variance
	£M	£M	£M
Children & Learning	12.05	10.07	1.98 F
Corporate Services	2.58	2.43	0.16 F
Place	86.93	82.91	4.02 F
Strategy & Performance	1.78	1.78	0.00
Wellbeing & Housing	5.80	3.75	2.05 F
Total General Fund	109.14	100.93	8.21 F
HRA	55.05	43.73	11.32 F
Net Council Expenditure	164.19	144.66	19.53 F
Financed By:			
Council Resources - Borrowing (GF)	26.02	21.85	4.17 F
Council Resources - Borrowing (HRA)	18.54	15.41	3.14 F
Council Resources - Capital Receipts	6.56	3.79	2.77 F
Contributions	13.44	13.08	0.36 F
Grants	68.10	64.42	3.68 F
Council Resources - DRF	3.31	2.91	0.40 F
MRA	28.21	23.19	5.02 F
Total Financing	164.19	144.66	19.53 F

<u>Forecast Variance Analysis</u>	GF	HRA	Total
	£M	£M	£M
Deficit Budget	0.32	3.43	3.75
Surplus Budget	(1.89)	(2.79)	(4.69)
Slippage of Works	(7.26)	(11.95)	(19.22)
Slippage for Retention Payments	0.00	0.00	0.00
Rephasing of Works	0.63	0.00	0.63
Funding No Longer Available	0.00	0.00	0.00
	(8.21)	(11.32)	(19.53)

General Fund is reporting £8.21M forecast favourable variance. Major variances include:

- CADS – Streetlighting & Phase 2 £2.25M slippage
- FTZ £0.47M slippage
- Disabled Facilities Grant £1.79M slippage
- SEND £0.82M slippage
- Childrens Service Units £0.79M slippage
- Townhill Roof £0.39M slippage
- CADS £1.20M underspend

HRA is reporting £11.32M Favourable variance. Major variances include:

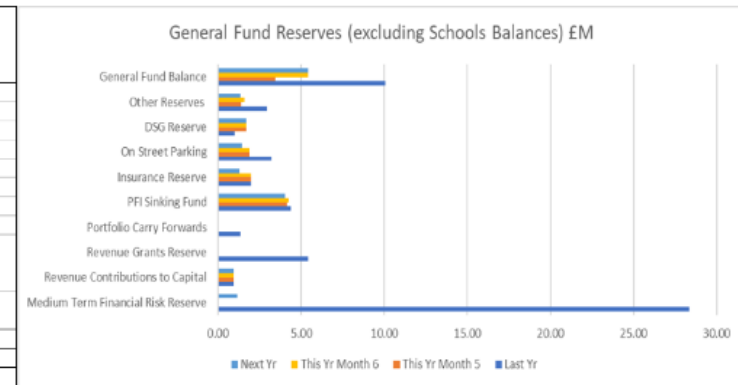
- Roofing Works £2.26M slippage
- ECO - Canberra Towers £3.65M slippage
- Townhill Park £2.77M slippage
- Major Works – £2M overspend
- Container Homes Project £0.40M underspend
- 1,000+ Parking Spaces £0.71M underspend



General Fund Earmarked Reserves (excluding Schools Balances)



	Balance As At 31/03/2023	Month 5 Forecast Balance As At 31/03/2024	Changes this month	Month 6 Forecast Balance As At 31/03/2024	Month 6 Forecast Balance As At 31/03/2025	Comments
	£M	£M	£M	£M	£M	
Medium Term Financial Risk Reserve	28.35	0.00	0.00	0.00	1.15	
Revenue Contributions to Capital	0.93	0.93	0.00	0.93	0.93	
Revenue Grants Reserve	5.43	0.00	0.00	0.00	0.00	
Portfolio Carry Forwards	1.34	0.00	0.00	0.00	0.00	
PFI Sinking Fund	4.38	4.16	0.10	4.26	4.02	Change in spend profile
Insurance Reserve	2.00	2.00	0.00	2.00	1.30	
On Street Parking	3.21	1.89	0.03	1.92	1.42	
DSG Reserve	0.99	1.69	0.00	1.69	1.69	Note £11.1M cumulative deficit to 31/03/2022 is held in the DSG Adjustment Account in accordance with regulations.
Other Reserves	2.96	1.41	0.17	1.58	1.34	£0.13M reduction in forecast drawdown of Public Health Reserve.
Total Earmarked Reserves	49.59	12.08	0.30	12.38	11.86	
General Fund Balance	10.07	3.48	1.95	5.41	5.41	£1.95M reduction in forecast in-year overspend
Total GF Reserves (excl. Schools)	69.66	15.53	2.25	17.78	17.26	



The balance on the Medium Term Financial Risk (MTFR) Reserve is forecast to be used up in 2023/24 in meeting the £14.1M in-year overspend. £4.7M of the General Fund Balance would also be required to cover the forecast deficit as at month 6, if not met from other reserves. This would reduce the General Fund Balance to £5.4M, compared with a minimum of £11M recommended by CIPFA (5% of net revenue expenditure).



	Council Tax	Business Rates	Total
	£M	£M	£M
Distribution of previous years' estimated surplus/(contribution towards estimated deficit)	(0.31)	3.45	3.14
Net income and expenditure for 2023/24	0.38	2.58	2.95
(Surplus)/Deficit for the year	0.07	6.02	6.09
(Surplus)/Deficit brought forward from 2023/24	0.90	(13.20)	(12.30)
Overall (Surplus)/Deficit Carried Forward	0.97	(7.18)	(6.21)
SCC Share of (Surplus)/Deficit	0.81	(3.52)	(2.70)
Add: Variance in SCC Government grant income for business rates reliefs for 2023/24		0.14	0.14
SCC Net Share of (Surplus)/Deficit Including Government Grant adjustments to be taken into account in budget setting	0.81	(3.38)	(2.56)

➤ For the Collection Fund as a whole there is a forecast surplus of £6.2M to be carried forward into 2024/25, mostly from an improvement in the 2022/23 outturn position due to a reduction in the amount set aside for business rates appeals.

➤ SCC's share of the surplus is £2.7M, of which £4.3M relates to the improvement in the 2022/23 outturn position and £1.6M to an in-year deficit. This will need to be taken into account in setting the 2024/25 budget and is not available to use in 2023/24.

➤ In addition, there is a forecast reduction of £0.1M in government grant income for business rates reliefs in 2023/24.



Housing Revenue Account



HOUSING REVENUE ACCOUNT BUDGET MONITORING MONTH 6 (September)							
CURRENT POSITION	Current Budget 2023/24	Forecast 2023/24	Forecast Annual Variance at Period 6	Variance P5	Variance Movement Compared to P5	Significant Forecast Variance Indicator	Improving ↑ / Deteriorating ↓ Movement
	£M	£M	£M	£M	£M	£M	£M
Expenditure							
Responsive & Repairs	15.10	15.09	0.01 F	0.01 F	0.00	Green	-
Cyclical Maintenance	6.44	6.51	0.07 A	0.07 A	0.00	Red	-
Rents Payable	0.20	0.45	0.25 A	0.10 A	0.15 A	Red	↓
Debt Management	0.09	0.09	0.00	0.00	0.00	Green	-
Supervision & Management	26.16	26.97	0.81 A	0.81 A	0.00	Red	-
Interest & Principal Repayments	5.71	6.71	1.00 A	1.00 A	0.00	Red	-
Depreciation	22.07	21.50	0.57 F	0.57 F	0.00	Green	-
Direct Revenue Financing of Capital	4.00	1.88	2.12 F	2.42 F	0.30 A	Green	↓
Gross Expenditure	79.77	79.20	0.58 F	1.03 F	0.45 A	Green	↓
Income							
Dwelling Rents	(75.14)	(74.94)	0.20 A	0.50 A	0.30 F	Red	↑
Other Rents	(1.24)	(1.20)	0.04 A	0.00	0.04 A	Red	↓
Service Charge Income	(2.34)	(2.52)	0.18 F	0.00	0.18 F	Green	↑
Leaseholder Service Charges	(1.05)	(1.05)	0.00	0.00	0.00	Green	-
Interest Received	0.00	(0.08)	0.08 F	0.06 F	0.02 F	Green	↑
Total Income	(79.77)	(79.78)	0.01 F	0.44 A	0.45 F	Green	↑
Balances							
Working Balance B/Fwd	(2.00)	(2.00)					
(Surplus)/deficit for year	0.00	(0.59)	0.59 F	0.59 F	0.00	Green	-
Working Balance C/Fwd	(2.00)	(2.59)					

HRA POSITION - £0.59M Favourable. £0.59M Favourable forecast on depreciation charge is proposed to be added to the overall working balance. Pressures of £2.37M across the HRA relating to rent void loss £0.2M and empty property charges £0.25M, £0.8M Disrepair claims, waste disposal cost, management restructure and termination costs and £1m interest rate cost are being offset by favourable variances on service charge income of £0.18M and interest receivable of £0.08M, and a reduction in planned direct revenue financing contribution of £2.1M.

Landlord Controlled Heating Account		
	YTD £M	Forecast £M
Balance B/fwd	3.58	3.58
Costs incurred Jan-Mar 23	2.02	2.02
Less accruals 22/23	(2.81)	(2.81)
Rent collected ytd	(3.57)	(7.47)
Leaseholder contribution		(0.80)
Costs incurred YTD	1.89	8.83
Balance C/fwd	1.12	3.36

As a result of significantly increased energy costs, and no subsequent adjustment to charges applied during 2022/23, the landlord controlled heating account ended in a deficit position as at 31st March 2023. The revised charges for 2023/24 are sufficient to cover costs in 2023/24 only, but will not contribute to deficit recovery unless a significant reduction in cost occurs. Cabinet agreed to the principle of a phased deficit recovery plan in July 2023.



Dedicated Schools Grant

CURRENT POSITION	Current Budget 2023/24	Forecast 2023/24	Forecast Annual Variance at Period 6	Variance P5	Variance Movement Compared to P5	Significant Forecast Variance Indicator	Improving ↑ / Deteriorating ↓ Movement
	£M	£M	£M	£M	£M		
Schools	0.00	0.00	0.00	0.00	0.00	Green	-
High Needs	0.00	(0.70)	0.70 F	0.70 F	0.00	Green	-
Early Years	0.00	0.00	0.00	0.00	0.00	Green	-
Central Services	0.00	0.00	0.00	0.00	0.00	Green	-
In Year Balance	0.00	(0.70)	0.70 F	0.70 F	0.00	Green	-
Balance B/Fwd held in DSG adjustment reserve	0.00	11.09	11.09 A				
Balance B/Fwd held in DSG usable reserve		(0.99)	0.99 F				
Net DSG deficit B/Fwd		10.10	10.10 A				
Total non General Fund Services	0.00	9.40	9.40 A			Red	

School Balances Table	Forecast 2023/24		
	Deficit	Surplus	Balance
Primary	3.04	(2.36)	0.68
Nos.	11	20	31
%	35%	65%	100%
Secondary	0.00	(3.62)	(3.62)
Nos.	0	6	6
%	0%	100%	100%
Special	0.71	(0.08)	0.62
Nos.	2	3	5
%	40%	60%	100%
Total	3.75	(6.06)	(2.31)
Nos.	13	29	42
%	31%	69%	100%