

OVERALL GENERAL REVENUE FUND FORECAST OUTTURN POSITION FOR
2023/24

Directorate	Budget Quarter 1	Annual Forecast Quarter 1	Forecast Variance Quarter 1
	£M	£M	£M
Children & Learning	63.63	72.56	8.93 A
Corporate Services	38.94	41.83	2.89 A
Place	28.45	31.10	2.65 A
Strategy & Performance and CEO	3.72	3.79	0.07 A
Wellbeing & Housing	91.89	98.32	6.43 A
Total Directorates	226.63	247.58	20.96 A
Levies & Contributions	0.09	0.09	0.01 A
Capital Asset Management	9.86	9.82	0.04 F
Other Expenditure & Income	(15.05)	(15.06)	0.01 F
Net Revenue Expenditure	221.52	242.44	20.91 A
Council Tax	(115.51)	(115.51)	0.00
Business Rates	(49.14)	(49.14)	0.00
Non-Specific Government Grants	(56.87)	(56.87)	0.00
Total Financing	(221.52)	(221.52)	0.00
(SURPLUS)/DEFICIT	0.00	20.91	20.91 A

Numbers are rounded

EXPLANATIONS BY DIRECTORATE

1. CHILDREN & LEARNING

KEY REVENUE ISSUES – QUARTER 1 2023/24

The directorate is currently forecast to have a deficit of **£8.93M**, which represents a percentage variance against budget of **14.0%**.

	Forecast Variance £M	% of budget
Directorate Forecast Outturn	8.93 A	14.0%

A summary of the directorate forecast variance is shown in the table below:

Service Area	Forecast Variance Quarter 1 £M
Children & Families First	0.07 A
Children Looked After	2.45 A
Divisional Management & Legal	0.02 A
Education - Home to school transport and property mgt	4.80 A
Education - Services for schools, High Needs	0.36 A
Pathways Through Care	0.65 A
Quality Assurance Business Unit	0.02 A
Safeguarding	0.21 A
Stronger Communities	0.14 A
Young Peoples Service	0.19 A
Youth Offending	0.01 A
Total	8.93 A

The **SIGNIFICANT** issues for the directorate are:

Service Area	Forecast Variance Qtr 1 £M	Explanation
Children Looked After	2.45 A	<p>This adverse variance comprises as follows:</p> <ul style="list-style-type: none"> • Residential placements - £0.92M • SCC Foster Carers - £0.65M • Special Guardianship - £0.33M • Unaccompanied Asylum Seeking Children costs - £0.58M • Children in Care Teams - £0.26M <p>This has been offset by a favourable variance totalling £0.29M from fostering from lower cost placements and staffing movements.</p>
Education - Home to school transport and property management	4.80 A	<p>The Home to School Transport (HST) service is experiencing cost pressures of £4.37M driven by a sharp increase in the unit costs for transport as well as an increased numbers of pupils with an Education, Health and Care Plan (EHCP) entitled to home to school transport.</p> <p>Unachievable savings are:</p> <ul style="list-style-type: none"> • £0.06M for HST • £0.19M Educational Psychologists. • £0.14M relating to property <p>Plus £0.04M expected over and above budget for pay awards pending.</p>
Education - Services for schools, High Needs	0.36 A	<p>A combination of:</p> <p>Jigsaw service - new pressure of £0.24M relating to a new high placement cost</p> <p>The education team has net pressures of £0.04M relating to unachievable savings targets.</p> <p>Plus £0.08M expected over and above budget for pay awards pending</p>
Care Leavers	0.65 A	<p>Adverse position based on the current number of clients. This is also in the context of a significantly reduced budget this year compared with spend last year.</p>
Safeguarding	0.21 A	<p>Adverse variance due to the Emergency Duty Team (EDT) staffing, overtime, allowances and preventative spend.</p>

Young Peoples Service and Youth Offending	0.20 A	Adverse due to: <ul style="list-style-type: none">• Cost control proposals to merge 2 posts will not be made to realise £0.06M gain.• £0.09M on staff to cover demand in this service area.• Plus £0.08M expected over and above budget for pay awards pending.
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2. CORPORATE SERVICES

KEY REVENUE ISSUES – QUARTER 1 2023/24

The directorate is currently forecast to have a deficit of **£2.89M**, which represents a percentage variance against budget of **7.4%**.

	Forecast Variance £M	% of Budget
Directorate Forecast Outturn	2.89 A	7.4%

A summary of the directorate forecast variance is shown in the table below:

Service Area	Forecast Variance Quarter 1 £M
Accounts Payable	0.26 A
Accounts Receivable	0.18 A
Business Support	0.14 A
Commercialisation	0.31 A
Corporate Finance	0.15 A
HR	0.08 F
IT Services	2.06 A
Leisure Contracts	0.08 F
Local Taxation & Benefits Services	0.20 A
Pension & Redundancy Costs	0.23 F
Other	0.04 F
Total	2.89 A

The **SIGNIFICANT** issues for the directorate are:

Service Area	Forecast Variance Qtr 1 £M	Explanation:
Accounts Payable	0.26 A	<p>The adverse variance relates to unachievable prior-year efficiency savings targets. These include:</p> <ul style="list-style-type: none"> • charging for the appointeeship service £0.03M; Improvement and Development Agency (IDEA) income £0.05M; • renegotiation of payment terms with suppliers £0.02M; greater use of purchase cards £0.11M; • staffing savings £0.04M.
Commercialisation	0.31 A	<p>This relates to unachievable prior year efficiency savings targets for:</p> <ul style="list-style-type: none"> • commercialisation £0.23M; • city Lottery Proposal £0.04M • salary sacrifice scheme £0.04M.
IT Services	2.06 A	<p>The IT service is incurring:</p> <ul style="list-style-type: none"> • additional staff costs of £0.56M • costs of £0.90M which can't be charged to capital as originally expected. • a shortfall in the income to be achieved from IT services paid for by schools of £0.45M • an unachievable prior year efficiency savings target of £0.20M. • £0.08M expected over and above budget for pay awards pending. • less a cost control saving of £0.13M.
Local Taxation & Benefits	0.20 A	<p>An undelivered efficiency saving of £0.16M in the cost of collecting taxes and £0.04M expected over and above budget for pay awards pending.</p>
Pension & Redundancy Costs	0.23 F	<p>There is a forecast favourable variance of £0.23M in this budget due to the inclusion of a cost control proposal of £0.23M to realign the pensions budget for compensatory added years (CAY) to reflect future forecast expenditure more accurately in this area.</p>

3. PLACE

KEY REVENUE ISSUES – QUARTER 1 2023/24

The directorate is currently forecast to have a deficit of **£2.65M**, which represents a percentage variance against budget of **9.3%**.

	Forecast Variance £M	% of budget
Directorate Forecast Outturn	2.65 A	9.3%

A summary of the directorate forecast variance is shown in the table below:

Service Area	Forecast Variance Quarter 1 £M
Central Repairs & Maintenance	0.20 A
City Development	0.25 A
City Services - District Operating Areas	0.23 A
City Services - Fleet & Landscapes Trading	0.40 A
City Services - Trees & Ecology	0.12 A
City Services – Waste Operations	0.12 A
CPRES - Bereavement Services	0.10 A
CPRES - Parking & Itchen Bridge	0.25 F
CPRES – Port Health	0.14 A
CPRES - Private Sector Housing	0.05 A
Cultural Services	0.16 F
Directorate Management	0.28 A
Economic Development	0.14 A
Libraries	0.08 A
Planning	0.64 A
Property Services	0.35 A
Other	0.03 F
Total	2.65 A

The **SIGNIFICANT** issues for the directorate are:

Service Area	Forecast Variance Qtr 1 £M	Explanation
Central Repairs & Maintenance	0.20 A	Adverse variance forecast on reactive repairs of £0.20M based on the trend in the level of repairs required in recent years. In year cost control mitigations are being developed across the

		Directorate to address adverse variances to be incorporated into Quarter 2 reporting.
City Development	0.25 A	This is the new City Development team in the Economic Development & Regeneration service. The adverse forecast of £0.25M is to enhance the new service including £0.15M for creating a Masterplanning budget and £0.10M to develop new positions to help deliver the city growth ambitions for the Council.
City Services - District Operating Areas	0.23 A	<ul style="list-style-type: none"> • An unachievable saving of £0.10M relates to the implementation of solar bins. The new vehicle needed for the saving should be received this summer. • A cost pressure of £0.05M relates to the requirement to pay Veolia to open the Marchwood site on Sunday. • £0.08M expected cost over and above budget for pay awards pending.
City Services - Fleet & Landscapes Trading	0.40 A	This is mainly due to a forecast shortfall in recharge income of £0.38M from the change in policy for how older vehicles are recharged to the HRA (Housing Revenue Account).
Parking & Itchen Bridge	0.25 F	The favourable variance of £0.25M is due to income performance in off street car parks being better than anticipated.
Directorate Management	0.28 A	A directorate wide saving target is being held centrally rather than applied to relevant services. It is anticipated this saving cannot be achieved. In year cost control mitigations are being developed across the Directorate to address adverse variances and measures are due to be incorporated into quarter 2 reporting.

Planning	0.64 A	<p>The adverse variance of £0.64M is split £0.31M for Development Management and £0.33M for Strategic Planning.</p> <p>The adverse variance in Development Management is mainly related to forecasts of planning application income being below budget.</p> <p>The Strategic Planning forecast variance of £0.33M includes £0.25M estimated costs associated with delivering the Local Plan in 2023/24 plus £0.08M for unachievable income targets.</p>
Property Services	0.35 A	<ul style="list-style-type: none"> • The adverse variance of £0.35M includes £0.20M to progress the regeneration of Mayflower Park. • An additional post, estimated at £0.05M, to progress a strategic procurement partner for the Corporate Estates and Assets team with the intention of making the procurement process more efficient. • £0.10M expected over and above budget for pay awards pending.

4. STRATEGY & PERFORMANCE AND CEO

KEY REVENUE ISSUES – QUARTER 1 2023/24

The directorate is currently forecast to have a deficit of **£0.07M**, which represents a percentage variance against budget of **1.8%**.

	Forecast Variance £M	% of budget
Directorate Forecast Outturn	0.07 A	1.8%

A summary of the directorate forecast variance is shown in the table below:

Service Area	Forecast Variance Quarter 1 £M
Corporate Communications	0.07 A
Data & Intelligence	0.01 A
Projects, Policy & Performance	0.05 A
Strategic management of the council	0.05 F
Total	0.07 A

There were no SIGNIFICANT issues for the directorate.

5. WELLBEING & HOUSING

KEY REVENUE ISSUES – QUARTER 1 2023/24

The directorate is currently forecast to have a deficit of **£6.43M**, which represents a percentage variance against budget of **7.0%**.

	Forecast Variance £M	% of budget
Directorate Forecast Outturn	6.43 A	7.0%

A summary of the directorate forecast variance is shown in the table below:

Service Area	Forecast Variance Quarter 1 £M
Adults - Adult Services Management	0.02 A
Adults - Long Term	5.40 A
Adults - Provider Services	0.05 A
Adults - Reablement & Hospital Discharge	0.07 F
Adults - Safeguarding Adult Mental Health and Out of Hours	0.04 A
Housing Needs	0.20 A
ICU - Provider Relationships	0.83 A
Stronger Communities	0.04 F
Total	6.43 A

The **SIGNIFICANT** issues for the directorate are:

Service Area	Forecast Variance Qtr 1 £M	Explanation
Adults - Long Term	5.40 A	<p>This variance is due to:</p> <ul style="list-style-type: none"> • £6.69M is a combination of demography cost risk plus the impact of the worsening Adult Social Care financial position through the second half of the previous financial year continuing on the same trajectory. However, there are currently various interventions/ transformation projects planned to take place in year to reduce risk of overspend increasing through year with the aim of ultimately coming back to budget - plans are being progressed for this. • £1.37M favourable variance due to negotiated budget uplifts for provider rates being less than anticipated due to subsequent discussions agreeing on a reduced uplift percentage. • £0.05M adverse variance due the expected pay award uplift amount being greater that forecast.
Housing Needs	0.20 A	<p>This variance is due to anticipated homelessness costs for 2023/24. Homelessness levels remain high which puts pressure on temporary accommodation costs and irrecoverable housing benefits costs.</p>
ICU – Provider Relationships	0.83 A	<p>The variance is due to contract review savings still being identified, and the pay award uplift.</p>

6. CENTRALLY HELD BUDGETS

KEY REVENUE ISSUES – QUARTER 1 2023/24

Centrally held budgets are currently forecast to have a surplus of £0.04M, which represents a percentage variance against budget of **0.02%**.

	Forecast Variance £M	% of budget
Centrally Held Budgets Forecast Outturn	0.04 F	0.02%

A summary of the centrally held budgets forecast variances is shown in the table below:

Service Area	Forecast Variance Quarter 1 £M
Levies & Contributions	0.01 A
Capital Asset Management	0.04 F
Other Expenditure & Income	0.01 F
Council Tax	0.00
Business Rates	0.00
Non-Specific Government Grants & Other Funding	0.00
Total	0.04 F

There were no SIGNIFICANT issues for centrally held budgets at Quarter 1.