

**OVERALL GENERAL REVENUE FUND FORECAST OUTTURN POSITION FOR**  
**2023/24**

<b>Directorate</b>	<b>Budget Quarter 3 £M</b>	<b>Annual Forecast Quarter 3 £M</b>	<b>Forecast Variance Quarter 3 £M</b>	<b>Forecast Variance Quarter 2 £M</b>	<b>Movement from Quarter 2 £M</b>
Children & Learning	64.02	70.60	6.58 A	7.67 A	1.10 F
Corporate Services Place	39.23	41.58	2.35 A	2.35 A	0.01 A
Strategy & Performance and CEO	28.59	28.07	0.52 F	0.47 A	0.99 F
Wellbeing & Housing	3.65	3.98	0.33 A	0.11 A	0.22 A
	95.28	98.52	3.23 A	4.01 A	0.77 F
<b>Total Directorates</b>	<b>230.77</b>	<b>242.75</b>	<b>11.98 A</b>	<b>14.61 A</b>	<b>2.63 F</b>
Levies & Contributions	0.09	0.09	0.01 A	0.01 A	0.00
Capital Asset Management	9.86	9.75	0.11 F	0.11 F	0.00
Other Expenditure & Income	(19.14)	(18.75)	0.39 A	0.01 F	0.40 A
<b>Net Revenue Expenditure</b>	<b>221.58</b>	<b>233.85</b>	<b>12.26 A</b>	<b>14.50 A</b>	<b>2.23 F</b>
Council Tax	(115.51)	(115.51)	0.00	0.00	0.00
Business Rates	(49.14)	(49.14)	0.00	0.00	0.00
Non-Specific Government Grants	(56.93)	(57.36)	0.43 F	0.43 F	0.00
<b>Total Financing</b>	<b>(221.58)</b>	<b>(222.01)</b>	<b>0.43 F</b>	<b>0.43 F</b>	<b>0.00</b>
<b>(SURPLUS)/DEFICIT</b>	<b>0.00</b>	<b>11.83</b>	<b>11.83 A</b>	<b>14.07 A</b>	<b>2.23 F</b>

Numbers are rounded

Annex 1.1 shows how the service areas within each directorate relate to portfolios.

## EXPLANATIONS BY DIRECTORATE

### 1. CHILDREN & LEARNING

#### KEY REVENUE ISSUES – QUARTER 3 2023/24

The Directorate is currently forecast to have a deficit of **£6.58M**, which represents a percentage variance against budget of **10.3%**. The Directorate forecast variance has moved favourably by **£1.10M** from the position reported at Quarter 2.

	<b>Budget</b>	<b>Forecast Outturn</b>	<b>Forecast Variance Qtr 3</b>	<b>Forecast Variance Qtr 2</b>	<b>Movement from Qtr 2</b>	<b>% of budget</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	
<b>Directorate Forecast Outturn</b>	<b>64.02</b>	<b>70.60</b>	<b>6.58 A</b>	<b>7.67 A</b>	<b>1.10 F</b>	<b>10.3%</b>

A summary of the Directorate forecast variance and movement since Quarter 2 is shown in the table below:

<b>Service Area</b>	<b>Budget</b>	<b>Forecast Outturn</b>	<b>Forecast Variance</b>	<b>Forecast Variance</b>	<b>Variance Movement from Qtr 2</b>
	<b>£M</b>	<b>£M</b>	<b>Qtr 3 £M</b>	<b>Qtr 2 £M</b>	<b>£M</b>
Divisional Management	1.79	1.51	0.28 F	0.27 F	0.01 F
Legal (Children's)	0.60	0.36	0.24 F	0.00	0.24 F
Safeguarding	9.75	9.30	0.45 F	0.07 F	0.37 F
Children Looked After	29.43	32.61	3.18 A	2.83 A	0.35 A
Pathways Through Care	0.71	1.06	0.35 A	0.36 A	0.01 F
Children & Families First	2.71	2.31	0.40 F	0.07 A	0.47 F
Stronger Communities (Child Friendly City)	0.02	0.07	0.05 A	0.14 A	0.09 F
Education - Home to school transport and property management	7.11	11.28	4.17 A	4.32 A	0.15 F
Education - Services for schools, High Needs	5.78	6.01	0.23 A	0.17 A	0.06 A
Other	6.12	6.09	0.03 F	0.12 A	0.16 F
<b>Total</b>	<b>64.02</b>	<b>70.60</b>	<b>6.58 A</b>	<b>7.67 A</b>	<b>1.10 F</b>

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

Service Area	Forecast Variance Qtr 3 £M	Explanation																												
Divisional Management & Legal	0.28 F	<p>As at Quarter 3 there is a favourable variance of £0.28M. This is due to reduced project costs by focusing projects and change support on a smaller number of key projects as well as increased grant funding to offset staffing costs.</p> <p>The favourable movement of £0.01M from Quarter 2 relates to reduced project costs by focusing projects and change support on a smaller number of key projects.</p>																												
Legal (Children's)	0.24 F	<p>As at Quarter 3 there is a favourable variance of £0.24M. This is following a review of current and future spend between the Service, Legal and Finance teams.</p>																												
Safeguarding	0.45 F	<p>Safeguarding - as at Quarter 3 there is a forecast £0.45M favourable variance due to the implementation of improvements to reduce costs of expensive and intrusive social care interventions with families by providing efficient and cost effective support for families at the earliest opportunity. Additionally, there are staffing vacancies forecasted within the service teams.</p> <p>The favourable movement of £0.37M from Quarter 2 mainly relates to additional staff vacancy movements.</p>																												
Children Looked After	3.18 A	<p>Children Looked After - The adverse variance at Quarter 3 of £3.18M relates to a number of demand pressures within the Children Looked After Teams' placement spend. These adverse variances against budget and the movement from Quarter 2 are detailed below:</p> <table border="1" data-bbox="815 1664 1506 2038"> <thead> <tr> <th data-bbox="815 1664 1161 1738">Area</th> <th data-bbox="1161 1664 1278 1738">Q3 £M</th> <th data-bbox="1278 1664 1394 1738">Q2 £M</th> <th data-bbox="1394 1664 1506 1738">Mvt £M</th> </tr> </thead> <tbody> <tr> <td data-bbox="815 1738 1161 1776">Residential placements</td> <td data-bbox="1161 1738 1278 1776">1.46 A</td> <td data-bbox="1278 1738 1394 1776">1.09 A</td> <td data-bbox="1394 1738 1506 1776">0.37 A</td> </tr> <tr> <td data-bbox="815 1776 1161 1814">SCC Foster Carers</td> <td data-bbox="1161 1776 1278 1814">0.38 A</td> <td data-bbox="1278 1776 1394 1814">0.44 A</td> <td data-bbox="1394 1776 1506 1814">0.06 F</td> </tr> <tr> <td data-bbox="815 1814 1161 1852">Special Guardianship</td> <td data-bbox="1161 1814 1278 1852">0.49 A</td> <td data-bbox="1278 1814 1394 1852">0.37 A</td> <td data-bbox="1394 1814 1506 1852">0.12 A</td> </tr> <tr> <td data-bbox="815 1852 1161 1928">Unaccompanied Asylum Seeking Children costs</td> <td data-bbox="1161 1852 1278 1928">0.28 A</td> <td data-bbox="1278 1852 1394 1928">0.37 A</td> <td data-bbox="1394 1852 1506 1928">0.09 F</td> </tr> <tr> <td data-bbox="815 1928 1161 1966">Children in Care Teams</td> <td data-bbox="1161 1928 1278 1966">0.69 A</td> <td data-bbox="1278 1928 1394 1966">0.61 A</td> <td data-bbox="1394 1928 1506 1966">0.08 A</td> </tr> <tr> <td data-bbox="815 1966 1161 2038">Independent Foster Carers (IFAs)</td> <td data-bbox="1161 1966 1278 2038">0.02 A</td> <td data-bbox="1278 1966 1394 2038">0.06 A</td> <td data-bbox="1394 1966 1506 2038">0.04 F</td> </tr> </tbody> </table>	Area	Q3 £M	Q2 £M	Mvt £M	Residential placements	1.46 A	1.09 A	0.37 A	SCC Foster Carers	0.38 A	0.44 A	0.06 F	Special Guardianship	0.49 A	0.37 A	0.12 A	Unaccompanied Asylum Seeking Children costs	0.28 A	0.37 A	0.09 F	Children in Care Teams	0.69 A	0.61 A	0.08 A	Independent Foster Carers (IFAs)	0.02 A	0.06 A	0.04 F
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		Offset by a favourable variance due to staffing underspends in the Fostering and Phoenix Teams.	0.14 F	0.11 F	0.03 F
		<b>TOTAL</b>	<b>3.18 A</b>	<b>2.83 A</b>	<b>0.35 A</b>
		<p>Work is currently being undertaken to review the current overspend by reviewing and challenging the package cost status of Children Looked After on a weekly basis.</p> <p>The current forecasted spend In Children Looked After (CLA) and Pathways this year is £32.61M which is significantly below the 2022/23 outturn of £35.29M.</p>			
Pathways Through Care	0.35 A	<p>As at Quarter 3 there is a forecast adverse variance of £0.35M based on the current number of clients causing an adverse movement of £0.64M however there is a favourable variance of £0.29M which partly mitigates this adverse position with the use of the Staying Close grant that has been awarded to the service.</p> <p>The overspend position continues to be managed by reviewing activity relating to care leaver accommodation.</p> <p>The favourable movement of £0.01M from Quarter 2 mainly relates to reviewing the spend profile relating to care leaver accommodation.</p>			
Children & Families First	0.40 F	<p>As at Quarter 3 there is a favourable variance of £0.40M. There is a forecast £0.08M favourable variance due to an increase in the payment by results elements of the Supporting Families Grant as well as additional cost reductions following allocation of the Family Hubs Grant to the sum of £0.32M.</p> <p>The favourable movement of £0.47M from Quarter 2 relates to an increased £0.33M allocation of the Family Hubs grant against existing costs following a review, £0.08M favourable variance due to an increase in the payment by results elements of the Supporting Families Grant, and smaller favourable movements amounting to £0.06M.</p>			

Education - Home to school transport and property management	4.17 A	<p>As at Quarter 3 there is a forecast adverse variance of £4.17M. £4.05M is due to the increased costs experienced by the School Travel Service arising from higher unit prices as well as increased numbers of pupils with an Education, Health and Care Plan (EHCP) who are eligible for home to school transport. A programme of works to reduce the costs has begun and this is being achieved by reducing the number of journeys through route optimisation and retendering journeys that use larger vehicles. Operational costs have reduced in year by £0.41M with further routes under review.</p> <p>The Educational Psychologists team have pressures of £0.16M not being able to achieve savings targets as well as additional staff costs to meet the increase in demands as the statutory tasks arising from the increase in EHCPs are prioritised as well as maintaining the budgeted levels of income. Cost mitigation measures have been implemented to reduce the pressure by reducing non salary costs and increasing income.</p> <p>These pressures are offset by net cost reductions of £0.04M from property management.</p> <p>The favourable movement of £0.15M since Quarter 2 is due to the removal of the Home to School consultants' costs as they are to be met by the Council's contingency and some further cost reductions in the School Travel Service. There have also been cost reductions and increased income in the Education Psychologist team of £0.02M.</p>
Education - Services for schools, High Needs	0.23 A	<p>As at Quarter 3 there is a forecast adverse variance of £0.23M. There are pressures in placement costs of £0.30M offset by reduced costs in client package costs of £0.06M. There are some staff costs pressures which are mostly offset by increased grant funding. Cost mitigation measures have been implemented to reduce the pressure by reducing staffing and running costs as well as increasing income.</p> <p>The adverse movement of £0.06M since Quarter 2 is due to an increase in placement costs £0.13M, an increase in staff costs £0.01M offset by an increase in grant funding (£0.08M).</p>

## 2. CORPORATE SERVICES

### KEY REVENUE ISSUES – QUARTER 3 2023/24

The Directorate is currently forecast to have a deficit of **£2.35M**, which represents a percentage variance against budget of **6.0%**. The Directorate forecast variance has moved adversely by **£0.01M** from the position reported at quarter 2.

	<b>Budget</b>	<b>Forecast Outturn</b>	<b>Forecast Variance Qtr 3</b>	<b>Forecast Variance Qtr 2</b>	<b>Movement from Qtr 2</b>	<b>% of budget</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	
<b>Directorate Forecast Outturn</b>	<b>39.23</b>	<b>41.58</b>	<b>2.35 A</b>	<b>2.35 A</b>	<b>0.01 A</b>	<b>6.0%</b>

A summary of the Directorate forecast variance and movement since quarter 2 is shown in the table below:

<b>Service Area</b>	<b>Budget</b>	<b>Forecast Outturn</b>	<b>Forecast Variance Qtr 3</b>	<b>Forecast Variance Qtr 2</b>	<b>Variance Movement from Qtr 2</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>
Accounts Payable	0.26	0.57	0.32 A	0.26 A	0.06 A
Accounts Receivable	2.16	2.15	0.01 F	0.18 A	0.19 F
Business Support	1.78	2.12	0.35 A	0.17 A	0.18 A
Commercialisation	(0.29)	0.02	0.31 A	0.31 A	0.00
Corporate Finance	2.79	2.70	0.09 F	0.15 A	0.24 F
Facilities Management	0.73	0.95	0.22 A	0.07 A	0.15 A
Highways Contracts	7.92	8.45	0.53 A	0.14 F	0.67 A
HR Services	3.21	3.13	0.08 F	0.08 F	0.00
IT Services	9.35	11.06	1.71 A	1.71 A	0.00
Leisure Contracts	2.54	1.88	0.66 F	0.08 F	0.58 F
Local Taxation & Benefits Services	2.10	2.45	0.35 A	0.20 A	0.15 A
Pension & Redundancy Costs	3.27	3.04	0.23 F	0.23 F	0.00
Supplier Management Services	1.59	1.36	0.23 F	0.14 F	0.09 F

Other Services	1.82	1.70	0.14 F	0.03 F	0.11 F
<b>Total</b>	<b>39.23</b>	<b>41.58</b>	<b>2.35 A</b>	<b>2.35 A</b>	<b>0.01 A</b>

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

<b>Service Area</b>	<b>Forecast Variance Qtr 3 £M</b>	<b>Explanation</b>
Accounts Payable	0.32 A	<p>The adverse variance of £0.32M relates to unachievable prior year savings targets of £0.25M, including charging for the appointeeship service £0.03M; IDEA income £0.05M; renegotiation of payment terms with suppliers £0.03M; greater use of purchase cards £0.12M; and cost reduction of £0.03M. There is also a forecast overspend for staffing of £0.06M which includes the unbudgeted pay award pressure and unachievable vacancy management. Plus, additional printing &amp; postage costs of £0.01M.</p> <p>The adverse forecast movement since Quarter 2 of £0.06M relates to the pressure in printing &amp; postage costs identified.</p>
Business Support	0.35A	<p>The adverse variance of £0.35M relates to non-achievement of prior year savings for the reconfiguration of the Blue Badge Application process, automation, and staff savings of £0.23M. In addition, there is a salary related pressures of £0.12M including the pressure for the unfunded pay award and a pressure due to non-achievement of the vacancy management targets.</p> <p>The adverse forecast movement since Quarter 2 of £0.18M relates to the non-achievement of the full vacancy management target of £0.09M. Also, there is an additional unachievable saving identified of £0.06M and a new cost control measure for deletion of posts also for £0.06M both of which will not be achieved in this year only.</p>
Commercialisation	0.31 A	<p>The adverse variance of £0.31M relates to unachievable prior year savings targets including the commercialisation general target of £0.23M; the City Lottery Proposal £0.04M and</p>

		the Enhancement of the Salary Sacrifice scheme £0.04M.
Facilities Management	0.22 A	<p>The adverse variance of £0.22M relates to the non-achievement of savings targets for Civic Centre energy controls of £0.09M, cleaning costs of £0.09M, a restructure of the FM team of £0.05M and a reduction in the Civic Centre security costs of £0.02M. In addition to this there is a pressure for the unfunded pay award of £0.01M and minor overspends of £0.06M. This is offset by cost control measures of £0.02M and £0.08M for salary underspends due to vacancies.</p> <p>The adverse forecast movements since Quarter 2 of £0.15M relates to the identification of further unachievable savings of £0.17M and the minor overspends of £0.06M, which is offset by £0.08M of salary underspends.</p>
Highways Contract	0.53 A	<p>The adverse variance of £0.53M relates to a pressure of electricity costs £0.61M for street lighting, unachievable income for 3rd party income from planning applications due to a change in the legislation of £0.21M and the unachievable gain share after offsets of £0.20M. This is offset by backdated indexation for the recharge to the HRA £0.08M, cost control measures of £0.14M for ceasing find and fix, plus a historic rebate also from the find and fix contract £0.12M, pension adjustments to contracts of £0.04M and contract value underspends of £0.11M.</p> <p>The adverse movement since Quarter 2 of £0.67A relates to the electricity cost pressures of £0.61M and the unachievable income of £0.41M. This is offset by the backdated income from the HRA of £0.08M, the pensions adjustments of £0.04M, the rebate for find and fix of £0.12M and the contract underspends of £0.11M.</p>
IT Services	1.71 A	<p>The adverse variance of £1.71M relates to a shortfall in budget for the full salary establishment for the IT service of £0.56M and a capital recharge income pressure of £0.90M. In addition, there is a shortfall in the income from schools of £0.45M and an unachievable prior year savings target of £0.20M. There is also a pressure for the unfunded pay award of £0.08M.</p> <p>This is offset by savings identified of £0.48M, including £0.13M in the telecommunications</p>



		<p>budget and £0.35M for other staffing and IT contract savings.</p> <p>Work is continuing to be undertaken to reduce the deficit position including a review of licences, procurement arrangements and software system duplication. This review is being supported by an external organisation to ensure it can be completed at pace.</p>
Local Taxation & Benefits Services	0.35 A	<p>The adverse variance of £0.35M relates to the non-achievement of prior year savings of £0.16M for the reduction in the cost of collecting Council Tax and Business Rates and a reduction to the bad debt provision. There is also a staffing pressure of £0.04M for the unfunded pay award and pressure for unbudgeted printing and postage of £0.34M. This is offset by forecast staffing savings of £0.05M and New Burdens grant funding of £0.14M.</p> <p>The adverse forecast movements since Quarter 2 of £0.15M relates to the printing and postage pressures and an adverse movement for salaries of £0.05M. This is offset by the New Burdens grant funding of £0.14M.</p>
Pension & Redundancy Costs	0.23 F	<p>The favourable variance of £0.23M relates a saving of £0.23M to realign the pensions budget for compensatory added years (CAY) to reflect future forecast expenditure more accurately.</p>
Supplier Management Services	0.23 F	<p>The favourable variance of £0.23M relates to favourable business as usual staffing variance and changes to the funding for some posts of £0.37M. In addition to this there is a proposed saving of £0.03M for increased recharges to capital and some minor underspends of £0.02M. This is offset by £0.03M for the unfunded pay award and £0.16M of unachievable prior year savings for procurement.</p> <p>The favourable forecast movement since Quarter 2 of £0.09M relates to further underspends on salaries of £0.23M and the minor underspends, offset by the unachievable saving of £0.16M.</p>

### 3. PLACE

#### KEY REVENUE ISSUES – QUARTER 3 2023/24

The Directorate is currently forecast to have a surplus of **£0.52M**, which represents a percentage variance against budget of **1.8%**. The Directorate forecast variance has moved favourably by **£0.99M** from the position reported at quarter 2.

	<b>Budget</b>	<b>Forecast Outturn</b>	<b>Forecast Variance Qtr 3</b>	<b>Forecast Variance Qtr 2</b>	<b>Movement from Qtr 2</b>	<b>% of budget</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	
<b>Directorate Forecast Outturn</b>	<b>28.59</b>	<b>28.07</b>	<b>0.52 F</b>	<b>0.47 A</b>	<b>0.99 F</b>	<b>1.8%</b>

A summary of the Directorate forecast variance and movement since quarter 2 is shown in the table below:

<b>Service Area</b>	<b>Budget</b>	<b>Forecast Outturn</b>	<b>Forecast Variance</b>	<b>Forecast Variance</b>	<b>Variance Movement from Qtr 2</b>
	<b>£M</b>	<b>£M</b>	<b>Qtr 3 £M</b>	<b>Qtr 2 £M</b>	<b>£M</b>
City Services	20.89	20.60	0.29 F	0.15 A	0.44 F
Consumer Protection & Environmental Services	(7.11)	(7.51)	0.40 F	0.23 F	0.17 F
Transport & Planning	5.36	5.77	0.41 A	0.40 A	0.01 A
Corporate Estates & Assets	4.04	3.45	0.59 F	0.23 F	0.36 F
Culture & Tourism	3.99	3.84	0.15 F	0.15 F	0.00
Economic Development & Regeneration	0.88	1.11	0.23 A	0.25 A	0.02 F
Others	0.53	0.80	0.27 A	0.28 A	0.01 F
<b>Total</b>	<b>28.59</b>	<b>28.07</b>	<b>0.52 F</b>	<b>0.47 A</b>	<b>0.99 F</b>

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

Service Area	Forecast Variance Qtr 3 £M	Explanation
City Services	0.29 F	<p>There is a favourable position in Waste of £1.16M from increased income, including the introduction of a new income stream for electricity generation in the Waste disposal contract, the Waste Improvement &amp; Transformation project intentionally being paused in year to generate a saving whilst waiting for guidance from central government, along with a reduction in forecast disposals costs based on the contract inflation for 2024 being lower than previously estimated. This is off-set by adverse forecasts in Fleet and Landscapes of £0.41M from reduced recharge income, District Operating Areas of £0.37M from increased operating costs and unachieved savings and other net pressures of £0.07M.</p> <p>The movement in Quarter 3 is mainly in Waste from increased income, particularly the new income stream for electricity generation from the waste disposal contract, along with a reduction in forecast disposals costs based on the contract inflation for 2024 being lower than previously forecast.</p>
Consumer Protection & Environmental Services	0.40 F	<p>The favourable variance of £0.77M in Parking &amp; Itchen Bridge from new tariffs in city centre car parks generating additional income, along with a wider increase in usage. There are also other net favourable variances of £0.10M mainly from holding vacancies and reducing overtime. This is offset by an adverse variance of £0.32M on Port Health due to reduced income and a back dated business rate liability, and an adverse variance in respect of the Coroners service of £0.15M.</p> <p>The movement in Quarter 3 is from the introduction of the new city centre car park tariffs.</p>
Transport & Planning	0.41 A	<p>There is an adverse variance in Planning of £0.61M due to forecast planning application income being below budget based on past annual trends and estimates for major applications in 2023/24, along with the requirement to fund unbudgeted Local Plan activity undertaken in year. This is off-set by in-year savings in Transportation and Flood Risk Management of £0.20M.</p>

Corporate Estates & Assets	0.59 F	<p>There is a favourable variance from in-year savings to remove vacant posts of £0.48M, along with other action of £0.23M to increase staffing recharges to capital and generate external income through Joint Working Arrangements with other authorities. There is a £0.50M favourable variance on corporate landlord energy costs through better rates. This is off-set by adverse variances on reactive repairs of £0.29M through increase demand and £0.19M on the investment portfolio mainly due to additional legal fees.</p> <p>The movement in the quarter is mainly from action taken to be able to move a previously reported revenue pressure of £0.20M for revetments in Mayflower Park to capital funding.</p>
Economic Development & Regeneration	0.23 A	<p>There is an adverse variance from proposals to enhance the new service to facilitate growth in the City through masterplanning and increasing capacity of the team. The intention is that this additional investment leads to future growth in Council Tax and Business Rate income.</p>
Others	0.27 A	<p>There is a historic unachievable directorate wide saving related to agency staff. This has previously been held centrally and applied to relevant services as part of year process. As part of budget planning this saving is being removed and replaced by service specific proposals to ensure the overall cash limit is achieved.</p>

#### 4. STRATEGY & PERFORMANCE AND CEO

##### KEY REVENUE ISSUES – QUARTER 3 2023/24

The Directorate is currently forecast to have a deficit of **£0.33M**, which represents a percentage variance against budget of **9.1%**. The Directorate forecast variance has moved adversely by **£0.22M** from the position reported at quarter 2.

	<b>Budget</b>	<b>Forecast Outturn</b>	<b>Forecast Variance Qtr 3 £M</b>	<b>Forecast Variance Qtr 2 £M</b>	<b>Movement from Qtr 2 £M</b>	<b>% of budget</b>
	<b>£M</b>	<b>£M</b>				
<b>Directorate Forecast Outturn</b>	<b>3.65</b>	<b>3.98</b>	<b>0.33 A</b>	<b>0.11 A</b>	<b>0.22 A</b>	<b>9.1%</b>

A summary of the Directorate forecast variance and movement since quarter 2 is shown in the table below:

<b>Service Area</b>	<b>Budget</b>	<b>Forecast Outturn</b>	<b>Forecast Variance Qtr 3 £M</b>	<b>Forecast Variance Qtr 2 £M</b>	<b>Variance Movement from Qtr 2 £M</b>
	<b>£M</b>	<b>£M</b>			
Business Development Management Team	0.20	0.20	0.00	0.00	0.00
Corporate Communications	0.93	0.99	0.02 A	0.06 A	0.04 F
Data & Intelligence	0.18	0.19	0.20 A	0.01 A	0.19 A
Projects, Policy & Performance	1.59	1.69	0.16 A	0.10 A	0.06 A
Strategic Management of the Council	0.81	0.76	0.05 F	0.05 F	0.00
<b>Total</b>	<b>3.65</b>	<b>3.98</b>	<b>0.33 A</b>	<b>0.11 A</b>	<b>0.22 A</b>

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

Service Area	Forecast Variance Qtr 3 £M	Explanation
Data & Intelligence	£0.20 A	<p>Data &amp; Intelligence - The adverse variance of £0.20M relates to the non-achievement of prior year savings £0.08M for a review of policy related roles across the organisation which has not resulted in any savings, and unbudgeted staff costs identified following a detailed review of policy and data related roles of £0.24M this is offset by the underspend on posts that form the equal and opposite position in Projects, Policy &amp; Performance this imbalance will be resolved in month 10 of £0.07M plus minor underspends of £0.05M.</p> <p>The adverse movement since quarter 2 of £0.19M relates to the non-achievement of prior year savings of £0.08M for a review of policy related roles across the organisation, unbudgeted staff costs identified following a detailed review of policy and data related roles of £0.24M. This is offset by the underspend on posts that form the equal and opposite position in Projects, Policy &amp; Performance this imbalance will be resolved in month 10 of £0.07M plus minor underspends of £0.06M which had previously been an overspend.</p>

## 5. WELLBEING & HOUSING

### KEY REVENUE ISSUES – QUARTER 3 2023/24

The Directorate is currently forecast to have a deficit of **£3.23M**, which represents a percentage variance against budget of **3.4%**. The Directorate forecast variance has moved favourably by **£0.77M** from the position reported at quarter 2.

	<b>Budget</b>	<b>Forecast Outturn</b>	<b>Forecast Variance Qtr 3</b>	<b>Forecast Variance Qtr 2</b>	<b>Movement from Qtr 2</b>	<b>% of budget</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	
<b>Directorate Forecast Outturn</b>	<b>95.28</b>	<b>98.52</b>	<b>3.23 A</b>	<b>4.01 A</b>	<b>0.77 F</b>	<b>3.4%</b>

A summary of the Directorate forecast variance and movement since quarter 2 is shown in the table below:

<b>Service Area</b>	<b>Budget</b>	<b>Forecast Outturn</b>	<b>Forecast Variance Qtr 3</b>	<b>Forecast Variance Qtr 2</b>	<b>Variance Movement from Qtr 2</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>
Adults - Adult Services Management	1.16	0.90	0.26 F	0.00	0.26 F
Adults - Long Term	45.14	49.16	4.02 A	3.54 A	0.48 A
Adults - Provider Services	4.29	3.85	0.44 F	0.01 A	0.45 F
Adults - Reablement & Hospital Discharge	8.80	8.15	0.65 F	0.20 F	0.45 F
Adults - Safeguarding AMH & OOH	14.02	14.16	0.14 A	0.24 A	0.10 F
Housing Needs	2.96	3.79	0.83 A	0.26 A	0.57 A
ICU - Provider Relationships	14.94	14.74	0.20 F	0.14 A	0.34 F
ICU - System Redesign	1.63	1.62	0.01 F	0.10 A	0.11 F
Public Health	0.18	0.18	0.00	0.00	0.00
Stronger Communities	0.52	0.42	0.10 F	0.09 F	0.01 F
Other	1.64	1.54	0.10 F	0.01 A	0.11 F
<b>Total</b>	<b>95.28</b>	<b>98.52</b>	<b>3.23 A</b>	<b>4.01 A</b>	<b>0.77 F</b>

The SIGNIFICANT issues for the directorate are:

Service Area	Forecast Variance Qtr 3 £M	Explanation
Adult Services Management	0.26 F	There has been a movement of £0.26M since quarter 2 due to a reallocation of staffing costs to the Ambitious Futures project and further analysis of project spend projections for remainder of the financial year of £0.13M, and overall vacancy savings of £0.13M.
Adults - Long Term	4.02 A	<p>As at Quarter 3, there is a forecast £4.02M adverse variance, with £3.33M of this due to the risk of the Adult Social Care adverse financial position increasing through the remainder of the final quarter of the financial year based on previous years' trajectories. However, there are currently various interventions/transformation projects planned to take place in year to reduce the risk of the overspend rising, with the aim of ultimately coming back to the budget - discussions and plans are still being put together for this. There is a forecast £0.96M adverse variance due to increasing cost of care for Learning Disabilities, and a forecast adverse variance of £0.5M due to increasing cost of care within older persons and physical disabilities. There is a £1M increase in the cost of bad debts, and expected cancellations of debt, with this area still undergoing further analysis as debt levels continue to rise. There is also a forecast £0.04M favourable variance due to the difference between the overall budgeted salary cost and pay award uplift and overall vacancy savings. This is partially offset by the receipt from Central Government of £1.68M increased grant for Market Sustainability and Improvement. There is also a £0.05M favourable variance due to smaller variances.</p> <p>There has been a £0.48M adverse movement since quarter 2 due to the increase in bad debt provision of £0.7M because of the high level of arrears and cancellations expected, less overall favourable movement in respect of vacancy savings of £0.12M, partially offset by a £0.1M adverse variance due to smaller variances. Increases in care provision have been offset by reducing the risk forecast.</p>



		Work is ongoing to address debt arrears across the authority and is being picked up through the debt management working group.
Adults – Provider Services	0.44 F	There has been a favourable movement of £0.44M since Quarter 2, which comprises a £0.53M favourable variance at Holcroft House due to revised projections on agency staff and vacancies, a £0.03M removal of recharge funding to Employment Support, which is now funded in 2023/24 only by Public Health and £0.05M due to staff vacancies and purchases. This is partially offset by the £0.07M difference between the budgeted pay award uplift amount and the forecast amount as an outcome of the pay negotiations and £0.10M at Kentish Rd respite centre due to projected agency costs to support additional 1:1 support and 2:1 support for complex clients.
Adults - Reablement & Hospital Discharge	0.65 F	As at Quarter 3, there is a forecast £0.65M favourable variance due to a favourable £0.20M saving commitment against agency spend, a £0.20M favourable variance relating to staff vacancies and agency contracts ending earlier than originally forecast, and £0.25M application of winter grant funding.  The £0.45M favourable movement since Quarter 2 relates to the application of winter grant funding of £0.25M and a £0.2M favourable movement in staff vacancies and agency contracts ending earlier than originally forecast.
Adults - Safeguarding AMH & OOH	0.14 A	As at Quarter 3, there is a forecast £0.14M adverse variance due to a £0.56M cost of packages of care, an £0.04M adverse variance due to the difference between the budgeted pay award uplift amount and the forecast amount as an outcome of the pay negotiations, partly offset by a £0.46M favourable variance due to vacant posts and delays in recruitment for Deprivation Of Living Standards (DOLS) and Best Interest Assessors (BIA).  There has been a £0.10M favourable movement since quarter 2 due to an increase of £0.17M in vacancy management in recruitment for DOLS and BIA assessors due to challenges relating to filling posts under existing terms and conditions, partially offset by an adverse variance on the cost of packages of care of £0.07M.

		Work is ongoing to review and ensure care packages are proportionate to need to help mitigate against the overspend.
Housing Needs	0.83 A	<p>As at Quarter 3, there is an adverse pressure which relates to anticipated temporary accommodation costs for 2023/24 of £1.16M. Homelessness levels have increased by over 150% since January 2023, putting pressure on temporary accommodation and irrecoverable housing benefit costs. This is partially offset by the use of Public Health grant to contribute to homelessness prevention measures of £0.18M, and additional funding for the Homes to Ukraine scheme of £0.15M.</p> <p>The movement since Quarter 2 is due to an increase in homelessness pressures of £0.9M, partially offset by the movements in Public Health of £0.18M and Homes for Ukraine funding of £0.15M.</p>
ICU - Provider Relationships	0.20 F	<p>As at Quarter 3, there is a forecast £0.20M favourable variance due to contract review savings having been finalised, and noting that some of the savings already identified are only for the current financial year. This has been reflected in the MTFS.</p> <p>There has been a £0.34M favourable movement since quarter 2 due to additional in year contract savings being identified.</p>

## **6. CENTRALLY HELD BUDGETS**

### **KEY REVENUE ISSUES – QUARTER 3 2023/24**

Centrally held budgets are currently forecast to have a surplus of **£0.15M**, which represents a percentage variance against budget of **0.1%**. The forecast variance has moved adversely by **£0.40M** from the position reported at quarter 2.

	<b>Budget</b>	<b>Forecast Outturn</b>	<b>Forecast Variance Qtr 3</b>	<b>Forecast Variance Qtr 2</b>	<b>Movement from Qtr 2</b>	<b>% of budget</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	
<b>Centrally Held Budgets Forecast Outturn</b>	<b>(230.77)</b>	<b>(230.92)</b>	<b>0.15 F</b>	<b>0.55 F</b>	<b>0.40 A</b>	<b>0.1%</b>

A summary of the centrally held budgets forecast variances and movement since quarter 2 is shown in the table below:

<b>Service Area</b>	<b>Budget</b>	<b>Forecast Outturn</b>	<b>Forecast Variance Qtr 3</b>	<b>Forecast Variance Qtr 2</b>	<b>Variance Movement from Qtr 2</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>
Levies & Contributions	0.09	0.09	0.01 A	0.01 A	0.00
Capital Asset Management	9.86	9.75	0.11 F	0.11 F	0.00
Other Expenditure & Income	(19.14)	(18.75)	0.39 A	0.01 F	0.40 A
Council Tax	(115.51)	(115.51)	0.00	0.00	0.00
Business Rates	(49.14)	(49.14)	0.00	0.00	0.00
Non-Specific Government Grants & Other Funding	(56.93)	(57.36)	0.43 F	0.43 F	0.00
<b>Total</b>	<b>(230.77)</b>	<b>(230.92)</b>	<b>0.15 F</b>	<b>0.55 F</b>	<b>0.40 A</b>

**The SIGNIFICANT issues for centrally held budgets are:**

<b>Service Area</b>	<b>Forecast Variance Qtr 3</b>	<b>Explanation</b>
	<b>£M</b>	
Other Expenditure & Income	0.39 A	A contribution of £0.40M has been made to the Investment Risk Reserve to provide cover for a

		<p>potential reduction in the valuation of the pooled property investment which would be a charge to the revenue budget in 2025/26 when the statutory override to not charge valuation changes to revenue until the investment is disposed ceases at the end of 2024/25. Further contributions to reserve of £0.40M in 2024/25 and 2025/26 are planned. This is offset by £0.01M favourable variance from unallocated receipts.</p> <p>The movement since Quarter 2 relates to the contribution to reserves.</p>
Non-Specific Government Grants & Other Funding	0.43 F	Increase in Top-Up Grant for update of 2023 Business Rates Revaluation adjustment to reflect 2022/23 outturn for business rates.